



INCOME TAX BUREAU  
City of Heath  
1287 Hebron Rd.  
Heath, OH 43056-1096

IMPORTANT TAX INFORMATION

## **EMPLOYER MUNICIPAL WITHHOLDING BOOKLET**

## IMPORTANT TAX UPDATE – PLEASE READ IMMEDIATELY

### *Municipal Qualifying Wages for Withholding*

Effective Date: January 1, 2004 – Ohio Revised Code Sec. 718.03

#### Medicare Wages

An employer is required to withhold only on “qualifying wages,” which are wages as defined in Internal Revenue Code Section 3121(a), generally the Medicare Wage Box of the Form W-2.

- **Medicare Exempt Employees** - are subject to the requirements for “qualifying wages” in the Medicare Wage Box of the Form W-2 even though that box will remain blank.
- **Cafeteria Plans** - IRC Section 125 wages are not included in the definition of Medicare wages and do not need to be deducted from the Medicare Wage Box.
- **401(k), 457 and Supplemental Unemployment Compensation Benefits** - These items should all be included in the Medicare Wage Box and are subject to withholding requirements.
- **Nonqualified Deferred Compensation Plan** - Income from nonqualified plans is included in the definition of “qualifying wages” at the time the income is deferred and is subject to withholding requirements.
- **Stock Options** - Income from the exercise of stock options is included in the definition of “qualifying wages” and is subject to withholding requirements.
- **Disqualifying Disposition of an Incentive Stock Option** - Employer is not required to withhold, but the income is considered “qualifying wages” and the recipient is liable for the tax.

**Note:** As an employer, if the Medicare Wage Box is not the largest wage figure on the W-2 form, a written explanation will be required.

## INSTRUCTIONS FOR PREPARING AND FILING FORM WH

### Who Must File:

Any employer within or doing business within the City of Heath, Ohio who employs one or more persons is required to withhold the tax of (1.50%) from all compensation paid, accrued or set apart to the employee, and to file Form WH and remit tax to the Heath Income Tax Bureau.

### Deposit Requirements:

Quarterly - If tax withheld or required to be withheld is less than \$100 per month, remittance is due by the last day of the month following the end of a quarterly period.

Monthly - If more than \$100 is withheld or required to be withheld, remittance is due by the last day of the following month. Any employer within the City of Heath on a temporary basis (1 year or less) is also required to remit withholding deposits monthly.

### Failure to File Return and Pay Tax:

All taxes, including taxes withheld or required to be withheld from wages by an employer, and remaining unpaid after they become due shall bear interest on the amount of the unpaid tax at the rate of one and one half percent (1.5%) per month (or fractional part thereof) and a late payment penalty of five percent (5.0%) per month (or fractional part thereof) to a maximum of 100% of the tax due. The failure to receive a withholding deposit form shall not excuse an employer from making a return and depositing the taxes withheld.

### How to Prepare This Form:

Line 1 - Enter taxable gross compensation paid or accrued by all employees subject to Heath City tax during the period for which the return is made. If no compensation was paid during the period so indicate and return Form WH. Respond to questions following Line 1, if applicable.

Line 2 - Enter actual tax withheld or required to be withheld during the period for which the return is made and indicate percentage rate used.

Line 3 - Adjust current payment of actual tax withheld for under payment or over payment in previous period. Attach explanation if necessary.

Line 4 & 5 - See instructions under Failure to File Return and Pay Tax.

Line 6 - Enter total amount to be remitted.

NOTE: FOR COMPLETE DETAILS OF EMPLOYER REQUIREMENTS YOU MAY REQUEST A COPY OF THE TAX ORDINANCE FOR THE CITY OF HEATH.

**CITY OF HEATH OHIO, EMPLOYER'S RETURN OF TAX WITHHELD**

AMENDED

Return with Payment

	DOLLARS	CENTS
1. Taxable Earnings paid all Employees subject to City of Heath, Ohio, 1.50% (.0150) Income Tax Is this a courtesy withholding? <input type="checkbox"/> YES Is this a final return? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, attach explanation	1. \$	
2. Actual Tax Withheld in month/quarter for City Income Tax _____ 1.50% _____ .25% _____ Both	2. \$	
3. Adjustment of Tax for prior quarter (see instructions)	3. \$	
4. Penalty (5% per month – max 100%) _____	4. \$	
5. Interest (1.5% per month) _____	5. \$	
6. Total – (Lines 2-5)	6. \$	

I hereby certify that the information and statements contained herein are true and correct.

