

INCOME TAX DIVISION
New Employer Information

Thank you for choosing to do business in Waverly. 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 have additional tax due to the city of residence and may be required to pay estimated tax payments to the city of residence. To apply for a city tax account complete and submit a Request for Municipal Income Tax Account form to our office by mail to: City of Waverly Tax Division P.O. Box 48 Waverly, OH 45690 or fax to our office at 740.947.8177 or by email incometax@cityofwaverly.net

Who Must File

If during a quarter, you have one or more employees performing work or services, you must withholding 1% of the employees gross wages and file a withholding form. 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 the monthly withholding form if you withheld more than \$2400 last year or withheld more than \$200 during any month of the prior quarter. All others should remit the tax quarterly using the quarterly withholding form. WAVERLY DOES NOT ACCEPT SEMIMONTHLY PAYMENTS AT THIS TIME. See "Penalty Due" below for information on calculating the penalty for remitting tax late.

Due Date of Form

Employers are required to file quarterly withholdings on or before the last day of the month following the close of each calendar quarter. Monthly withholdings are due the 15th of the following month. If you temporarily discontinue paying wages but anticipate future wages, you must nevertheless file a return to report ZERO withholdings. If you no longer expect to pay wages subject to the tax, you must file a 'FINAL RETURN'. If at some future date you resume paying wages subject to municipal tax, notify our office to receive the proper forms. Pre-encoded forms are mailed when the account is established for the current year. Forms for the new year will be mail each January. Failure to receive the required forms does not relieve your of your obligations to file timely. Forms are also available on our website.

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.

QUALIFIED WAGES: Effective January 2, 2004, Ohio municipalities must assess payroll withholding tax on "qualifying wages" as defined in ORC 718.03(A). 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 employee 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. Please consult your tax advisor regarding your specific compensation program and its effect of calculating "qualifying wages".

Instructions for Completing Withholding Form(s)

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

TAX DUE: Enter taxes due (Multiply Qualify Wages by the tax rate of 1%)

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

INTEREST DUE: Unpaid taxes after they become due are subject to interest at the rate of:

2016	2017	2018	2019
.42% per month	.50% per month	.50% per month	.58% per month

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

LESS PRIOR PAYMENT: If claiming an overpayment, attach a letter requesting the overpayment be transferred to the period.

NET DUE: Enter Net Due – Total Due less prior payment. Amount due must be paid with the return.

All of our tax forms are available on our website. Please feel free to contact our office in you have any questions regarding your filing requirements.