

# Instructions for Form IT-11

## Employer's Quarterly Return of City Tax Withheld

The Columbus Income Tax Division administers the municipal income tax for the municipalities listed on Form IT-11. Employers have a legal duty to withhold and remit City tax to the municipalities in which their employees work. Employees may also have a liability to the municipality in which they reside. If the credit allowed by the employee's city of residence for tax paid to the city of employment is less than the employee's liability to the city in which the employee resides, the employee will either have to have the employer withhold the additional tax due to the city of residence, or make estimated tax payments to the city of residence. Form IT-11 provides for reporting and remitting the tax due to the city of employment and, if applicable, any additional tax due to the employee's city of residence (on the alternate city line).

### Who Must File?

If during a quarter, you have one or more employees performing work or services in any of the municipalities listed on Form IT-11 (including field employees reporting to an office located in a city not listed on Form IT-11), you must withhold and file a return (Form IT-11). See "Remitting the Tax" below to determine when you are responsible for remitting withheld taxes.

### Remitting the Tax

You must remit the tax withheld monthly using Form IT-15 if you withheld more than \$2,400 last year or withheld more than \$200 during any month of the prior quarter. You must remit the tax withheld semimonthly using Form IT-15 if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in the preceding calendar year exceeded eleven thousand nine hundred ninety-nine dollars (\$11,999), or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar year exceeded one thousand dollars (\$1,000). All others should remit the tax quarterly with their IT-11's. See "Penalty Due" below for information on calculating the penalty for remitting the tax late.

### Due Date of Form IT-11

Employers are required to file Form IT-11 on or before the last day of the month following the close of each calendar quarter. If you temporarily discontinue paying wages but anticipate future wages, you must nevertheless file a return. If you no longer expect to pay wages subject to the tax reportable on this form, you must file a "FINAL RETURN". If at some future date you resume paying wages subject to municipal tax, notify this office to receive the proper forms. Pre-encoded forms are

mailed at the end of each quarter. Failure to receive the required form does not relieve you of your obligation to file timely.

### Collection and Filing Responsibility

Employers are liable for the tax required to be withheld even if the employer fails to withhold the tax. Officers of a corporation are personally liable for the failure to remit the tax required to be withheld whether or not the tax was withheld. Dissolution of a corporation does not discharge an officer's liability for a failure of the corporation to remit the tax due.

### Specific Instructions - Read Carefully

**CITIES:** Use city lines marked "alt" for reporting any residential tax due to these cities. The other city lines are used for reporting tax due on wages earned within the listed cities limits, and, in the case of Harrisburg, all city tax due.

**QUALIFIED WAGES:** Effective January 1, 2004, Ohio municipalities must assess payroll withholding tax on "qualifying wages" as defined in §718.03(A) of the Ohio Revised Code. In general "qualifying wages" are Medicare wages reduced by any Section 125 cafeteria plan amounts included in Medicare wages, such as adoption assistance (if offered) or cash (if employees can choose cash as one of the plan benefits). Employee deferrals into a 401(k) remain taxable for city purposes even if offered through a Section 125 cafeteria plan. If you have any employees that are exempt from Medicare taxes, you must calculate their "qualifying wages" as if they were subject to Medicare taxes. The IRS requires, but currently does not enforce, the inclusion of incentive stock option and employee stock purchase plan option income in Medicare wages. You must comply with the IRS requirements regarding these types of stock option income when calculating "qualifying wages" based on Medicare wages. Please consult your tax advisor regarding your specific compensation program and its effect on calculating "qualifying wages". "Qualifying wages" can differ slightly between municipalities with regard to the treatment of stock option income and non-qualified deferred compensation, so the above method of calculating "qualifying wages" may not be applicable to municipalities outside the Columbus Collection Group.

**TAX RATE:** Do not withhold at a rate greater than the pre-encoded rate even at the request of the employee.

**TAX DUE:** Enter tax due (multiply Qualifying Wages by Tax Rate for each applicable city).

**PENALTY DUE:** The penalty due for late payment of the tax is 50% of the unpaid tax.

**INTEREST DUE:** All taxes due to Columbus and all municipalities listed for which Columbus administers the tax remaining unpaid after they become due are subject to interest at the rate of .5% per month.

**LATE CHARGE:** The late filing charge is \$25.00 per city per month up to a maximum of \$150.00 per city. You will be assessed late charges even when no tax is due.

**LESS PRIOR PAYMENT:** Enter required monthly or semimonthly deposits remitted for the quarter and overpayments (credits) from prior quarters. If claiming an overpayment from a prior quarter, attach a letter requesting the overpayment be transferred to this quarter.

**NET DUE:** Enter Net Due (Total Due less Prior Payments). Amount due indicated in this column must be paid with the return. If an amount due is indicated, pay this amount with the return. (Please do not remit amounts less than \$1.00).