(Signed) \_\_\_\_\_

(Official Title) \_\_\_\_\_

Date

Federal ID no. \_\_\_\_\_

Phone no. ( \_\_\_\_\_ ) \_\_\_\_\_

**THIS RETURN MUST BE FILED  
ON OR BEFORE THE DUE DATE SHOWN BELOW  
MAKE CHECK OR MONEY ORDER PAYABLE TO:  
CITY OF HEATH**

NAME AND ADDRESS

FOR THE PERIOD ENDING

DUE ON OR BEFORE

**MAIL TO:  
INCOME TAX BUREAU  
CITY OF HEATH  
1287 HEBRON RD.  
HEATH OHIO 43056-1096  
TELEPHONE (740) 522-3427**

Notify the Income Tax Bureau promptly of any change in ownership or name and address shown above.

If receipt is desired, submit additional copy and enclose self-addressed, stamped envelope.

## **GENERAL INFORMATION**

On or before the last day of February of each year, each employer must file a withholding reconciliation on the City of Heath Form WH-R. Copies of all W-2 forms applicable to the reconciliation must be attached. All W-2's must furnish the name, address, social security number, gross wages, city tax withheld, name of city for which tax was withheld, and any other compensation paid to the individual. If copies of the W-2 forms are not available, each employer must provide a listing of all employees subject to Heath tax. The listing shall require the same type of information as is required of the W-2 form.

Any individual(s) or business entity compensating individuals on a commission or contract labor basis must furnish copies of the 1099 or appropriate earning statement on or before the last day of February of each year. All 1099's or earnings statements shall require the same type of information as is required on the W-2 forms as stated above.

## **SPECIFIC FILING INFORMATION**

The front of the Form WH-R must show a breakdown of all withholding payments made either quarterly or monthly in the boxes provided. Sections 1, 2, 3, 4 and 5 must be completed. The total tax paid should be equal to 1.50% (or the reduced courtesy withholding rate) of box 1. The completed Form WH-R and all attachments must be submitted to the Heath Income Tax Bureau, City of Heath, 1287 Hebron Rd., Heath, Ohio 43056-1096 on or before February 28 of each year. Failure to file Form WH-R with attachments by February 28 each year will result in a penalty of \$25. Any questions in completing the Form WH-R should be referred to the Income Tax Bureau at (740) 522-3427.

**CITY OF HEATH ANNUAL RECONCILIATION  
 SUBMIT BY FEBRUARY 28, 2005 W-2'S MUST BE ATTACHED**

**MAIL TO: INCOME TAX BUREAU  
 CITY OF HEATH  
 1287 HEBRON RD.  
 HEATH, OHIO 43056-1096**

**PHONE: (740) 522-3427**

**FOR TAX YEAR ENDING: \_\_\_\_\_**

**PAYMENT ENCLOSED**

**REFUND REQUESTED**

**NAME:** \_\_\_\_\_

**Form WH-R**

JANUARY	JULY
FEBRUARY	AUGUST
MARCH	SEPTEMBER
1ST QUARTER	3RD QUARTER
APRIL	OCTOBER
MAY	NOVEMBER
JUNE	DECEMBER
2ND QUARTER	4TH QUARTER

<b>ALL SECTIONS MUST BE COMPLETED</b>	
1. TOTAL HEATH W-2'S	# _____
2. HEATH WAGES SUBJECT TO WITHHOLDING TAX	\$ _____
3. AMOUNT OF HEATH TAX WITHHELD	\$ _____
4. ADJUSTMENT WITH THIS RETURN	\$ _____
5. TOTAL HEATH TAX PAID	\$ _____

I hereby certify that the information and statements contained herein are true and correct.

Signed \_\_\_\_\_ Title \_\_\_\_\_

Fed. ID No. \_\_\_\_\_ Date \_\_\_\_\_

Phone No. (\_\_\_\_\_) \_\_\_\_\_

## Withholding Tax Worksheet

(Keep for your records – Do not file)

<u>Month Ending</u>	<u>Due Date</u>	<u>Check #</u>	<u>Date</u>	<u>Amount</u>
1/31	2/29	_____	_____	_____
2/29	3/31	_____	_____	_____
3/31	4/30	_____	_____	_____
4/30	5/31	_____	_____	_____
5/31	6/30	_____	_____	_____
6/30	7/31	_____	_____	_____

## Withholding Tax Worksheet

(Keep for your records – Do not file)

<u>Month Ending</u>	<u>Due Date</u>	<u>Check #</u>	<u>Date</u>	<u>Amount</u>
7/31	8/31	_____	_____	_____
8/31	9/30	_____	_____	_____
9/30	10/31	_____	_____	_____
10/31	11/30	_____	_____	_____
11/30	12/31	_____	_____	_____
12/31	1/31	_____	_____	_____