



# Tax Practitioner Seminar

January 27, 2017

## Taxable Income Changes - Individual Filers



### Lottery and Gambling Winnings

- **Lottery and gambling winnings** reported on a W-2-G are taxable in all municipalities.
- **Report** lottery and gambling winnings in Section A of the RITA Form 37 with other W-2 income.
- **Gambling losses** may not offset gambling winnings unless the taxpayer is a professional gambler per IRS regulations.

## Clergy Wages

- **Clergy wages** are taxable whether appearing in Box 5 of the W-2 or not.
- **A specific addition** to “qualifying wages” has been adopted with HB 5 to capture clergy wages that are not subject to Medicare.
- **This addition** applies for tax years beginning on or after January 1, 2016.

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## Form 2106 Business Expenses

- **All municipalities** must allow individuals to deduct employee business expenses:
  - ❖ **Reported on** the individual’s Form 2106;
  - ❖ **That the individual deducted** for federal income tax purposes; and
  - ❖ **Subject to the limitation** imposed by Section 67 of the Internal Revenue Code (2% of federal adjusted gross income).
- **Taxpayers must provide** federal Schedule A and Form 2106 for consideration at the municipal level.
- **See R.C. 718.01(A)(2).**

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## Third Party Sick Pay

- **Third party sick pay** (short-term disability paid by a third party) is exempt from tax whether included in Box 5 of the W-2 or not.
  - ❖ **Pre-HB 5**, third party sick pay included in Box 5 of the W-2 was taxable to the recipient, but not subject to withholding by the payer.
  - ❖ **HB 5** provided a new specific deduction from the definition of “qualifying wages”, resulting in this income being exempt from tax even if it appears in Box 5 of the W-2.

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## Age Exemptions

- **Age exemptions** for taxpayers are still determined by municipal ordinance.
  - ❖ **See the Special Notes** for each municipality on the RITA website to determine any age exemptions.
  - ❖ **Some municipalities made a change** from pre-HB 5 age exemptions – **do not assume treatment is the same after January 1, 2016** – check RITA’s website or municipal ordinances for treatment.
  - ❖ **Most all special rules/exemptions** related to students, senior citizens, etc., are no longer in place – refer to RITA Special Notes or municipal ordinances.

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## Deferred Compensation, SERPs, Stock Options

- **Tax treatment** of these items is still determined by municipal ordinance.
- See each **RITA municipality's Special Notes** to determine municipal treatment of these items.
- **Do not assume pre-HB 5 treatment continues** – some RITA municipalities have newly exempted this income and some have eliminated previous exemptions.

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## Real Estate Commissions

- **Commissions received by a real estate agent or broker** from the sale or lease of real property are to be situated to the **location of the property** sold or leased.
- Net profit of the agent or broker is to be **allocated** based upon a ratio of the commissions received from property in the municipal corporation to commissions received from property everywhere.
- **Individual residents** with net profit from real estate activity **must report net profit from all real estate activity**, subject to any credit available for tax paid to other municipalities.
- **See R.C. 718.02(F).**

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## Publicly Traded Partnerships

- A **publicly traded partnership (PTP)** is any partnership an interest in which is regularly traded on an established securities exchange. Cedar Fair is an example.
- R.C. 718.01(D)(4) allows a **PTP subject to tax on its net profits in at least one Ohio municipality** to make an election to be treated as a C-corporation for purposes of the income that passes through to its owners.
- If the PTP makes this election, the net profit of the PTP that passes through to the owners **is not subject to tax in the owners' residence municipality** as pass-through income.

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## RESIDENT BUSINESS INCOME & LOSS OFFSETS

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## Resident Business Income & Loss Offsets

- Allows for current year offsetting of all business income and losses of residents of taxing municipalities only for residence tax purposes.
  - ❖ i.e. All business income & losses are in “one bucket” for offsetting purposes.
- Includes Schedule C, E & F owned by the resident.

## Resident Business Income & Loss Offsets

- Includes pass-through income & losses of the resident.
- S Corporation limitations for residence tax purposes still apply – income or losses of S corporations do not flow to an owner unless the owner lives in a municipality that voted in 2003 or 2004 to permit taxation of S corporation owners.



## Resident Business Income & Loss Offsets

- **Net “Business Bucket Losses” cannot offset Qualifying Wages.**
  - ❖ NOL CF & Phase-in Provisions apply when net total “Business Activity Bucket” is loss.
  - ❖ NOL CF cannot offset Qualifying Wages.
  
- **Does not apply to business income earned by non-residents in non-resident municipality.**
  - ❖ Non-residents must file and pay on business income (typically Schedule C, E & F income) in municipality where income is earned.
  - ❖ NOL CF & Phase-in Provisions apply.



## Taxable Income Changes – Business Net Profit Filers

# Adjusted Federal Taxable Income (AFTI)

- When **calculating AFTI**, a net profit taxpayer will now **strip off all pass-through income (and add back pass-through losses)** – not just the pass-through income that is subject to municipal tax elsewhere.
- Beginning with **net operating losses (“NOLs”) incurred in tax year 2017**, NOLs will be used **pre-apportionment** and will not be tracked by municipality.
  - ❖ Pre-2017 NOLs will still have to be tracked and used post-apportionment, by municipality.
  - ❖ Until all pre-2017 NOLs are exhausted, net profit filers will have to track and use NOLs differently, depending on when the NOL was incurred.

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# NOL CF - Pre HB 5 vs. Post HB 5

The image shows two versions of a tax form, RITA's eFile, side-by-side. The left form is labeled 'Pre-HB5 (Post-Apportionment Basis)' and the right form is labeled 'Post-HB5 (Pre-Apportionment Basis)'. Both forms have a header with '27 Regional Income Tax Agency' and 'RITA's eFile'. The forms are for 'FOR CALENDAR YEAR' or 'FISCAL YEAR BEGINNING' and 'AND ENDING'. They include sections for 'Check if', 'BUSINESS', 'Company Name', 'Address #', 'City', and 'State'. The main body of the forms contains a table with line items: 1. ADJUSTED FEDERAL INCOME, 2. ITEMS NOT DEDUCTIBLE, 3. ITEMS NOT TAXABLE, 4. ADJUSTED NET PROFIT (LOSS), 5. AMOUNT ALLOCABLE TO RITA, 6. LESS ALLOWABLE NET LOSS, 7. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX, and 8. MUNICIPAL INCOME TAX DUE. A red box highlights the difference in line 6, 'LESS ALLOWABLE NET LOSS', between the two forms. In the 'Pre-HB5' form, line 6 is calculated as '% of Line 4'. In the 'Post-HB5' form, line 6 is calculated as '% of Line 3A'. This indicates that in the 'Post-HB5' scenario, NOLs are applied before apportionment (to the federal taxable income), while in the 'Pre-HB5' scenario, they are applied after apportionment (to the net profit).



## NOL CF Requirements

- HB 5 provides for a state-wide five-year carryforward for NOLs incurred in taxable years beginning **after** 2016.
  - ❖ Applies to losses incurred in taxable years beginning on or after January 1, 2017, and then carried forward to future taxable years.
- NOL CFs apply to:
  - ❖ Business Net Profits;
  - ❖ Schedule C, E, & F income of non-residents earned in taxing municipalities; and
  - ❖ All Schedule income of residents of taxing municipalities.

## NOL CF Requirements

- NOL CFs do not include unutilized losses resulting from basis limitations, at-risk limitations or passive activity loss limitations.
  - ❖ Losses that are **not reportable** on Federal Schedule E Part II **are not included** in current year taxable income **or allowed** to be carried forward.
  - ❖ Applies to partners and S Corporation shareholders.
- NOL CFs may not be used to offset qualifying wages.

## NOL CF Requirements

- NOL CF Provision is phased in:

- ❖ Taxpayers may only claim 50% of the available NOL carryforward during years 2018 through 2022.
- ❖ 100% utilization of NOL CFs is delayed until tax year 2023.

## NOL CF Requirements

- NOL CF Provision is phased in:

- ❖ TPs may carry forward any “unutilized” NOLs for 5 years.
  - From technical clarification in State Budget Bill (HB 64) on how unutilized NOL CFs are handled in regards to the bill’s NOL CF phase-in provisions.
- ❖ Phase-in provisions also apply to NOL CF related to Schedule income of residents and non-residents.

## NOL CF Requirements

- Pre-2017 NOLs are permitted to be carried forward to the extent already allowed by municipalities.
- The 50% phase-in limitation **does not apply** to pre-2017 NOLs.
- Pre-2017 NOLs must be utilized **before** utilizing new NOLs generated after tax year 2016.
- Post-2016 NOL carry-forwards are calculated and applied on a **pre-apportionment basis**.

## Consolidated Net Profit Returns

- Municipalities **must accept** a consolidated municipal net profit return **if the federal return is filed consolidated**.
- New with HB 5 is a **five-year opt-in and opt-out** provision.
  - ❖ Consolidated net profit filers can discontinue filing consolidated, without the tax administrator's permission, after five years.
  - ❖ A decision to deconsolidate remains in place for five years.
- Those **already filing** on a consolidated basis, pre-HB 5, **may continue to do so**.



## Alternative Apportionment Method

- Taxpayers may use an alternative method for apportioning net profits on an annual return (other than the 3-factor property, payroll and sales formula) by submitting a written request with the return.
- Taxpayers may use the requested alternative method unless the tax administrator denies the use.
- The tax administrator's denial of an alternative method request must be issued in the form of an appealable Assessment.
  - ❖ Tax administrators may also impose alternative methods by issuing appealable Assessments.

