



2011 INCOME TAX NEWSLETTER



City of Columbus, Income Tax Division, 50 West Gay St., 4th Floor, Columbus, OH 43215
www.columbustax.net 614.645.7370

December 2011

COLUMBUS CITY TAX PACKETS ARE AVAILABLE...

Studies have demonstrated that only 8–10% of the personalized, pre-encoded tax returns mailed to the taxpayers each year are actually used. Instead, taxpayers are submitting city tax returns that they have either downloaded from the Columbus Income Tax website or have received from their tax preparer. In an effort to cut-down on waste of our precious resources (paper, postage, etc), the Income Tax Division will no longer automatically mail income tax packets to every active individual or business account on file. All city tax forms and instructions for Columbus and all communities

administered by Columbus are still available at the following locations:

- www.columbustax.net
- approved software vendors (see our website)
- The Division of Income Tax request line (614)645–2829 for business returns and (614)724– 8297 for individual returns – Call at your convenience. These lines are operational 24/7.

ALTERNATE CITY TAX DUE FOR CITY OF COLUMBUS RESIDENTS

Effective October 1, 2009, the income tax rate for the City of Columbus increased from 2% to 2.5%. Due to this increase, many Columbus residents working in communities having a lower tax rate now have an obligation to file a return with and pay additional tax to Columbus. The Division of Income Tax encourages employers located outside the City of Columbus to withhold, as a courtesy, any additional local tax owed by employees due to their residence. This courtesy withholding of additional tax due to the City of Columbus may eliminate the employee's obligation to file a Columbus return so long as they have no other taxable income. Columbus residents who do not have this alternate city tax withheld as a courtesy may be subject to audit.

FILING FORMAT FOR W-2 DATA VIA MAGNETIC MEDIA

It is important for employers to realize that commencing with tax year 2004 there have been significant changes in the requirements for withholding local tax on employee wages. The Ohio General Assembly passed House Bill 95 in July of 2003, effective January 1, 2004, mandating that all Ohio municipalities assess payroll withholding taxes on "Qualifying Wages" as defined by §718.03 of the Ohio Revised Code. Please see our web site at www.columbustax.net for the details of the "Safe Harbor" rule for "Qualifying Wages" and for proper filing format using Magnetic media. For tax year 2012, only filings received on floppy diskette, CD-ROM or USB flash drive will be accepted.

Please review our current year magnetic media requirements for proper compliance.

DUE DATE FOR YEAR END RECONCILIATION FORM IT-13

Ohio Revised Code Section 718.05 establishes the due date for filing the completed Form IT-13 Year End Reconciliation is on the due date for the Internal Revenue Service filing. The due date for IRS Form W-3 Transmittal of Wage and Tax Statements is February 29, 2012. For Year End Reconciliations to be filed for tax year 2011 the due date is February 29, 2012.

YEAR 2011 INTEREST RATE

For 2011, the interest rate used by Columbus, Brice, Harrisburg and Marble Cliff is 3% per annum. The interest rate for all other municipalities administered continues to be 18%.

EMANCIPATION DAY AND TAX SEASON 2012

For Tax Season 2012, the due date for the 1040 family of returns for 2011 is April 17, 2012. Although April 15 falls on a Sunday in Tax Season 2012, Washington, D.C. will observe the Emancipation Day holiday on Monday April 16.

Emancipation Day, a legal holiday in D.C., is observed annually on April 16. Under D.C. statutes, if a legal holiday falls on a Sunday, the holiday is observed the succeeding non-holiday day.

Under §7503 of the IRC, when the last day for "performing any act" falls on a Saturday, Sunday, or legal holiday, the performance of that act is considered timely if it is performed on the next succeeding day which does not fall on a weekend or legal holiday. "Legal holiday" for this purpose includes a legal holiday in Washington, D.C. Thus Individual tax returns and all returns that are normally due on April 15 will be considered timely filed if they are in fact filed on or before April 17, 2012.

