

**Kim R. Perez, City Treasurer, Canton City Income Tax**

P.O. Box 9940 Canton, Ohio 44711-9940 • cantonincometax.com

**Return of Income Tax Withheld**

<b>For Period From:</b>	<b>To:</b>
<b>Tax Rate: (If other than 2.5%):</b>	
<b>Account #:</b>	
<b>Federal ID:</b>	

**If you do not have employees this period please state so and return this form.**

<b>Total Salaries and Wages</b>	
<b>1. Subject to Canton Tax</b>	
<b>2. Tax Due (Line 1 x Tax Rate)</b>	
<b>3. Total Tax Withheld This Period</b>	
<b>4. Adjustments To Prior Records</b>	
<b>5. Interest 0.583% Per Month</b>	
<b>6. Late Filing Penalty</b>	
<b>7. Late Payment Penalty</b>	
<b>8. Amount Paid Herewith</b>	

**Avoid penalty - File and pay promptly**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Title*

(       )  
\_\_\_\_\_  
*Phone*

### Employer Withholding and Remittance Obligations

All employers within, or doing business within Canton, who employ one or more persons on a salary, wage, commission or other compensation basis in the business transaction, must withhold City of Canton Income Taxes from the employees' pay. The taxes withheld must be deposited on a monthly basis if the withholdings equal or exceed two hundred dollars (\$200.00) during any one calendar month (or if the taxes required to be withheld in the previous calendar year exceeded \$2,399.00); otherwise, if the taxes withheld total less than two hundred dollars (\$200.00) per month, the taxes may be paid quarterly. Taxes must be remitted semimonthly if the withholdings equal or exceed one thousand dollars (\$1,000.00) in any one calendar month, or if the taxes required to be withheld in the previous calendar year exceeded eleven thousand nine hundred ninety-nine dollars (\$11,999.00).

### ***IF YOU ARE REQUIRED TO FILE ELECTRONICALLY FOR FEDERAL WITHHOLDING TAX PURPOSES YOU MUST FILE ELECTRONICALLY FOR CANTON WITHHOLDING PURPOSES AS WELL.***

Monthly remitters must pay the taxes withheld for the previous month on or before the 15th day of each month. Employers who are required to remit on a quarterly basis must pay the taxes withheld for the previous quarter on or before the fifteenth day of the month following the end of the quarter. Employers who are required to remit on a semimonthly basis must pay the taxes withheld for the first fifteen days of the month on the third banking day after the fifteenth day of the month, and on the third banking day after the last day of the month for the latter half of the month. Failure to withhold, remit, or file timely subjects the employer to civil and criminal sanctions. Additionally, from the time of withholding, until the deposit is made, an employer holds the tax as a trustee for the benefit of the City; the tax collected is considered a trust fund in the hands of the employer, until it is paid to the City.

In the case of employers who fail to withhold or remit the taxes withheld, or taxes which should have been withheld from employees, the following penalties and interest will be imposed:

- *Late Filing Penalty - \$25.00 per month per return (\$150.00 per return maximum).*
- *Late Payment Penalty - 50% of the unpaid balance at the time payment is due).*
- *Late Payment Interest - 0.583% per month.*

### Determining Taxable Income

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.**