

ANNUAL PAYROLL RECONCILIATION

City of Canton, Income Tax Department

P.O. BOX 9940 • 424 MARKET N., CANTON, OHIO 44711 • PHONE (330) 430-7900
cantonincometax.com

2018

KIM R. PEREZ
TREASURER, CITY OF CANTON



EMPLOYER I.D. NO. _____

OTHER EIN USED _____

PART 1 - ACCOUNT INFORMATION

TYPE OF ACCOUNT:

- Resident Employer Withholding Canton Tax Only
- Non-Resident Employer Doing Business in Canton
- Employer (Either Resident or Non-Resident) doing Business in Canton and other Ohio Cities/JEDDS/Townships
- Courtesy Withholding Account

Contact Person _____

Phone No. _____

Fax No. _____

E-Mail Address _____

PART 2 RECONCILIATION OF FEDERAL WAGES

Medicare Taxable Wages (From Box 5 of Forms W-2)

Add: - Ordinary income from the exercise of stock options excluded from Medicare wages. _____

- Supplemental unemployment compensation ("sub-pay") excluded from Medicare wages. _____

Less: - Wages Not Subject to Canton Tax (Explain) _____

- Other (Explain) _____

Canton Taxable Wages _____

No. of W-2's Attached _____

No. of 1099 Statements Attached _____

Total 1099 Amount _____

PART 3 WAGES DETAIL

1) Jan 1-15	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table>							7) Apr 1-15	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table>							13) July 1-15	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table>							19) Oct 1-15	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr></table>						
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WAGES to 06/30 _____ x 2%= **A**

WAGES 07/01 - 12/31 _____ x 2.5%= **B**

A+B= C _____
Tax Liability

PART 4 DEPOSIT DETAIL

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DEPOSITS to 06/30=**D** _____

DEPOSITS 07/01 - 12/31=**E** _____

D+E=F _____
Total Deposits

C-F= _____
Balance

Signature: _____

Title: _____

Date: _____

Annual Payroll Reconciliation Instructions

If you are not filing digitally, either on magnetic media or electronically, please fill out this form completely, and file it on or before the last day of February. You may mail it to the Canton City Income Tax Department, PO Box 9940, Canton OH 44711-9940, or hand deliver it to our office at 424 Market Ave., North (4th Floor). The form must be signed, and all W-2s and 1099's (or a detailed computer print-out of each employee's W-2/1099 information) must be attached, or the filing cannot be accepted. Feel free to call our office with any questions (430-7900), or visit us online: www.cantonincometax.com.

Part 1 — Account Information

Enter current *EIN*, and any other *EIN* used by a directly related company for Canton City Income Tax reporting purposes in the past year.

If an entity is acting as a pay agent for affiliated companies, pursuant to *Rev. Proc. 70-06*, please attach a list of the names and EINs of the affiliates which currently are conducting business, or are active accounts, in Canton.

Enter account type.

Enter contact information. Most issues and questions we have regarding the Annual Payroll Reconciliation can be addressed with a quick phone call or e-mail. Please help us to be more efficient, by including this important information.

Part 2 — Reconciliation of Federal Wages

Canton City Income Tax is imposed on “qualifying wages” as defined in Section 3121(a) of the Internal Revenue Code, without regard to the Social Security wage limitation, adjusted as follows:

DEDUCT:

✓ any amount included in wages if the amount constitutes compensation attributable to a plan or program described in Section 125 of the Internal Revenue Code.

ADD:

✓ any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option.

✓ any employee contribution or elective deferral that is not included in wages if the amount is an amount described in Section 401(k) or 457 of the Internal Revenue Code.

✓ any supplemental unemployment compensation benefits not included in wages, described in Section 3402(o)(2) of the Internal Revenue Code.

✓ any amount excluded from wages solely because the employee was employed by the employer prior to April 1, 1986.

Be sure to indicate the number of W-2s being totaled and reconciled, and the number of Forms 1099MISC and the 1099MISC total dollar amount.