MANDATORY FILING FOR THE VILLAGE OF MARBLE CLIFF

Effective for tax year 2011, those residents of the Village of Marble Cliff not exempt from filing and paying local tax are required to file an individual return with the Division. Village residents under the age of 18 or having income solely derived from pension income or military pay should call or request Form EX-1 or visit our website at www.columbustax.net.

E-MAIL WEB ALERTS

Periodically, e-mail web alerts will be sent to those taxpayers or preparers who have subscribed on our web site and have requested to be notified when important tax changes or information releases are made by the Division. Please see our website at www.columbustax.net for our Homepage Features to subscribe.

TAXPAYER ASSISTANCE AND QUESTIONS

Taxpayers who have a filing requirement and have not had their returns professionally prepared may come to the Division of Income Tax and have an audit staff member prepare their city return without charge. Local forms, Federal forms and schedules are required to complete a return. For other taxpayer assistance or questions please use the following phone list:

Tax Forms Request Line (24/7)	
Business Form	(614) 645-2829
Individual Form	(614) 724-8297
Business Accounts	(614) 645-8328
Business Withholding	(614) 645-8368
Delinquent Collections	(614) 645-8152
Hotel/Motel Tax	(614) 645-7865
Individual Section	(614) 645-7646
New Accounts	(614) 645-7374
Local address searches	(614) 645-7405

EXTENSION OF FILING DATES

Extensions of up to six months for filing forms IR-22, IR-25, and BR-25 may be granted on or before the original due date of the return being extended. Extensions of up to one month are permitted for filing Form IT-13 (Annual Reconciliation of Tax Withheld). The postmark date will be used to determine compliance with this extension policy. Copies of federal extension forms or client extension lists from practitioners will be accepted. If a client list is submitted, do not include information for clients not subject to Columbus income tax or the income tax of any of its contract communities. Practitioners are encouraged to use our E-File/E-Pay system for filing of lists of those on extension. All extension requests must contain the taxpayer's name, address, EIN/SSN and the length of the extension period requested. Due dates for the filing of City tax forms IR-21 and BR-21 (Declaration of Estimated Tax) and IT-11 (Quarterly Return of Tax Withheld) may not be extended.

HOW DOES AN EMPLOYER VERIFY THE RESIDENTIAL ADDRESSES OF ITS EMPLOYEES?

Keep in mind that a postal address reflects only the postal service branch out of which mail is delivered and has no basis in the actual jurisdiction within which the address is located. Employers and taxpayers or their representatives are encouraged to verify locations and taxation districts of addresses for individuals, employees and properties. For 1 to 10 addresses please call the Division at (614) 645-7370. For requests that require searching more than ten (10) addresses and a file size less than 2 MB, submit via e-mail a list in the Excel layout designated on our website, www.columbusnet.net, under Address Search. For a file size larger than 2 MB, files must be burned to CD and mailed to the Division. Please see our website for detailed instructions.

MAILING ADDRESS TO BE USED IN 2012

Individual and Business returns with payments:

City Treasurer
PO Box 182158
Columbus, Ohio 43218-2158

Individual or Business refund requests or filings without payment:

City Treasurer
PO Box 182437
Columbus, Ohio 43218-2437

Withholding returns and payments:

City Treasurer
PO Box 182489
Columbus, Ohio 43218-2489

General and Certified Mail correspondence:

Columbus Income Tax Division
50 W Gay Street, 4th Floor
Columbus, Ohio 43215-9037

COLUMBUS TAXATION OF CONTRIBUTIONS TO NON-QUALIFIED DEFERRAL PLANS

Prior to January 1, 2004 Columbus tax was not imposed upon employers' contributions to non-qualified deferred compensation plans (SERPs, etc.) at the time of contribution. Distributions from these plans were taxed in the year of distribution to the city where the income was originally earned. **Contributions to non-qualified plans on or after January 1, 2004 are subject to the Columbus tax at the time these contributions are included in "Qualifying Wages" as defined in §718.03 of the Ohio Revised Code.** In light of the tax being paid at the time of contribution, distributions from non-qualified plans will not be taxed.

INCOME TAX DIVISION
50 W. Gay Street, 4th Floor
Columbus, Ohio 43215-9037

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