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## Employer Withholding & the Occasional Entrant Rule

What Employers & Employees Need to Know

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## Withholding Due Dates and Thresholds

- Employer withholding > \$2,399 in the previous calendar year or >\$200 per month in any month of the preceding calendar quarter -- **remit monthly**, due the **15th day** of the following month.
- All others, **remit quarterly** by the **30th day** of the month following the end of the quarter.
- **BUT**, municipalities **may require** withholding on a semi-monthly basis if withholding > \$11,999 in the preceding calendar year or >\$1,000 in any month of the preceding calendar quarter.
  - ❖ Those RITA members that require semi-monthly are indicated on RITA's website in Special Notes.

## Occasional Entrant Rule

- **Extends** from 12 to 20 the number of days an employee must be working in a municipality before tax must be withheld. If threshold is not exceeded, employer withholds for "principal place of work" if that place is within a municipality.
- **Requires withholding** from the 21<sup>st</sup> day forward, not back to the first day.
- **Defines a "day"** for purposes of determining when an employee has reached 20 days working in a municipality.
- **Shifts** much of the tracking burden to the employee.
- **Exceptions** for "small employers," certain "worksite locations" and "presume worksite locations."
- Applies to **Schedule C** Filers.

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## Withholding – 20 Day Rule

### ■ The basic Occasional Entrant Rule (example 1):

- ❖ So if John's "principal place of work" is in Cleveland, and he works 7 days in Berea, and his employer correctly withholds Cleveland tax on his wages earned in Berea, and
- ❖ John is a Shaker Heights resident, then
- ❖ John's wages earned in Berea are exempt income as far as Berea is concerned, unless John requests a refund of the Cleveland tax withheld on those wages earned in Berea.

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## Withholding – 20 Day Rule

### ■ The basic Occasional Entrant Rule (example 1):

- ❖ Because John is a Shaker Heights resident, John will owe Shaker Heights tax on all of his qualifying wages, including those qualifying wages earned in Berea that were exempt income as far as Berea is concerned.
- ❖ Shaker Heights' normal rules for granting residents credit for taxes paid to another municipality would apply.

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## Occasional Entrant Rule – Schedule C

- The 20 day rule applies to Schedule C filers.
- Compensation (that is not wages) paid to a nonresident individual for services performed on 20 or fewer days is taxed at the individual's "base of operation" or the individual's domicile if the individual does not have a base of operation.
- The "base of operation" is the location of an office, storefront, or similar facility to which the individual reports regularly and at which the individual regularly performs services.

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## Withholding – Small Employers

- **The small employer withholding rules:**
  - ❖ A small employer is an employer whose gross receipts the previous year totaled less than \$500,000.
  - ❖ Gross receipts are from all sources, including intangible income, grants and expense reimbursements (so payments made to a common paymaster to cover the related party's payroll are included in gross receipts).
    - Governments (including government hospitals & universities) cannot be a small employer.
  - ❖ To qualify for the small employer withholding rules, the employer must have a fixed location in Ohio.

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## Withholding – Small Employers

- **The rule:**

- ❖ A small employer with a fixed location in Ohio withholds municipal income tax as **if all of the wages of all employees were earned for work performed in that fixed location.**

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## Withholding – Small Employers

- **The small employer withholding rules (example 1):**

- ❖ Joe's Plumbing's only location in Ohio is in Cleveland.
- ❖ Joe's Plumbing's gross revenue from all sources last year was \$325,000.
- ❖ Joe's Plumbing employs seven full-time employees who unclog drains in Cleveland, Cleveland Heights, Beachwood, Parma and Rocky River.
- ❖ Each employee worked 40 days in each of the above municipalities.

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## Withholding – Small Employers

### ■ The small employer withholding rules (example 1):

- ❖ Joe's Plumbing withholds Cleveland tax on all qualifying wages of all employees.
- ❖ Because the wages of Joe's employees are not subject to withholding in Cleveland Heights, Beachwood, Parma and Rocky River those wages are *exempt from tax in these communities* UNLESS an employee receives a refund from Cleveland.
- ❖ If an employee obtains a "days out" refund from Cleveland, tax is due to the other communities *on all wages earned there*.

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## Withholding – Small Employers

### ■ The small employer withholding rules (example 2):

- ❖ Joe's Plumbing's only location in Ohio is in Richfield Township.
- ❖ Joe's Plumbing's gross revenue from all sources last year was \$325,000.
- ❖ Joe's Plumbing employs six full-time employees who unclog drains in Brecksville, Broadview Heights, North Royalton, Peninsula and Macedonia (each imposing a 2% tax).
- ❖ Each of the six employees worked 30 days in each of the above municipalities.

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## Withholding – Small Employers

### ■ The small employer withholding rules (example 2):

- ❖ Joe's Plumbing withholds municipal tax as if all work performed by all employees was in Richfield Township (thus, Joe's Plumbing does not withhold workplace tax).

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## Withholding – Small Employers

### ■ The small employer withholding rules (example 3):

- ❖ Joe's employee Matt is a resident of Garfield Heights. Garfield Heights imposes a 2% income tax on residents and allows a 100% credit for tax paid to other municipalities, up to 2%.
- ❖ Matt's wages earned performing work in Brecksville, Broadview Heights, North Royalton, Peninsula and Macedonia are exempt from tax in those communities but are subject to tax in his residence community.
- ❖ Matt now has no workplace withholding beginning in 2016 due to the small employer withholding rules.

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## Withholding – Small Employers

- **The small employer withholding rules (example 3):**
  - ❖ If Matt earns \$38,000 as a plumber he will owe Garfield Hts. \$760 when he files his TY 2016 return.
  - ❖ Failure to pay this when due could subject Matt to a penalty of \$114 (15% of the tax due).
- **Possible solutions:**
  - ❖ Matt may ask Joe's Plumbing to withhold residence tax for him. Joe's Plumbing can say "no".
  - ❖ Matt should establish and pay an estimate to Garfield Heights to avoid this situation.

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## Withholding and the Occasional Entrant Rule

- Municipalities and employers may enter into agreements to simplify withholding.
- Nothing in HB 5 will "undo" existing agreements between municipalities and employers to simplify withholding.
- Employers can elect to withhold where the work is actually being performed for all days that it is being performed.

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## Withholding and the Occasional Entrant Rule

### ■ Takeaways (Employees & Their Tax Preparers):

- ❖ When preparing for Tax Year 2016 filing season, you may want to compare the municipal withholding patterns to TY 2015 information.
- ❖ Has anything changed? Does the client still have municipal income tax withholding? Has the municipality of withholding changed?
- ❖ How will any change in withholding impact the client's TY 2016 tax situation at the municipal level? Should an estimate be declared for future TYs for the resident community?
- ❖ It is up to your clients as employees to track their work locations if "days out" refunds will be sought.
- ❖ Understand that a days out refund from one community may result in tax due to another.

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## Withholding and the Occasional Entrant Rule

- **Takeaways (Employers):** Wages that are not required to be withheld are excluded from the payroll factor in calculating net profit allocations. R.C. 718.02(A)(2). RITA Schedule Y.
- 20-Day Occasional Entrant Flowchart provided as handout in packet.

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## Administration of Refunds After HB 5

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### Refunds – All Taxpayer Types

- HB 5 provided specific requirements for communicating with taxpayers about refunds.
- For refunds denied, in whole or in part, on a taxpayer's original request, the taxpayer must be notified in writing of the amount denied, the reason for the denial and how to request an Assessment that may be appealed to the municipality's income tax board of review.
- For refunds denied, in whole or in part, on a taxpayer's amended request, the taxpayer must be provided with an Assessment that states the amount of the refund denied, the reason for the denial and contains instructions for appealing the Assessment to a municipality's income tax board of review.

# Refunds – All Taxpayer Types

- Taxpayers whose refunds are denied on an original request will receive correspondence similar to existing refund correspondence, explaining the reason for the denial and also containing the following language:
  - ❖ “If you wish to appeal the denial of your refund to the municipality’s Income Tax Board of Review, the law requires that you request an appealable Assessment of this denial. Complete the Request for Appealable Assessment form available at [www.ritaohio.com](http://www.ritaohio.com).”
- A new form - Request for Appealable Assessment will be available on the RITA website with instructions for the taxpayer to submit the request.
- Taxpayers who complete the Request for Assessment to appeal a refund denial will be issued an Assessment.

# Request for Appealable Assessment Form



Phone: 1-800-863-7432 Fax: 440-526-8813 TDD: 440-526-5332  
[www.ritaohio.com](http://www.ritaohio.com)

## REQUEST FOR APPEALABLE ASSESSMENT

### PURPOSE OF THIS FORM

If (i) the Regional Income Tax Agency (“RITA”), as your municipality’s income tax administrator, has denied, in whole or in part, a municipal income tax refund which you have requested on an original filing and (ii) you believe that RITA should not have denied the refund requested, you have the right to request that the denial be issued in the form of an “Assessment” that you may then appeal to the municipality’s local board of tax review. [Use this form to request that RITA send you the Appealable Assessment.](#)

### ACTIONS YOU MUST TAKE IMMEDIATELY

Please complete this “Request for Assessment” form and return to the address set forth below. The request will be processed by RITA and the Assessment will be served by either certified mail or delivery service.