Part 3 — Wages Details

The taxable wages are reconciled with local tax withholdings by reporting separately the wage amount subject to Canton’s tax at 2%, (i.e., 01/01 – 06/30), and the amount subject to Canton’s tax at 2.5% (i.e., 07/01 – 12/31). Use the red blocks to report wages if you filed quarterly, the green and red blocks if you filed monthly, and all the blocks if you filed semi-monthly. Show the wage and tax totals on the appropriate line. Add the tax from both date periods to get the total tax liability for 2018.

Part 4 — Deposits Details

Use the red blocks to report deposits if you remitted quarterly, the green and red blocks if you remitted monthly, and all the blocks if you remitted semi-monthly. Show the deposit totals on the appropriate line. Add the lines together to get total deposits for 2018.

Subtract total deposits from total tax liability. If the difference is a positive number, you have a balance due. Remit payment with this form.

If the difference is a negative number, you have overpaid your withholding for the year. If the overpayment is greater than \$10.00, it will be refunded.

Any difference between wages and the applicable Canton tax rate will be billable to the employer.

Be sure to fill out all 4 parts of the form COMPLETELY.

No taxes of less than ten dollars (\$10.00) shall be collected or refunded.

PLEASE FILE YOUR PAYROLL RECONCILIATION DIGITALLY, EITHER ON A CD OR FLASH DRIVE, OR BY UPLOADING THE FILE ELECTRONICALLY TO <https://cantonincometax.com/tax/w3upload.php>

W3 Formats

There are four acceptable formats for electronic filing.

Federal Filing Format – MMREF and EFW2

Information about the Federal MMREF and EFW2 format is available on the Social Security Administration website at: www.ssa.gov/employer Both formats are very similar and can both be read.

Note that the record with local information is not required for filing federally. The RS record must be included to provide city information.

Old Federal Formats – 1A and A

The previous Federal formats continue to be supported.

CityTax Proprietary Format (CTP)

This is a simple format for a single employer. It may be created using Microsoft Excel. It is a Comma Delimited format. Details are on a later page.

The following table lists critical fields, with the location in that format

		MMREF	1A	A	CTP
Local Entity Code	Record	RS	2S	S	CTW
	Start Position	5	82	219	12
	Length	5	5	5	--
Local Withholding	Record	RS	2S	S	CTW
	Start Position	320	96	233	13
	Length	11	7	9	--
Local Taxable	Record	RS	2S	S	CTW
	Start Position	309	87	224	11
	Length	11	9	9	--

CityTax Proprietary

This is a comma-delimited format. That means that each field is separated by a comma. See below for instructions on creating this file from Microsoft Excel. All text must be in upper case. If leading zeros on TaxIDs or Zipcodes do not show, this is all right.

FIRST LINE: EMPLOYER

A. CTE	text exactly as shown
B. Employer FEIN or TaxID	9 digits no spaces or punctuation
C. Tax Year	4 digits
D. Employer name	
E. Corporate	C if a corporation, blank otherwise
F. Employer street address	No commas
G. Employer City	
H. Employer State	2 characters
I. Employer Zipcode	5 digits (or 6 characters if foreign country)
J. Employer Plus4	4 digits

REMAINING LINES: ONE PER EMPLOYEE

A. CTW	text exactly as shown
B. Employee SSN	9 digits no spaces or punctuation
C. Employee Last Name	
D. Employee First Name	
E. Employee Middle Name	
F. Employee street address	No commas
G. Employee City	
H. Employee State	2 characters
I. Employee Zipcode	5 digits (or 6 characters if foreign country)
J. Employee Plus4	4 digits
K. Federal Wages	Box 1
L. Local Entity Code	See table above
M. Local Withholding	Entered as normal number with decimal point
N. Social Security Wages	Box 3
O. Medicare Wages	Box 5
P. Local Wages	Box 18
Q. Total Deferred	Included in Box 12

How to Create CTP format using Microsoft Excel

NOTE: All dollar amounts should be entered as normal number with decimal point, such as 15100.50

1. Open a new spreadsheet.
2. On the first line, enter the Employer data as specified above, entering one value per column. The letter shown at the start of each line must match the letter at the top of the column in Excel. Skip the column if blank. Insure all entries are upper case. To start, enter 'CTE' in the first column.
3. For each employee, enter another line, entering CTW in the first column (A) and entering one field per column.
- 4 Click on the Save button (or select Save from the File menu). At the bottom is a drop down box for Save as type. Click on this drop-down and select: 'CSV (Comma delimited)(* .csv)' Then enter a file name and click save.
5. Copy this file to a diskette or compact disc and send to the Income Tax office.

