



CITY OF CUYAHOGA FALLS
DIVISION OF TAXATION
P.O. BOX 361
CUYAHOGA FALLS, OHIO 44222-0361

IMPORTANT TAX INFORMATION

EMPLOYER MUNICIPAL WITHHOLDING BOOKLET

IMPORTANT LAW CHANGE

As of January 1, 2004 the definition of wages subject to withholding has changed. The Ohio Revised Code Sec. 718.03 now requires all employers to withhold Municipal Income Tax on wages as defined by Sec. 3121 (a) of the Internal Revenue Code (IRC). For most employees this is Box 5 of the W-2 and represents the "Medicare" wage.

Under this definition amounts paid under IRC Sec. 125 ("Cafeteria Plans") are not subject to taxation.

As a reminder, all Deferred Compensation (both qualified and non-qualified) is still taxed when earned. Supplemental Unemployment (SUB and SUCB) payments are still taxable, and the employer is responsible for the collection and payment of this tax.

In addition, the "\$150 De minimus Provision" which had previously been in ORC Sec. 718.03 has been eliminated.

Please review your withholding policies and software settings to be sure they are consistent with the above changes.

Please feel free to contact our office if you have any questions.

The City of Cuyahoga Falls is pleased to provide you this booklet for the filing of your withholding payments.

This booklet includes the following:

| | |
|----------------|---|
| CW-1 Forms | Used for the remittance of monthly or quarterly withholding tax |
| CW-3 Form 2009 | Used for the reconciliation of 2009 withholdings |

The City of Cuyahoga Falls income tax rate is 2.0%. Salaries, wages and other compensation of all persons under 18 years of age are exempt. Employers must file on a monthly basis unless the annual withholding is less than \$1,200.00.

The City of Cuyahoga Falls is accepting the use of magnetic media (diskette) for the year end reporting of W-2s for employee wages. The CW-3 Form must be submitted with the diskette. The information must conform to IRS requirements for filing. For further information, please contact the Income Tax Office at 330-971-8220 or visit our website at www.cityofcf.com.

**Instructions for Monthly and Quarterly Withholding
Forms (CW-1)**

- Line 1 Enter the gross wages applicable to Cuyahoga Falls withholding tax.
- Line 2 Multiply line 1 by the city's 2.0% tax rate.
- Line 3 Enter any adjustments for prior periods.
- Line 4 Interest is calculated at 1.5% per month. Contact us for penalty information.
- Line 5 Enter the total amount due by adding lines 2, 3 and 4.
Make check payable to the City of Cuyahoga Falls.
Enter the check number on the CW-1 form.

Note: If the preprinted information on these forms is not correct please make the appropriate changes.

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Employer's Municipal Tax Withholding Statement

| | | |
|----------|--------|----------|
| FED ID # | Period | Due Date |
|----------|--------|----------|

**Form
CW-1**

- 1. Total wages subject to Cuyahoga Falls withholding tax.....\$ _____
- 2. Total payroll tax withheld for the period (line 1 x 2.0%)\$ _____
- 3. Adjustments for prior periods\$ _____
- 4. Penalty / Interest\$ _____
- 5. Amount due (total, lines 2, 3 and 4)\$ _____

I declare that this return has been examined by me and to the best of my knowledge and belief is a true and correct return made in good faith pursuant to City of Cuyahoga Falls Income Tax Ordinance and Rules and Regulations.

Please return this form with remittance *CHECK #* _____

Make check payable to *City of Cuyahoga Falls*

Signature and Title

Date

**Instructions for Withholding Reconciliation
Forms (CW-3)**

- | | | |
|--|--|--|
| Line A Enter the number of W-2s submitted with the reconciliation. | Line 1 Enter the total payroll for all locations for 2009 | |
| | Line 2a Enter all payroll earned outside of the City limits which is not subject to Cuyahoga Falls tax. | |
| | Line 2b Enter all payroll earned by those under age 18 which was not withheld for Cuyahoga Falls. | |
| | Line 2c Enter any other payroll amounts that were not withheld for Cuyahoga Falls along with the reason. | |
| Line B Enter the number of 1099s submitted with the reconciliation. | Line 3 Subtract lines 2a, 2b, and 2c from line 1. | |
| | Line 4 Multiply line 3 by the City's 2.0% tax rate. | |
| | Line 5 Enter the total amount withheld for employees as indicated by the W-2s. | |
| | Line 6 Enter the larger amount of line 4 or line 5. Note that if the W-2s indicate that more than 2.0% was withheld, then the higher amount needs to be paid. | |
| Line C Enter amount of sick leave paid by the employer or 3rd Party which is not included in the reconciliation. | Line 7 Enter the total amount remitted during the year. Call office for verification if necessary. | |
| | Line 8 If line 6 is greater than line 7, enter amount of underpayment and enclose payment. | |
| | Line 9 If line 7 is greater than line 6, enter the amount of overpayment. Checkmark whether you want the overpayment applied as a credit to next year or a refund is to be issued. | |

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2009 Employer's Municipal Tax Withholding Reconciliation (Due January 31, 2010)

Form
 CW-3

Fed ID #

- A) Number of W-2s _____
 - B) Number of 1099s _____
 - C) 3rd Party Sick Leave _____
1. Total payroll for 2009\$ _____
 2. Payroll not subject to Cuyahoga Falls (City) Taxation\$ _____
 - 2a. Outside the corporate limits\$ _____
 - 2b. Persons under the age of 18\$ _____
 - 2c. Other _____\$ _____
 3. Payroll subject to City tax (add line 1 and subtract lines 2a, 2b, 2c)\$ _____
 4. City withholding tax rate (multiply line 3 by 2.0%)\$ _____
 5. Amount withheld from employees (per W-2s)\$ _____
 6. Enter larger amount of line 4 or line 5 (this is the amount due)\$ _____
 7. Total Cuyahoga Falls withholding tax remitted\$ _____
 8. UNDERPAYMENT\$ _____
 (If line 6 is greater than line 7, enter amount and enclose payment)
 9. OVERPAYMENT\$ _____
 (If line 7 is greater than line 6, enter amount of overpayment)

I declare that this return has been examined by me and to the best of my knowledge and belief is a true and correct return made in good faith pursuant to City of Cuyahoga Falls Income Tax Ordinance and Rules and Regulations.

Signature and Title _____ Date _____

If overpayment, check one of the following () Apply the overpayment to next year
 () A refund is requested

Make check payable to *City of Cuyahoga Falls*

Withholding Tax Worksheet
(Keep for Your Records)

| Month | Due Date | Check # | Date | W/H Amount Remitted |
|-----------|--------------------|---------|-------|---------------------|
| January | February 20, 2009 | | / / | \$ |
| February | March 20, 2009 | | / / | \$ |
| March | April 20, 2009 | | / / | \$ |
| April | May 20, 2009 | | / / | \$ |
| May | June 20, 2009 | | / / | \$ |
| June | July 20, 2009 | | / / | \$ |
| July | August 20, 2009 | | / / | \$ |
| August | September 20, 2009 | | / / | \$ |
| September | October 20, 2009 | | / / | \$ |
| October | November 20, 2009 | | / / | \$ |
| November | December 20, 2009 | | / / | \$ |
| December | January 20, 2010 | | / / | \$ |
| | | | Total | \$ |