Name: \_\_\_\_\_

Street Address or P.O. Box Number: \_\_\_\_\_

City, State, and ZIP Code: \_\_\_\_\_

Social Security Number or FEIN: \_\_\_\_\_ Tax Year: \_\_\_\_\_

Type of municipal income tax (please check appropriate line):

Individual (Form 37 or Form 15A)

Business (Form 27)

Signature and date: \_\_\_\_\_

Please mail the completed form to the following address:

RITA  
 Attn: Request for Assessment Department  
 PO Box 47700  
 Broadview Heights, OH 44147-7900

### APPLICABLE LAWS

Division (B)(3) of Ohio Revised Code section 718.10  
 If a tax administrator denies in whole or in part a refund request included within the taxpayer’s originally filed annual income tax return, the tax administrator shall notify the taxpayer, in writing, of the amount of the refund that was denied, the reasons for the denial, and instructions for requesting an assessment that may be appealed under section 718.11 of the Revised Code.

Ohio Revised Code section 718.11:  
 (A) The legislative authority of each municipal corporation that imposes a tax on income in accordance with this chapter shall maintain a local board of tax review to hear appeals as provided in this section. The legislative authority of any municipal corporation that does not impose a tax on income on June 30, 2005, but that imposes such a tax after that date, shall establish such a board by ordinance not later than one hundred eighty days after the tax takes effect.

(2) The local board of tax review shall consist of three members. Two members shall be appointed by the legislative authority of the municipal corporation, but such appointees may not be employees, elected officials, or contractors with the municipal corporation at any time during their term or in the five years immediately preceding the date of appointment. One member shall be appointed by the top administrative official of the municipal corporation. This member may be an employee of the municipal corporation, but may not be the director of finance or equipment officer, or the tax administrator or other similar official or an employee directly involved in municipal tax matters, or any other subordinate thereof.

(3) The term for members of the local board of tax review appointed by the legislative authority of the municipal corporation shall be two years. There is no limit on the number of terms that a member may serve if the member is reappointed by the legislative authority. The board member appointed by the top administrative official of the municipal corporation shall serve at the discretion of the administrative official.

(4) Members of the board of tax review appointed by the legislative authority may be removed by the legislative authority by majority vote for incompetence, misconduct, or nonattendance. (5) To remove such a member, the legislative authority must give the member a copy of the charges against the member and afford the member an opportunity to be publicly heard in person or by counsel in the member’s own interest not less than ten days’ notice. The decision by the legislative authority on the charges is final and not appealable.

(6) A member of the board who, for any reason, ceases to meet the qualifications for the position prescribed by this section shall resign immediately by operation of law.

(7) A vacancy in an unexpired term shall be filled in the same manner as the original appointment within sixty days of when the vacancy was created. A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member’s predecessor was appointed shall hold office for the remainder of such term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board.

(8) Whenever a tax administrator issues an assessment regarding an underpayment of municipal income tax or denies a refund claim, the tax administrator shall notify the taxpayer in writing at the same time of the taxpayer’s right to appeal the assessment or denial, the manner in which the taxpayer may appeal the assessment or denial, and the address to which the appeal should be directed.

(9) Any person who has been issued an assessment may appeal the assessment to the board created pursuant to this section by filing a request with the board. The request shall be in writing, shall specify the reason or reasons why the assessment should be deemed incorrect or unlawful, and shall be filed within sixty days after the taxpayer receives the assessment.

(10) The local board of tax review shall conduct a hearing to be held within sixty days after receiving an appeal of an assessment under division (C) of this section, unless the taxpayer requests additional time to prepare or waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the board and may be represented by or through an attorney, a certified public accountant, or other representative. The board may allow a hearing to be continued as jointly agreed to by the parties. In such a case, the hearing must be completed within one hundred twenty days after the first day of the hearing unless the parties agree otherwise.

(11) The board may affirm, reverse, or modify the tax administrator’s assessment or any part of that assessment. The board shall issue a final determination on the appeal within ninety days after the board’s final hearing on the appeal, and send a copy of its final determination by certified mail to all of the parties to the appeal within fifteen days after issuing the final determination. The taxpayer or the tax administrator may review the board’s decision in accordance with section 121.22 of the Revised Code.

(12) The local board of tax review created pursuant to this section shall adopt rules governing its procedures and shall keep a record of its transactions. Such records are not public records available for inspection under section 146.02 of the Revised Code. Hearings requested by a taxpayer before a local board of tax review created pursuant to this section are not meetings of a public body subject to section 121.22 of the Revised Code.

## Refunds – All Taxpayer Types

- Taxpayers whose refunds are denied on an amended request will be sent an Assessment, explaining the reason for the denial and containing the following language:
  - ❖ “The law requires that the denial of your refund on an amended filing be issued in the form of an Assessment. If you wish to appeal this Assessment you must file a written request with the municipality’s Income Tax Board of Review. The written request shall specify the reason or reasons why this Assessment should be deemed incorrect or unlawful and shall be filed within 60 days after your receipt of this Assessment. Direct your appeal to the following address: <City/Village Income Tax Board of Review>, <street address>”

## Refunds – Some Takeaways

- If a request for refund cannot be processed because RITA needs additional information we will request that information before getting into these formal proceedings.
- Be mindful of timeframes.
  - ❖ What if the client brings to you the letter instructing him/her how to request an appealable assessment, that is dated one year earlier?
    - May still be able to request the Assessment and appeal if the statute of limitations has not expired. No other timeframe in the law.
  - ❖ What if the client brings to you the Assessment, dated a year earlier?
    - Hint - ☹
    - The law is very specific that an Assessment must be appealed within 60 days of the taxpayer’s receipt of the Assessment or it is considered final.



## Compliance After HB 5

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## Compliance – Audits

- Audit is now a defined term for municipal income tax.
  - ❖ It means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person for the purpose of determining liability for a municipal income tax.
- A taxpayer must be provided with certain specific written notices at or before the commencement of an audit. Some of those include:
  - ❖ An explanation of the roles and responsibilities of the taxpayer and tax administrator;
  - ❖ Advisement of the right to record the audit; and
  - ❖ Advisement of the right to have representation at the audit (tax preparer, CPA, attorney).



## Compliance – Assessments

- The law now calls for the issuance of appealable Assessments to taxpayers in certain circumstances.
- Assessment means a written finding by the tax administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty or interest, to the municipal corporation that commences the person's time limitation for making an appeal to the local board of review pursuant to section 718.11 of the R.C., and has "ASSESSMENT" written in all capital letters at the top of such finding.
  - ❖ A written finding by the tax administrator;
  - ❖ That starts the taxpayer's clock for appealing; and
  - ❖ And has "ASSESSMENT" written in capital letters at the top.

## Compliance – Assessments

- Assessments must be issued:
  - ❖ On the full or partial denial of a refund requested on an amended return.
  - ❖ At the taxpayer's request after denial of a refund requested on an original filing.
  - ❖ If the tax administrator denies the use of an alternate method of apportioning net profits.
  - ❖ If the tax administrator requires the use of an alternate method of apportioning net profits.
- Assessments must be served on the taxpayer by:
  - ❖ Personal service; or
  - ❖ Certified mail; or
  - ❖ Delivery service (UPS, FedEx, etc.); or
  - ❖ With the taxpayer's permission, secure electronic mail.

## Compliance – Assessments

- Assessments are not:
  - ❖ Billing statements;
  - ❖ Requests for additional information;
  - ❖ Informal notices denying refund requests on original returns;
  - ❖ Notification of math errors; or
  - ❖ Other general correspondence that is not a written finding that starts the appeal clock with the word “assessment” written in all capital letters at the top.



## Individual Form 37 & Examples

## Where Do I Find Forms?

- Professional Tax Software - MeF
  - ❖ CCH – ATX, ProSystem fx
  - ❖ Creative Solutions - UltraTax CS
  - ❖ Drake
  - ❖ H&R Block
  - ❖ Intuit – Intuit Tax Online, Lacerte
  - ❖ Jackson Hewitt – ProFiler
  - ❖ Tax Act
- RITAOhio.com
  - ❖ E-File
  - ❖ AutoCalc
  - ❖ Fill-in PDF
  - ❖ Manual forms

## Taxpayer Assistance Days

### ❖ Norwalk

March 2, 2017  
12pm-7pm  
100 Republic Street  
Norwalk, Ohio 44857

### ❖ North Ridgeville

March 7, 2017  
1 pm – 7 pm  
7307 Avon Belden Road  
North Ridgeville, Ohio, 44039

### ❖ Fostoria

March 8, 2017  
9 am – 4 pm  
213 South Main Street  
Fostoria, Ohio 44830

### ❖ Riverside

March 14, 2017  
12 pm – 7 pm  
5200 Springfield Street Suite 100  
Riverside, Ohio 45431

### ❖ North Canton

March 16, 2017  
1 pm – 7 pm  
145 N. Main Street  
North Canton, Ohio 44720

### ❖ Mt. Healthy

March 21, 2017  
12 pm – 6 pm  
1541 Hill Ave.  
Mt. Healthy, Ohio 45231

### ❖ Holland

March 23, 2017  
12 pm – 7 pm  
950 S. McCord Road  
Holland, Ohio 43528

### ❖ Bellefontaine

March 28, 2017  
9 am – 4 pm  
135 N. Detroit Street  
Bellefontaine, Ohio 43311

### ❖ Willoughby Hills

March 30, 2017  
1 pm – 7 pm  
35405 Chardon Road  
Willoughby Hills, Ohio 44094

### ❖ Wadsworth

April 1, 2017  
9 am – 4 pm  
120 Maple Street  
Wadsworth, Ohio 44281



**37** Regional Income Tax Agency  
RITA Individual Income Tax Return 2016

**37** Regional Income Tax Agency  
RITA Individual Income Tax Return 2016  
Do not use staples, tape or glue

**RITA's eFile**  
E-file, Fast, Free & Secure  
www.rita.ohio.com

Contact us toll free:  
 O Blue Bell 800.293.7432  
 O Columbus 696.721.7432  
 O Dayton 696.750.7432  
 O Toledo 440.526.5332

**YOUR SOCIAL SECURITY NUMBER** \_\_\_\_\_ **Spouse's social security number** \_\_\_\_\_

**YOUR NEXT NAME AND BOOK # (Last)** \_\_\_\_\_ **Last Name** \_\_\_\_\_

**IF JOINT RETURN, SPOUSE'S FIRST NAME AND MIDDLE INITIAL** \_\_\_\_\_ **Last Name** \_\_\_\_\_

**CURRENT MAILING address (if not be road/stree)** \_\_\_\_\_ **Apt#** \_\_\_\_\_

**City, state, and ZIP code** \_\_\_\_\_

**Daytime phone number** \_\_\_\_\_ **Evening phone number** \_\_\_\_\_

**Filing Status:**  
 Single or Married Filing Separately  
 Joint

If you have an **EXTENSION** check here and attach a copy:  EXTENSION

If it is an **AMENDED** return, check here:   
 In the space provide the low, state why you are filing an **AMENDED** return. Attach an explanation if you require additional space.