Mailing the formats to Employers

The following page mirrors the information above, and is intended to be sent to Employers when desired. It does not include the older formats that should not be used any longer.

There are certain options that each site should modify before sending:

The Local Entity should be set to the site abbreviation (maximum of five letters), such as 'ERAPD' for Eaton Rapids. Set this in the table on the front page, and in the CTP instructions on the second page.

For CTP:

Columns N through Q are optional, and should be removed if the site does not use the extra wage information.

Submitting W2s electronically

The following formats are acceptable for filing W2 information electronically.

Federall Filing Format - MMREF-1 or EFW2

Information about the Federal MMREF and EFW2 formats are available on the Social Security Administration website at: www.ssa.gov/employer

Note that the record with local information is not required for filing federally. The RS record must be included to provide city information.

CityTax Proprietary Fromat (CTP)

This is a simple format for a single employer. It may be created using Microsoft Excel. It is a Comma Delimited format. Details are shown below.

The following table lists critical fields with local information in that format

		MMREF	CTP
Local Entity Code	Record	RS	CTW
	Start Position	5	12
	Length	5	--
	Value	{{Entity}}	{{Entity}}
Local Withholding	Record	RS	CTW
	Start Position	320	13
	Length	11	--
Local Taxable	Record	RS	CTW
	Start Position	309	11
	Length	11	--

Using Excel to Submit W2s electronically

- All text must be in upper case.
- If leading zeros on Social Security Numbers or Zipcodes do not show, this is all right.
- All dollar amounts should be entered as normal number with decimal point, such as 15100.50
- Do not leave blank lines between information.

1. Open a new spreadsheet.
2. On the first line, enter the Employer data as specified below, entering one value per column. The letter shown at the start of each line must match the letter at the top of the column in Excel. Skip the column if blank. Insure all entries are upper case. To start, enter 'CTE' in the first column.
3. For each employee, enter another line, entering CTW in the first column (A) and entering one field per column.
4. Click on the Save button (or select Save from the File menu). At the bottom is a drop down box for Save as type. Click on this drop-down and select 'CSV (Comma delimited)(* .csv)'
Then enter a file name and click save.
5. Copy this file to a diskette or compact disc and send to the Income Tax office.

FIRST LINE: EMPLOYER

- | | |
|----------------------------|---|
| A. CTE | text exactly as shown |
| B. Employer FEIN or Tax ID | 9 digits no spaces or punctuation |
| C. Tax Year | 4 digits |
| D. Employer name | |
| E. Corporate | C if a corporation, blank otherwise |
| F. Employer street address | No commas |
| G. Employer City | |
| H. Employer State | 2 characters |
| I. Employer Zipcode | 5 digits (or 6 characters if foreign country) |
| J. Employer Plus4 | 4 digits |

REMAINING LINES: ONE PER EMPLOYEE

- | | |
|----------------------------|---|
| A. CTW | text exactly as shown |
| B. Employee SSN | 9 digits no spaces or punctuation |
| C. Employee Last Name | |
| D. Employee First Name | |
| E. Employee Middle Name | |
| F. Employee street address | No Commas |
| G. Employee City | |
| H. Employee State | 2 characters |
| I. Employee Zipcode | 5 digits (or 6 characters if foreign country) |
| J. Employee Plus4 | 4 digits |
| K. Federal Wages | from Box 1 |
| L. Local Entity Code | {{Entity}} |
| M. Local Withholding | |
| N. Social Security Wages | from Box 3 |
| O. Medicare Wages | from Box 5 |
| P. Local Wages | from Box 18 |
| Q. Total Deferred | Included in Box 12 |