

IMPORTANT CITY INCOME TAX CHANGES FOR 2004

Change to Definition of “Taxable Wages” and other Clarifications

In June of 2003, The Ohio State Legislature amended the portion of state law that governs municipal income tax collections. Some of these provisions are changes to North Ridgeville’s current procedures, others are not.

- 1) Section 125 (cafeteria plan) contributions will be exempt from municipal taxation, beginning with the first payroll in 2004.
- 2) All Deferred Compensation (both qualified and nonqualified) is taxed when earned.
- 3) Supplemental Unemployment (SUB and SUCB) payments are taxable, and the employer is responsible for the collection and payment of this tax.
- 4) Income from the exercise of stock options is taxable and subject to withholding requirements.

PREPARING AND FILING FORM W1

Enclosed is the information and forms needed to prepare and file employer's MONTHLY or QUARTERLY returns of tax withheld. This booklet contains a form for each calendar month or quarter to be returned to the North Ridgeville Income Tax Department.

WHO MUST FILE:

Each employer within, or doing business within, the City of North Ridgeville who employs one or more persons is required to withhold City income tax of 1% from all wages, salaries, commissions, bonuses and other compensation paid employees and to file Form W1 and remit tax to the North Ridgeville Income Tax Department.

DUE DATES:

Monthly returns are required if withholding tax exceeds \$100.00 per month and are due by the last day of the next month. **Quarterly** returns are required of all other employers and are due by the last day of the next month.

PENALTIES and INTEREST:

Any unpaid taxes are subject to penalty and interest charges as follows:

Penalty – 10% per month (Minimum \$25.00)

Interest – 1% per month

Instructions to prepare Form W1:

Line 1 – Total salaries, wages, commissions, bonuses and other compensation paid all taxable employees during period for which return is made. If no compensation is paid during the quarter mark “none” and return Form W1.

Line 2 – Enter tax withheld or required to be withheld during the period for which the return is made.

Line 3 – Adjust current payment of actual tax withheld for underpayment or overpayment in previous period. Attach explanation.

Line 4 – If payment/return is past due, enter 10% of the amount of Line 2 per month. Minimum \$25.00, whichever is greater.

Line 5 – If payment/return is past due, enter 1% of the amount of Line 2 for each month past due.

Line 6 – Enter total to be remitted.

Payments received after the due date or post-marked after the due date are subject to penalty and interest charges.

CITY OF NORTH RIDGEVILLE, OHIO, EMPLOYER'S RETURN OF TAX WITHHELD

FORM W1

		DOLLARS	CENTS
1. Taxable Earnings paid all Employees subject to City of North Ridgeville Income Tax			
Is this a courtesy withholding? <input type="checkbox"/> YES	1.	\$	
2. Tax Withheld in month/quarter – 1%	2.	\$	
3. Adjustment	3.	\$	
4. Penalty (10% per month – Minimum \$25.00) _____	4.	\$	
5. Interest (1% per month) _____	5.	\$	
6. Total	6.	\$	

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

Signature _____

Title _____

Date

Federal ID no. _____

Phone no. (_____) _____

NAME AND ADDRESS

FOR THE PERIOD ENDING

DUE ON OR BEFORE

THIS RETURN MUST BE FILED/PAID ON OR BEFORE THE DUE DATE SHOWN BELOW TO AVOID PENALTY

**MAKE CHECK OR MONEY ORDER PAYABLE TO:
NORTH RIDGEVILLE TAX DEPARTMENT**

**MAIL TO:
NORTH RIDGEVILLE
INCOME TAX DEPT.
7307 AVON BELDEN RD.
NORTH RIDGEVILLE, OH 44039
(440) 353-0846**

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