**Residency Status in RITA Municipalities:**  
 Full-Year  Part-Year  Non-Resident

**City/Village/Township of Residence - Required**  
 In the boxes below, indicate the physical location of your residence(s) for all of 2016. This may be different from your mailing address. If you moved during 2016, list the effective date, city/village/township and address in the appropriate boxes. Why? Mailing address does not always correspond to the city/village/township in which you live. This required information determines the appropriate taxing jurisdiction for municipal income tax purposes. If you moved more than once, supply the additional information on a separate sheet.

Effective Date	City/Village/Township	Address
1/1/2016		

**Totals**

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

Spouse's Signature (if joint return) \_\_\_\_\_ Date \_\_\_\_\_

Preparer's Signature (if prepared by preparer) \_\_\_\_\_ Date \_\_\_\_\_

Preparer's Name (Print Name) \_\_\_\_\_

Preparer's Phone # \_\_\_\_\_

May RITA discuss this return with the preparer shown above?  Yes  No Preparer Phone # \_\_\_\_\_

Bring a copy of this return with the preparer shown above.  Yes  No Preparer Phone # \_\_\_\_\_

**37** Regional Income Tax Agency  
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**YOUR SOCIAL SECURITY NUMBER** \_\_\_\_\_ **Spouse's social security number** \_\_\_\_\_

**YOUR NEXT NAME AND BOOK # (Last)** \_\_\_\_\_ **Last Name** \_\_\_\_\_

**IF JOINT RETURN, SPOUSE'S FIRST NAME AND MIDDLE INITIAL** \_\_\_\_\_ **Last Name** \_\_\_\_\_

**CURRENT MAILING address (if not be road/stree)** \_\_\_\_\_ **Apt#** \_\_\_\_\_

**City, state, and ZIP code** \_\_\_\_\_

**Daytime phone number** \_\_\_\_\_ **Evening phone number** \_\_\_\_\_

**Filing Status:**  
 Single or Married Filing Separately  
 Joint

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If it is an **AMENDED** return, check here:   
 In the space provide the low, state why you are filing an **AMENDED** return. Attach an explanation if you require additional space.

**Residency Status in RITA Municipalities:**  
 Full-Year  Part-Year  Non-Resident

**City/Village/Township of Residence - Required**  
 In the boxes below, indicate the physical location of your residence(s) for all of 2016. This may be different from your mailing address. If you moved during 2016, list the effective date, city/village/township and address in the appropriate boxes. Why? Mailing address does not always correspond to the city/village/township in which you live. This required information determines the appropriate taxing jurisdiction for municipal income tax purposes. If you moved more than once, supply the additional information on a separate sheet.

Effective Date	City/Village/Township	Address
1/1/2016		

**Totals**

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

Spouse's Signature (if joint return) \_\_\_\_\_ Date \_\_\_\_\_

Preparer's Signature (if prepared by preparer) \_\_\_\_\_ Date \_\_\_\_\_

Preparer's Name (Print Name) \_\_\_\_\_

Preparer's Phone # \_\_\_\_\_

May RITA discuss this return with the preparer shown above?  Yes  No Preparer Phone # \_\_\_\_\_

Bring a copy of this return with the preparer shown above.  Yes  No Preparer Phone # \_\_\_\_\_





Page 3  
**SCHEDULE J** SUMMARY OF NON-W-2 INCOME  
 (For Columns 2-6, Enter City/Village/Township Where Earned)  
 Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at [www.rita.ohio.com](http://www.rita.ohio.com)

Print the name of each location (City/Village/Township) where income was earned in the appropriate boxes. Please see pages 5-6 of the instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
From Federal	21	22	23	24	25	26	
23. SCHEDULE C Attached	31	32	33	34	35	36	
24. From SCHEDULE E Attached	41	42	43	44	45	46	
25. From SCHEDULE E Attached	51	52	53	54	55	56	
26. Attach Schedule(s)	71						
27. RESIDENT MUNICIPALITY LOSS CARRY FORWARD	( )						
28. (Total Lines 23-27)							
Calculate tax due on workplace income:	72	73	74	75	76		
29. LESS LOSS CARRY FORWARD	( )	( )	( )	( )	( )	( )	
30. NET TAXABLE WORKPLACE INCOME (Line 28 minus Line 29)	82	83	84	85	86		
33. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.							
Wages	Municipality	Tax Rate (see instructions)	Tax Due				
Add Tax Due Column, enter total here AND on Page 2, Section B, Line 10. 33. _____							
34. W-2 WAGE EARNED IN A NON-RITA TAXING MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. ONLY USE THIS SECTION IF YOU HAVE FILED AND PAID THE TAX DUE TO YOUR WORKPLACE MUNICIPALITY. PROOF OF PAYMENT MAY BE REQUIRED. Complete lines below.							
Wages	Municipality	Tax Rate (see instructions)	Tax Due				
Add Tax Due Column, enter total here. 34. _____							
ENTER the amount from WORKSHEET L, Row 9, Column 7. 35. _____							
Add Lines 33-35. Enter total on Page 2, Section B, Line 4b. 36. _____							

Note: If you are a resident of a RITA Municipality – please go to Page 4 for WORKSHEET L to allocate income loss and calculate potential credit for your resident municipality.

**SCHEDULE K** To complete Schedule K, see page 6 of the instructions. If additional space is needed, use a separate sheet.

Page 3  
**SCHEDULE J** SUMMARY OF NON-W-2 INCOME  
 (For Columns 2-6, Enter City/Village/Township Where Earned)  
 Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at [www.rita.ohio.com](http://www.rita.ohio.com)

Print the name of each location (City/Village/Township) where income was earned in the appropriate boxes. Please see pages 5-6 of the instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
From Federal	21	22	23	24	25	26	
23. SCHEDULE C Attached	31	32	33	34	35	36	
24. From SCHEDULE E Attached	41	42	43	44	45	46	
25. From SCHEDULE E Attached	51	52	53	54	55	56	
26. Attach Schedule(s)	71						
27. RESIDENT MUNICIPALITY LOSS CARRY FORWARD	( )						
28. (Total Lines 23-27)							
Calculate tax due on workplace income:	72	73	74	75	76		
29. LESS LOSS CARRY FORWARD	( )	( )	( )	( )	( )	( )	
30. NET TAXABLE WORKPLACE INCOME (Line 28 minus Line 29)	82	83	84	85	86		
33. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.							
Wages	Municipality	Tax Rate (see instructions)	Tax Due				
Add Tax Due Column, enter total here. 34. _____							
ENTER the amount from WORKSHEET L, Row 9, Column 7. 35. _____							
Add Lines 33-35. Enter total on Page 2, Section B, Line 4b. 36. _____							

Note: If you are a resident of a RITA Municipality – please go to Page 4 for WORKSHEET L to allocate income loss and calculate potential credit for your resident municipality.

**SCHEDULE K** To complete Schedule K, see page 6 of the instructions. If additional space is needed, use a separate sheet.

To Sch B, Line 1b & to Wksht L

To Sch B, Line 11



Form 37 (2016)

**SCHEDULE J** SUMMARY OF RESIDENT INCOME  
 For Columns 2-6, enter starting/ending/maximum amount.  
 For Columns 7-8, enter starting/ending/maximum amount.

**Direct Payments**

**SCHEDULE K** To complete Schedule K, see page 6 of the instructions. If additional space is needed, use a separate sheet.

33. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here AND on Page 2, Section B, Line 10. 33. \_\_\_\_\_

34. W-2 WAGES EARNED IN A NON-RITA TAXING MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. ONLY USE THIS SECTION IF YOU HAVE FILED AND PAID THE TAX DUE TO YOUR WORKPLACE MUNICIPALITY. PROOF OF PAYMENT MAY BE REQUIRED. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here. 34. \_\_\_\_\_

ENTER the amount from WORKSHEET L, Row 9, Column 7. 35. \_\_\_\_\_

Add Lines 33-35. Enter total on Page 2, Section B, Line 4b. 36. \_\_\_\_\_

Form 37 (2016)

**WORKSHEET L** RITA RESIDENTS ONLY Use this to allocate income/loss and calculate potential credit for resident municipality.

