

# 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

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 RECONCILIATION OF TAX WITHHELD

Canton Taxable Wages Subject To Tax at 2% (From Part 2) \_\_\_\_\_ X 2% \_\_\_\_\_  
 Wages Subject To Tax At Less Than 2% (i.e. courtesy withholding, other, explain) \_\_\_\_\_ X \_\_\_ % \_\_\_\_\_  
 Total Canton Income Tax Due \_\_\_\_\_  
 Total Canton Income Tax Withheld \_\_\_\_\_

## PART 4 RECONCILIATION OF DEPOSITS

### SEMI-MONTHLY: Enter on lines 1 through 24 the amount paid for withholding tax for each Semi-Monthly filing period.

1) Jan 1-15		7) Apr 1-15		13) July 1-15		19) Oct 1-15	
2) Jan 16-31		8) Apr 16-30		14) July 16-31		20) Oct 16-31	
3) Feb 1-15		9) May 1-15		15) Aug 1-15		21) Nov 1-15	
4) Feb 16-28		10) May 16-31		16) Aug 16-31		22) Nov 16-30	
5) Mar 1-15		11) June 1-15		17) Sept 1-15		23) Dec 1-15	
6) Mar 16-31		12) June 16-30		18) Sept 16-30		24) Dec 16-31	

TOTAL PAYMENTS

### MONTHLY: Enter on lines 1 through 12 the amount paid for withholding tax for each Monthly filing period.

1) January		4) April		7) July		10) October	
2) February		5) May		8) August		11) November	
3) March		6) June		9) September		12) December	

TOTAL PAYMENTS

### QUARTERLY: Enter on lines 1 through 4 the amount paid for withholding tax for each Quarterly filing period.

1) January 1 - March 31		2) April 1 - June 30		3) July 1 - Sept. 30		4) October 1 - Dec. 31	
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TOTAL PAYMENTS

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](http://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 note, on the appropriate line, the number of W-2s being totaled and reconciled, and the number of Forms 1099MISC and their total dollar amount.*

## Part 3 — Reconciliation of Tax Withheld

The taxable wages are reconciled with local tax withholdings by reporting separately the wage amount subject to

Canton’s tax at 2%, and the amount taxed at less than 2%. Begin with the “Canton Taxable Wages” from Part 2. The wages “Subject to tax at 2%,” and “Subject to tax at less than 2%” should add up to this amount. For wages “Subject to tax at less than 2%,” enter the amount of wages for which Canton is not receiving the full 2% tax (i.e., when Canton residents are working in a city where the tax rate is less than 2%, and the difference between that city’s rate and 2% is being withheld and remitted to Canton). Enter the percentage which represents the difference between Canton’s tax rate (2%) and the tax rate of the other city for which taxes have been withheld. Add the two tax amounts to determine the “Total Canton Income Tax due.” Add tax withheld for Canton, from “block 21” of all subject W-2s, to derive “Total Canton Income Tax withheld.”

## Part 4 — Reconciliation of Deposits

Add quarterly amounts of tax remitted to Canton, to calculate “Total Canton Income Tax paid.” Subtract from this amount, the greater of the “Total tax due” or “Total tax withheld” from Part 3.

If the difference is a negative number, you have a balance due. Please remit payment with this reconciliation.

If the difference is a positive number, you have overpaid your withholding for the year. The overpayment will be refunded.

Please provide a detailed statement of explanation.

**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](http://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

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

## CityTax Proprietary

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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

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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](http://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
<b>Local Entity Code</b>	Record	RS	CTW
	Start Position	5	12
	Length	5	--
	Value	{{Entity}}	{{Entity}}
<b>Local Withholding</b>	Record	RS	CTW
	Start Position	320	13
	Length	11	--
<b>Local Taxable</b>	Record	RS	CTW
	Start Position	309	11
	Length	11	--

## Using Excel to Submit W2s electronically

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- 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                            |