**INCOME LOSS ALLOCATION**

	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTALS
1. Enter CURRENT YEAR WORKPLACE INCOME From SCHEDULE J, Line 20							
2. Column 10: CURRENT YEAR WORKPLACE INCOME is again, enter in each column and total across.							
3. Compute GAIN Percentage: Divide each amount in Row 1, Column 10 by the total in Row 1, Column 7 and enter the percentage.	%	%	%	%	%	%	
4. Allocate Total Loss by GAIN Percentage: Multiply the total loss from Row 2, Column 7 by the percentage(s) in Row 3.							
5. Subtract Row 4 from Row 1.							
6. Enter NET TAXABLE WORKPLACE INCOME from SCHEDULE J, Line 30.							
7. Enter the lesser of Row 5 or Row 6 above. If amount is less than zero, enter 0.							
8. For Column 2-6, enter tax rate for workplace municipality listed.							
9. Multiply Row 6 by Row 8. If the result is \$ 0 or less, enter 0. If greater than \$ 0, multiply Row 7 by Row 8 and enter the result on Row 9.							
10. If amount in Row 9 is greater than zero, enter the amount from Row 7.							
11. Multiply Row 10 by the Credit Rate of the resident municipality. The resident municipality's credit rate: _____							
12. Enter the lesser of Row 9 or Row 11 above.							

Enter amount from Row 9, Col 7 above on Page 2, Schedule K, Line 20.

Enter amount from Row 12, Col 7 above on Page 2, Credit Rate Worksheet.



# FORM 37 EXAMPLES

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## Example 1

**Name:** John Q. Public  
**Mailing Address:** PO Box 1234  
Tontogany, OH 44565  
**Physical Address:** 111 North Street  
Tontogany, OH 44565

- Mr. Public earned **wages of \$50,000** from his employment in Bowling Green, where \$1,000 in Bowling Green city tax was withheld.
- He owns a business in Bowling Green that generated **Schedule C net income of \$10,000**.
- He has a rental property in Tontogany, that generated a **net loss of \$5,000**

	Tontogany	Bowling Green
<b>RITA Municipality</b>	Yes	No
<b>Tax Rate</b>	1.00%	2.00%
<b>Credit Factor</b>	100.00%	100.00%
<b>Credit Rate(Limit)</b>	1.00%	2.00%



Page 3 Form 37 (2016)

SCHEDULE J		SUMMARY OF NON W-2 INCOME (For Columns 2-6, Enter City/Village/Township Where Earned)						Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at <a href="http://www.ritaohio.com">www.ritaohio.com</a>
Print the name of each location (city/village/township) where income/loss was earned in the appropriate boxes. Please see Pages 5-6 of the Instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL	
	11 Tontagy	12 Bowling Green	13	14	15	16		
23. SCHEDULE C Attached	21	22 \$ 10,000	23	24	25	26		
24. Rental Income/Loss	31	32 (\$ 5,000)	33	34	35	36		
25. From SCHEDULE E Attached	41	42	43	44	45	46		
26. Attach Schedule(s)	51	52	53	54	55	56		
27. RESIDENT MUNICIPALITY LOSS CARRY FORWARD	71 ( )						FOR LINE 28 # BELOW: ADD COLUMNS 4-6, ENTER ON PAGE 2, SECTION B, LINE D.	
28. (Total Lines 23-27)	61 (\$ 5,000)	62 \$ 10,000	63	64	65	66	\$ 5,000	
Calculate tax due on work place income:		72	73	74	75	76		
29. LESS LOSS CARRY FORWARD		( )	( )	( )	( )	( )		
30. NET TAXABLE WORKPLACE INCOME (Line 28 minus Line 29)		\$ 10,000	82	83	84	85	86	
FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 2-6, ENTER THE TAX RATES. Note: If Line 30 is less than zero, do NOT enter tax rate.							FOR LINE 32 # BELOW: ADD COLUMNS 2-6, ENTER ON PAGE 2, SECTION B, LINE H.	
MUNICIPAL TAX DUE TO EACH RITA MUNICIPALITY Note: If amounts in Columns 2-6 are \$ 10 or less, enter -0-. Do NOT include NON-RITA municipalities.								

**Note:** If you are a resident of a RITA municipality – please go to Page 4 for WORKSHEET L to allocate income/loss and calculate potential credit for your resident municipality.

Form 37 (2016) Page Z

Section B					
<p><b>For NON W-2 Schedule income</b> see Pages 3-4 before starting Section B.</p> <p><b>Withheld taxes</b> shown on your W-2 forms are reported on either Line 4a or 7a.</p> <p>If your resident city/village has a Credit Rate of 0%, enter -0- on Line 6b through Line 7a. You do not need to complete the Credit Rate Worksheet.</p> <p><b>Refunds</b> To avoid delay in processing your refund, mail your return to the PO BOX address listed in the lower right hand corner of this page. Refunds of tax withheld from your wages must be applied for on Form 10A. Download Form 10A at <a href="http://www.ritaohio.com">www.ritaohio.com</a></p>	1 a	Total W-2/W-2G income from Page 1, Section A, Column 1.	1a	\$ 50,000	
	b	Total self-employment, rental, partnership, and (if applicable) S-Corp. income as well as any other taxable income from Page 3, Schedule J, Line 28, Column 7. If less than zero, enter -0-	1b	\$ 5,000	
	2	<b>Total taxable income.</b> Add Lines 1a and 1b.	2	\$ 55,000	
	3	Multiply Line 2 by the tax rate of your resident municipality from the tax table. Enter the tax rate of your resident municipality here: 1.0%	3	\$ 550	
	4 a	Tax withheld for all municipalities other than your municipality of residence from Page 1, Section A, Column 2. Do not enter estimated tax payments.	4a	\$ 1,000	
	b	Direct payments from Page 3, Schedule K, Line 36. Do not enter tax withheld from your wages and/or estimated tax payments on this line.	4b	\$ 100	
	5 a	Add Lines 4a and 4b.	5a	\$ 1,100	
	b	Total tentative credit from Credit Rate Worksheet, Column E located at the bottom of this page. Your resident municipality's credit rate: 1.0%	5b	\$ 550	
	c	Enter the smaller of Line 5a or Line 5b.	5c	\$ 550	
	6	Multiply Line 5c by the credit factor of your resident municipality from the tax table. Your resident municipality's credit factor: 100%	6	\$ 550	
	7 a	Tax withheld for your resident municipality from Page 1, Section A, Column 3. Do not enter estimated tax payments (see instructions).	7a		
	b	Tax paid by your partnership/S-Corp. to any RITA municipality (see instructions)	7b		
	8	<b>Total credits allowable.</b> (Add Lines 6, 7a, and 7b.)	8	\$ 550	
	9	Subtract Line 8 from Line 3.	9	\$ 0	
	10	Tax on non-withheld wages from Page 3, Schedule K, Line 33.	10		
11	Tax on Schedule J Income from Page 3, Line 32, Column 7.	11			
12	<b>TAX DUE RITA AFTER WITHHOLDING.</b> Add Lines 9, 10 and 11. If less than zero, enter -0- and file Form 10A (see instructions).	12	\$ 0		
13	2016 Estimated Tax Payments made to RITA. Do not enter tax withheld from your W-2s. Only include payments made for the 2016 tax year.	13			
14	Credit carried forward from 2015.	14			
15	<b>TOTAL CREDITS.</b> Add Lines 13 and 14.	15			
16	<b>Balance Due.</b> If Line 15 is less than Line 12, subtract Line 15 from Line 12. If the amount is \$10 or less, enter -0-.	16	\$ 0		
17	If Line 15 is GREATER than 12, subtract Line 12 from Line 15 and enter OVERPAYMENT.	17			
18	Amount you want credited to your 2017 estimated tax.	18			
19	Amount to be refunded. You may not split an overpayment between a refund and a credit. Amounts \$10 or less will not be refunded. Allow 90 days for your refund.	19			
20 a	Enter 2017 estimated tax in full (see instructions). Estimates are due 4/18/17, 6/15/17, 9/15/17 and 12/15/17.	20a			
b	Enter first quarter estimate (1/4 of Line 20a).	20b			
21	Subtract Line 18 from Line 20b.	21			
22	<b>TOTAL DUE</b> by April 18, 2017. Add Lines 16 and 21.	22	\$ 0		

Form 37 (2016)							Page 4
WORKSHEET L INCOME LOSS ALLOCATION							
RITA RESIDENTS ONLY Use this to allocate income/loss and calculate potential credit for resident municipality.							
Enter the name of each workplace in Section J, SCHEDULE J, COLUMNS 4c Please see Page 1-4 of the instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
	Tontogany	Bowling Green					
Enter CURRENT YEAR WORKPLACE INCOME From SCHEDULE J, Line 28	(\$ 5,000)	\$ 10,000					
1. Column 1 & #CURRENT YEAR WORKPLACE INCOME as gain, enter in each column and total across.		\$ 10,000					\$ 10,000
2. Column 1 & #CURRENT YEAR WORKPLACE INCOME as loss, enter in each column and total across.	(\$ 5,000)						(\$ 5,000)
3. Compute GAIN Percentage: Divide each amount in Row 1, Column 1 by the total in Row 1, Column 1 and enter the percentage.	%	100%	%	%	%	%	
4. Allocate Total Loss by GAIN Percentage: Multiply the total loss from Row 2, Column 7 by the percentage(s) in Row 3.		(\$ 5,000)					
5. Subtract Row 4 from Row 1.		\$ 5,000					
6. Enter NET TAXABLE WORKPLACE INCOME from SCHEDULE J, Line 30.		\$ 10,000					
7. Enter the lesser of Row 5 or Row 6 above. If amount is less than zero, enter -0-		\$ 5,000					
8. For Columns 2-6, enter tax rate for workplace municipality listed.			2%				Enter amount from Row 6, Col 7 below of Page 3, Section K, Line 35.
Multiply Row 6 by Row 8. If the result is \$0 or less, enter -0-; on Row 9, if greater than \$0 - multiply Row 7 by Row 8 and enter the result on Row 9.			\$ 100				\$ 100
9. Amount in Row 8 is greater than zero, enter the amount from Row 7.		\$ 5,000					
Multiply Row 8 by the Credit Rate of the resident municipality. The resident municipality credit rate: <u>1.0%</u>			\$ 50				Enter amount from Row 8, Col 7 below of Page 2, Credit Rate Worksheet.
10. Enter the lesser of Row 9 or Row 11 above.		\$ 50					\$ 50

**SCHEDULE K** To complete Schedule K, see page 6 of the instructions. If additional space is needed, use a separate sheet.

33. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here AND on Page 2, Section B, Line 10. 33. \_\_\_\_\_

34. W-2 WAGES EARNED IN A NON-RITA TAXING MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. ONLY USE THIS SECTION IF YOU HAVE FILED AND PAID THE TAX DUE TO YOUR WORKPLACE MUNICIPALITY. PROOF OF PAYMENT MAY BE REQUIRED. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here. 34. \_\_\_\_\_

ENTER the amount from WORKSHEET L, Row 9, Column 7. 35. \_\_\_\_\_ \$ 100

Add Lines 33-35. Enter total on Page 2, Section B, Line 4b. 36. \_\_\_\_\_ \$ 100

A	B	C	D	E
Wages/Income earned outside of resident municipality	Credit Rate for resident municipality from tax table	Maximum credit (multiply Column A by Column B)	Workplace tax withheld/paid	Tentative Credit Enter lesser of Columns C or D
\$ 50,000	1.0%	\$ 500	\$ 1,000	\$ 500
Enter amount from WORKSHEET L, Row 12, Column 7				\$ 50
<b>Total Tentative Credit:</b> Enter on Section B, Line 5b, above.				\$ 550

Mail your return with W-2s and a copy of your federal schedules to:  
**With payment made payable to RITA:**  
Regional Income Tax Agency  
P.O. Box 6600  
Cleveland, OH 44101-2004  
**Without payment:**  
Regional Income Tax Agency  
P.O. Box 94801  
Cleveland, OH 44101-4801  
**Refund with an amount on Line 19:**  
Regional Income Tax Agency  
P.O. Box 89409  
Cleveland, OH 44101-6409

Form 37 (2016) Page 2

Section B		1a	1b	2	3	4a	4b	5a	5b	5c	6	7a	7b	8	9	10	11	12	13	14	15	16	17	18	19	20a	20b	21	22	
<b>For NON W-2 Schedule income</b> see Pages 3-4 before starting Section B.	<b>1 a</b> Total W-2/W-2G income from Page 1, Section A, Column 1.	\$ 50,000																												
	<b>b</b> Total self-employment, rental, partnership, and (if applicable) S-Corp. income as well as any other taxable income from Page 3, Schedule J, Line 28, Column 7. If less than zero, enter -0-		\$ 5,000																											
<b>Withheld taxes</b> shown on your W-2 forms are reported on either Line 4a or 7a.	<b>2</b> <b>Total taxable income.</b> Add Lines 1a and 1b.			\$ 55,000																										
	<b>3</b> Multiply Line 2 by the tax rate of your resident municipality from the tax table. Enter the tax rate of your resident municipality here: 1.0%					\$ 550																								
<b>If your resident city/village has a Credit Rate of 0%, enter -0- on Line 6 and go to Line 7a. You do not need to complete the Credit Rate Worksheet.</b>	<b>4 a</b> Tax withheld for all municipalities other than your municipality of residence from Page 1, Section A, Column 2. <b>Do not</b> enter estimated tax payments.					\$ 1,000																								
	<b>b</b> Direct payments from Page 3, Schedule K, Line 36. <b>Do not</b> enter tax withheld from your wages and/or estimated tax payments on this line.						\$ 100																							
<b>Refunds</b> To avoid delay in processing your refund, mail your return to the PO BOX address listed in the lower right hand corner of this page. Refunds of tax withheld from your wages must be applied for on Form 10A. Download Form 10A at <a href="http://www.iaohio.com">www.iaohio.com</a>	<b>5 a</b> Add Lines 4a and 4b.							\$ 1,100																						
	<b>b</b> Total tentative credit from Credit Rate Worksheet, Column E located at the bottom of this page. Your resident municipality's credit rate: 1.0%								\$ 550																					
	<b>c</b> Enter the smaller of Line 5a or Line 5b.								\$ 550																					
	<b>6</b> Multiply Line 5c by the credit factor of your resident municipality from the tax table. Your resident municipality's credit factor: 100%									\$ 550																				
	<b>7 a</b> Tax withheld for your resident municipality from Page 1, Section A, Column 3. <b>Do not</b> enter estimated tax payments (see instructions).																													
	<b>b</b> Tax paid by your partnership/S-Corp. to any RITA municipality (see instructions)																													
	<b>8</b> <b>Total credits allowable.</b> (Add Lines 6, 7a, and 7b.)													\$ 550																
	<b>9</b> Subtract Line 8 from Line 3.														\$ 0															
	<b>10</b> Tax on non-withheld wages from Page 3, Schedule K, Line 33.																													
	<b>11</b> Tax on Schedule J Income from Page 3, Line 32, Column 7.																													
	<b>12</b> <b>TAX DUE RITA AFTER WITHHOLDING.</b> Add Lines 9, 10 and 11. If less than zero, enter -0- and file Form 10A (see instructions).																												\$ 0	
	<b>13</b> 2016 Estimated Tax Payments made to RITA. <b>Do not</b> enter tax withheld from your W-2s. <b>Only</b> include payments made for the 2016 tax year.																													
	<b>14</b> Credit carried forward from 2015.																													
	<b>15</b> <b>TOTAL CREDITS.</b> Add Lines 13 and 14.																													
	<b>16</b> <b>Balance Due.</b> If Line 15 is less than Line 12, subtract Line 15 from Line 12. If the amount is \$10 or less, enter -0-.																												\$ 0	
	<b>17</b> If Line 15 is GREATER than 12, subtract Line 12 from Line 15 and enter OVERPAYMENT.																													
	<b>18</b> Amount you want credited to your 2017 estimated tax.																													
	<b>19</b> Amount to be refunded. You may not split an overpayment between a refund and a credit. Amounts \$10 or less will not be refunded. Allow 90 days for your refund.																													
	<b>20 a</b> Enter 2017 estimated tax in full (see instructions). Estimates are due 4/18/17, 6/15/17, 9/15/17 and 12/15/17.																													
	<b>b</b> Enter first quarter estimate (1/4 of Line 20a).																													
	<b>21</b> Subtract Line 18 from Line 20b.																													
	<b>22</b> <b>TOTAL DUE</b> by April 18, 2017. Add Lines 16 and 21.																												\$ 0	

## Example 2

### Same Facts as Example #1:

- Mr. Public earned wages of \$50,000 from his employment in Bowling Green, where \$1,000 in Bowling Green city tax was withheld.
- He owns a business in Bowling Green that generated Schedule C net income of \$10,000.
- He has a rental property in Tontogany, that generated a net loss of \$5,000

### Plus...

- Mr. Public has a rental property in Weston, OH that reported a \$6,000 profit and has a \$3,000 loss carry-forward from 2015.

	Tontogany	Bowling Green	Weston
<b>RITA Municipality</b>	Yes	No	Yes
<b>Tax Rate</b>	1.00%	2.00%	1.00%
<b>Credit Factor</b>	100.00%	100.00%	0.00%
<b>Credit Rate(Limit)</b>	1.00%	2.00%	0.00%

Page 3 Form 37 (2016)

SCHEDULE J		SUMMARY OF NON W-2 INCOME (For Columns 2-6, Enter City/Village/Township Where Earned)						Notes: Special Rules may apply for C-Corp. distributions. See RITA Municipalities at <a href="http://www.ritabip.com">www.ritabip.com</a>
Print the name of each location (City/Village/Township) where income/loss was earned in the appropriate boxes. Please see Pages 5-6 of the Instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL	
	11 Tontogy	12 Bowling Green	13 Weston	14	15	16		
23. SCHEDULE C Attached	21	22 \$ 10,000	23 \$ 6,000	24	25	26		
24. From SCHEDULE E Attached Rental Income/Loss	31 (\$ 5,000)	32	33	34	35	36		
25. From SCHEDULE E Attached Partnership/Corp/Trust Income/Loss	41	42	43	44	45	46		
26. Attach Schedule(s)	51	52	53	54	55	56		
27. RESIDENT MUNICIPALITY LOSS CARRY FORWARD	61 ( )	62	63	64	65	66	FOR LINE 28 BELOW: ADD COLUMNS 1-6, ENTER ON PAGE 2, SECTION 8, LINE D.	
28. (Total Lines 23-27)	71 (\$ 5,000)	72 \$ 10,000	73 \$ 6,000	74	75	76	\$ 11,000	
Calculate tax due on <u>workplace income</u> :	77	78	79	80	81	82		
29. LESS LOSS CARRY FORWARD	83 ( )	84 (\$ 3,000)	85 ( )	86 ( )	87 ( )	88 ( )		
30. NET TAXABLE WORKPLACE INCOME (Line 28 minus Line 29)	89 \$ 10,000	90 \$ 3,000	91	92	93	94		
FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 2-6, ENTER THE TAX RATES. Note: If Line 30 is less than zero, do NOT enter tax rate.	95	96	97 1.0	98	99	100	FOR LINE 32 BELOW: ADD COLUMNS 2-6, ENTER ON PAGE 2, SECTION 8, LINE H.	
MUNICIPAL TAX DUE TO EACH RITA MUNICIPALITY Note: If amounts in Columns 2-6 are \$10 or less, enter -0-. Do NOT include NON-RITA Municipalities.	101	102	103 \$ 30	104	105	106	\$ 30	

**Note:** If you are a resident of a RITA municipality – please go to Page 4 for WORKSHEET L to allocate income/loss and calculate potential credit for your resident municipality.

Form 37 (2016)							Page 4
WORKSHEET L WORKPLACE LOCATION							
RITA RESIDENTS ONLY Use this to allocate income/loss and calculate potential credit for resident municipality.							
Enter the name of each location in the same order as listed in the RITA SCHEDULE J, COLUMN 16. Please see Page 1 5-4 of the Instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 LOCATION 2	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTALS
Tontogany		Bowling Green	Weston				
Enter CURRENT YEAR WORKPLACE INCOME From SCHEDULE J, Line 28	(\$ 5,000)	\$ 10,000	\$ 6,000				
Column 1-6: CURRENT YEAR 1. WORKPLACE INCOME as a gain, enter in each column and total across.		\$ 10,000	\$ 6,000				\$ 16,000
Column 1-6: CURRENT YEAR 2. WORKPLACE INCOME as a loss, enter in each column and total across.	(\$ 5,000)						(\$ 5,000)
Compute GAIN Percentage: Divide each amount in Row 1 3. Column 1-6 by the total in Row 1, Column 7 and enter the percentage.	%	63%	38%	%	%	%	
Allocate Total Loss by GAIN Percentage: Multiply the total 4. loss from Row 2, Column 7 by the percentage(s) in Row 3.		(\$ 3,125)	(\$ 1,875)				
5. Subtract Row 4 from Row 1.		\$ 6,875	\$ 4,125				
Enter NET AVAILABLE WORKPLACE 6. INCOME from SCHEDULE J, Line 30.		\$ 10,000	\$ 3,000				
Enter the lesser of Row 5 or Row 6 7. above. If amount is less than zero, enter -0-		\$ 6,875	\$ 3,000				
8. For Columns 2-6, enter tax rate for workplace municipality listed.		2%	1%				Enter amount from Row 10, Column 7 of Page 2, Section B, Line 25.
Multiply Row 8 by Row 7. The 9. result is \$0 or less, enter -0-; on Row 9, if greater than \$0 - multiply Row 7 by Row 8 and enter the result on Row 9.		\$ 138	\$ 30				\$ 168
10. Amount in Row 9 is greater than zero, enter the amount from Row 7. Multiply Row 10 by the Credit Rate of 11. the resident municipality. Enter the resident municipality's credit rate (i.e., 1.0%)		\$ 69	\$ 30				Enter amount from Row 10, Column 7 of Page 2, Section B, Line 25.
12. Enter the lesser of Row 9 or Row 11 above.		\$ 69	\$ 30				\$ 99

Credit Rate Worksheet:				
A	B	C	D	E
Wages/Income earned outside of resident municipality	Credit Rate from taxable municipality	Maximum credit (multiply Column A by Column B)	Workplace tax withheld/paid	Tentative Credit Enter lesser of Columns C or D
\$ 50,000	1.0%	\$ 500	\$ 1,000	\$ 500
Enter amount from WORKSHEET L, Row 12, Column 7				\$ 99
<b>Total Tentative Credit:</b> Enter on Section B, Line 5b, above.				\$ 599

Mail your return with W-2s and a copy of your federal schedules to:  
**With payment made payable to RITA:**  
Regional Income Tax Agency  
PO Box 6800  
Cleveland, OH 44101-2004  
**Without payment:**  
Regional Income Tax Agency  
PO Box 94801  
Cleveland, OH 44101-4801  
**Refund with an amount on Line 19:**  
Regional Income Tax Agency  
PO Box 89409  
Cleveland, OH 44101-6409

SCHEDULE K To complete Schedule K, see page 6 of the instructions. If additional space is needed, use a separate sheet.				
33. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.				
Wages	Municipality	Tax Rate (see instructions)	Tax Due	
Add Tax Due Column, enter total here AND on Page 2, Section B, Line 10.			33. _____	
34. W-2 WAGES EARNED IN A NON-RITA TAXING MUNICIPALITY AND FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. ONLY USE THIS SECTION IF YOU HAVE FILED AND PAID THE TAX DUE TO YOUR WORKPLACE MUNICIPALITY. PROOF OF PAYMENT MAY BE REQUIRED. Complete lines below.				
Wages	Municipality	Tax Rate (see instructions)	Tax Due	
Add Tax Due Column, enter total here.			34. _____	
ENTER the amount from WORKSHEET L, Row 9, Column 7.			35. _____ \$ 168	
Add Lines 33-35. Enter total on Page 2, Section B, Line 4b.			36. _____ \$ 168	



Form 37 (2016)		Page 2	
<b>Section B</b>			
<p><b>For NON W-2/ Schedule income</b> see Pages 3-4 before starting Section B.</p> <p><b>Withheld taxes</b> shown on your W-2 form are reported on either Line 4a or 7a.</p> <p>If your resident municipality has a Credit Rate of 0%, enter 0 on Line 6 through Line 8 and go to Line 9a. You do not need to complete the Credit Rate Worksheet.</p> <p><b>Refunds:</b> To avoid delay in processing your refund, mail your return to the P.O. BOX address listed on the lower right hand corner of this page. Refunds of tax withheld from your wages must be applied for on Form 10A. Download Form 10A at <a href="http://www.ohio.gov">www.ohio.gov</a></p>	<b>1 a</b>	Total W-2/W-2G income from Page 1, Section A, Column 1.	\$ 50,000
	<b>b</b>	Total self-employment, rental, partnership, and (if applicable) S-Corp. income as well as any other taxable income from Page 3, Schedule J, Line 28, Column 7. If less than zero, enter -0-	\$ 11,000
	<b>2</b>	<b>Total taxable income.</b> Add Lines 1a and 1b.	\$ 61,000
	<b>3</b>	Multiply Line 2 by the tax rate of your resident municipality from the tax table. Enter the tax rate of your resident municipality here: 1.0%	\$ 610
	<b>4 a</b>	Tax withheld for all municipalities other than your municipality of residence from Page 1, Section A, Column 2. <b>Do not</b> enter estimated tax payments.	\$ 1,000
	<b>b</b>	Direct payments from Page 3, Schedule K, Line 36. <b>Do not</b> enter tax withheld from your wages and/or estimated tax payments on this line.	\$ 168
	<b>5 a</b>	Add Lines 4a and 4b.	\$ 1,168
	<b>b</b>	Total tentative credit from Credit Rate Worksheet, Column E located at the bottom of this page. Your resident municipality's credit rate: 1.0%	\$ 599
	<b>c</b>	Enter the smaller of Line 5a or Line 5b.	\$ 599
	<b>6</b>	Multiply Line 5c by the credit factor of your resident municipality from the tax table. Your resident municipality's credit factor: 100%	\$ 599
	<b>7 a</b>	Tax withheld for your resident municipality from Page 1, Section A, Column 3. <b>Do not</b> enter estimated tax payments (see instructions).	
	<b>b</b>	Tax paid by your partnership/S-Corp. to any RITA municipality (see instructions)	
	<b>8</b>	<b>Total credits allowable.</b> (Add Lines 6, 7a, and 7b.)	\$ 599
	<b>9</b>	Subtract Line 8 from Line 3.	\$ 11
	<b>10</b>	Tax on non-withheld wages from Page 3, Schedule K, Line 33.	
	<b>11</b>	Tax on Schedule J Income from Page 3, Line 32, Column 7.	\$ 30
	<b>12</b>	<b>TAX DUE RITA AFTER WITHHOLDING.</b> Add Lines 9, 10 and 11. If less than zero, enter -0- and file Form 10A (see instructions).	\$ 41
	<b>13</b>	2016 Estimated Tax Payments made to RITA. <b>Do not</b> enter tax withheld from your W-2s. <b>Only</b> include payments made for the 2016 tax year.	
	<b>14</b>	Credit carried forward from 2015.	
	<b>15</b>	<b>TOTAL CREDITS.</b> Add Lines 13 and 14.	\$ 0
	<b>16</b>	<b>Balance Due.</b> If Line 15 is less than Line 12, subtract Line 15 from Line 12. If the amount is \$10 or less, enter -0-.	\$ 41
	<b>17</b>	If Line 15 is GREATER than 12, subtract Line 12 from Line 15 and enter <b>OVERPAYMENT</b>	
<b>18</b>	Amount you want credited to your 2017 estimated tax.		
<b>19</b>	Amount to be refunded. You may not split an overpayment between a refund and a credit. Amounts \$10 or less will not be refunded. Allow 90 days for your refund.		
<b>20 a</b>	Enter 2017 estimated tax in full (see instructions). Estimates are due 4/18/17, 6/15/17, 9/15/17 and 12/15/17.		
<b>b</b>	Enter first quarter estimate (1/4 of Line 20a).		
<b>21</b>	Subtract Line 18 from Line 20b.		
<b>22</b>	<b>TOTAL DUE</b> by April 18, 2017. Add Lines 16 and 21.	\$ 41	

## Comprehensive Example (In Your Packet)

- Mr. Public earned **wages of \$50,000** from his employment in a Cleveland-based company, where \$1,000 in Cleveland City tax was withheld.
- Luck was with him on July 4, 2016 while, at JACK Casino in Cleveland, he **won \$5,000** and had \$100 of Cleveland City tax withheld.
- His home-based business generated **Schedule C net income of \$25,000**, and has a **loss carryforward of \$4,000** from 2015.
- He has three rental properties:
  - The rental property in Independence, OH netted **\$10,000 profit**
  - The rental property in Valley View, OH netted **\$5,000 profit**. This same property has a **loss carryforward of \$2,500** from 2015.
  - The rental property in Akron generated a **net loss of \$3,000**.
- Mr. Public made **four \$150 estimated payments** during 2016, for a total of \$600, and he estimates that his 2017 tax, after withholding, will be \$900.

	Brecksville	Independence	Valley View	Akron
<b>RITA Municipality</b>	Yes	Yes	Yes	No
<b>Tax Rate</b>	2.00%	2.00%	2.00%	2.25%
<b>Credit Factor</b>	87.50%	100.00%	100.00%	100.00%
<b>Credit Rate(Limit)</b>	2.00%	2.00%	2.00%	2.25%



## Updated Form 27

<b>Form 27</b>	Regional Income Tax Agency RITA Net Profit Tax Return	RITA's eFile Easy, Fast, Free & Secure www.ritaohio.com	Contact us toll free: Cleveland 800.860.7482 Columbus 866.721.7482 Youngstown 866.750.7482 TDD 440.526.5332 Fax 440.922.3536
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FOR CALENDAR YEAR  OR FISCAL YEAR BEGINNING  AND ENDING

The federal return with applicable schedules and 1099's **MUST** be attached to be considered a complete tax return.

Check if:  Initial RITA Return  Moved out of RITA   Extension  
 Amended Return  Out of Business   
 Consolidated Return (Attach Form 851)  Alternate Method  
 Consolidated filer with 80% ownership of a Pass-Through Entity (see Instructions)

BUSINESS:  C CORPORATION  PARTNERSHIP  LLC  **SMALL EMPLOYER:**   
 S CORPORATION  ESTATE  TRUST

Federal Business Activity Code #

Business Activity

Company Name  Federal Identification Number

Address #  Street  Suite #

City  State  Zip Code

# HB 5 - \$10 Deminimus for Tax Due

**FORM 27**

SCHEDULE B - DISTRIBUTION OF TAX WITHIN RITA MUNICIPALITIES  
 TOTAL TAX DISTRIBUTED BELOW MUST EQUAL AMOUNT FROM PAGE 1, LINE 5

Note: For each separate municipality listed below, if Tax Due is \$10 or less, enter -0-.  
 (if more space is needed, attach additional schedule)

Municipality Name	Taxable Income / Loss	Tax Rate	Tax Due
<input type="text"/>	<input type="text"/> .00	<input type="text"/> %	<input type="text"/> .00
<input type="text"/>	<input type="text"/> .00	<input type="text"/> %	<input type="text"/> .00
<input type="text"/>	<input type="text"/> .00	<input type="text"/> %	<input type="text"/> .00

# Withholding Updates

- Due Dates – effective 2016
- Update for W-2 filing, 718.03(H):

❖ On or before the last day of February of each year, an employer shall file a withholding reconciliation return with the tax administrator listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for the municipal corporation during the preceding calendar year, the amount of tax withheld, if any, from each such employee, the total amount of qualifying wages paid to such employee during the preceding calendar year, the name of every other municipal corporation for which tax was withheld or should have been withheld from such employee during the preceding calendar year, any other information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent form with respect to such employee, and other information as may be required by the tax administrator.

## Electronic W-2's – EFW2

- The update for including all municipalities for each employee, is handled in the EFW2 Specifications found on our website:

**[www.ritaohio.com](http://www.ritaohio.com)**

- ❖ Essentially, it is an additional RS record for each municipality for each employee

## Paper Filing

The screenshot displays the RITA (Regional Income Tax Agency) website. The header includes the RITA logo, 'REGIONAL INCOME TAX AGENCY', 'Founded in 1971', a 'Login' button, a 'Site Search' field, and links for 'Help Videos | Feedback | Contact Us'. The main navigation bar contains: Home, About, Individuals, **Businesses**, Tax Professionals, Resources, RITA Municipalities, and Tax Rates. The 'Businesses' menu is open, showing options like 'Online Services', 'Make a Payment', 'File Your Taxes', 'Forms and Instructions', 'Form Mailing Addresses', 'Form Filing Due Dates', **W-2 Reporting Requirements**, 'Bulk Tax Filing Program', and 'Taxpayer Assistance'. The 'W-2 Reporting Requirements' page content includes: 'Employer W-2 submission specifications have changes as a result of House Bill 5, enacted by the Ohio General Assembly. Employers are now required to report for each employee every municipality or municipalities for which tax was withheld or should have been withheld. As a result, certain fields for the electronic reporting of W-2s (EFW2) specifications have been updated. If submitting paper W-2s, each municipality required to be withheld should be remitted separately or provided on a supplemental report. Employers issuing 250 or more Forms W-2 or 1099-Misc. during a calendar year must file electronically using the EFW2 Format and Guidelines prescribed by the Social Security Administration and Internal Revenue Service (EFW2). Employers issuing 249 or less Forms W-2 or 1099-Misc. are encouraged, but not required to remit W-2 forms electronically. Use W-2 Reporting Specs for RITA specific field requirements for electronic reporting and information on paper W-2 reporting. For electronic W-2 submission, you are required to validate your EFW2 file to ensure compliance with RITA's specifications and requirements. RITA provides two options to test the electronic submission of W-2s: Login to MyAccount to Test and Upload W-2 EFW2 file. After the verification is complete, you can electronically submit your W-2's securely through this online application. Download the W2 File Test Application.'

# W2 Reporting Specs

**REGIONAL INCOME TAX AGENCY**  
10107 Brecksville Road  
Brecksville, OH 44141-3275  
(440) 526-0900

## Electronic Media and Paper W-2 Reporting Requirements

- A reconciliation of tax withheld (Form 17) and W-2's are required to be filed on or before the last day of February following any calendar year in which employee withholding has been made by an employer. The form is designated "FORM 17 - RECONCILIATION OF INCOME TAX WITHHELD AND W-2/1099 TRANSMITTAL". Unless submitted electronically, the form must accompany all W-2 copies, computer paper listings, or electronic media.
- A 1099 transmittal sheet is required to be filed on or before the last day of February following any calendar year in which an individual receives 1099-misc., rents, other income, non-employee compensation, or excess golden parachute payments.
- For assistance call (440) 526-0900. For toll free assistance within Ohio call 1-800-860-7482. For TDD assistance call (440) 526-5332.

## Changes in the SSA Specifications

**Record Changes:** The RE Employer Record (position 174) "Kind of Employer" field descriptions have been modified. The value set remains the same.

## Paper Reporting

- **Employer W-2 submission specifications changed as the result of House Bill 5**, enacted by the Ohio General Assembly which also updated certain requirements for the paper reporting of W-2s as described below.
- Businesses issuing 249 or less W-2 wage and tax statement forms should supply W-2 Copy 1 - For State, City, or Local Tax Department for each employee in which tax is withheld or should have been withheld for a RITA municipality. For each of these employees also provide the amount and name of every other municipality for which tax was withheld or should have been withheld from such employee if applicable. These businesses have the option of completing RITA's Paper W-2 Reporting Layout to meet the W-2 submission requirements.
- Any exception in lieu of the standard accepted W-2 form or RITA's Paper W-2 Reporting Layout must receive prior permission from RITA's Business Compliance Manager before submission of such lists.

## Electronic Media Reporting

- All electronic media reporting for W-2 Copy A information must conform to the Social Security Administration's electronic media reporting and filing guidelines (EFW2).
- A copy of the SSA EFW2 guidelines can be printed from the Social Security Administration website at [www.ssa.gov/employer](http://www.ssa.gov/employer).
- **Employers with 250 or more W-2 Copy A forms must report on electronic media using EFW2 guidelines.** If a file is not submitted electronically through RITA's website, it is **required to be password protected.** Submit password separately by mail to: RITA Attn: Business Compliance Manager P.O. Box 477900 Broadview Heights, OH 44147-7900.
- Employers with 250 or more W-2 Copy A forms who wish to report on paper W-2's must receive prior permission from RITA's Business Compliance Manager.
- Employers with less than 250 W-2 Copy A forms may report on electronic media, but must use the EFW2 guidelines.
- RITA accepts the following electronic media: CD-ROM 650mb

# Supplemental W-2 Form

**REGIONAL INCOME TAX AGENCY Paper W-2 Reporting Layout Requirements**

Businesses issuing 249 or less W-2s have the option of completing RITA's Paper Reporting W-2 Layout to meet the W-2 submission requirements. Complete the information below, **PRINT and MAIL** to: RITA Attn: Business Department, 10107 Brecksville Road, Brecksville, OH 44141.

**Note:** Employer W-2 submission specifications changed as the result of House Bill 5, enacted by the Ohio General Assembly. An employer shall file a withholding reconciliation return with RITA listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for a RITA municipality, the amount of tax withheld, if any, from each such employee, the total amount of qualifying wages paid to such employee during the preceding calendar year, the name of **every other municipality for which tax was withheld or should have been withheld from such employee.**

Tax Year	Company EIN	Company Name	Company
			City _____ State _____ Zip _____
W-3 Totals from list below:		Submitter Name	Submitter Contact Information (Phone Number or Address)
Box 5 Wages	\$ -		
Box 18 Wages	\$ -		
Workplace Tax Withheld	\$ -		
Residence Tax Withheld	\$ -		

Submitter Signature: I have examined this report and to the best of my knowledge it is correct.

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Provide the following information for each W-2 issued. In cases where an employer withholds for an employee for more than one location, a separate row should be used:

	SSN	First Name	Last Name	Tax Authority Code for RITA Municipalities If Non RITA - enter 0	Box 5 Wages	Box 18 Wages	Workplace Tax Withheld	Residence Tax Withheld	Municipality Name (RITA or Non RITA)
1									
2									



**Thank you!**

**Questions?**