

REMITTANCE OF WITHHOLDING TAX

FORM PH W-1

The deductions from salaries, qualified wages and other compensation required to be made by employers for withheld tax are to be remitted as follows (Title Nine, Chapter 193.36 of the Municipal Income Tax Ordinance):

MONTHLY - withholding tax equals \$250 or more in one month:

- (a) An employer who deducts the tax in the amount of \$250 or more in the first or second month of a calendar quarter shall, on or before the 20th day of the following month, pay the Administrator the amount of taxes so deducted. Said payment shall be on an Employer's Monthly Withholding Form No. PH W-1 furnished by or obtainable upon request from the Administrator, setting forth the amount of tax deducted for the month. Checks should be made payable to the City of Parma Heights.
- (b) An employer who makes payments on a monthly basis (in addition to any estimated payment required to be filed with respect to his own earnings or net profits) shall pay such tax deducted for the third month of a calendar quarter at the regular time for filing the Employer's Quarterly Return of Income Tax Withheld.

QUARTERLY - withholding tax equals less than \$250 a month:

- (a) An employer who deducts tax less than \$250 a month shall pay such tax deducted (in addition to any estimated payment required to be filed with respect to his own earnings or net profits) on or before the last day of the month next following each quarterly period. Said payment shall be on an Employer's Quarterly Return of Tax Withheld – Form No. PH W-1 furnished by or obtainable upon request from the Administrator, setting forth the amount of tax deducted for the quarter. Checks should be made payable to the City of Parma Heights.

No part of such tax so withheld and so reported may be paid to the Administrator in installments. Penalty and interest will be assessed on late payments. (10% and 1.5% per month respectively)

RECONCILIATION OF CITY OF PARMA HEIGHTS

INCOME TAX WITHHELD FROM WAGES

FORM W-3

The reconciliation form must be filed with the City of Parma Heights Income Tax Department at the same time as your Employer's quarterly tax return, Form PHW-1, for the fourth quarter of the year (due date 1/31/XX). This form must be accompanied by all copies of employee's wage statements - W'2's (including those employees under 18 that had no tax withheld) showing: (1) Name and Address of employee (The employees residence address should show the correct political subdivision – NOT CLEVELAND AND A ZIP CODE NUMER); (2) Social Security Number; (3) Gross Earnings PAID BEFORE ANY PAYROLL DEDUCTIONS; (4) Amount of Parma Heights and any other city income tax withheld; and name, address and Federal Identification Number of the employer. W2's for employees under 18 even though withholding tax is not taken out provide explanation of no withholding tax.

If there is a balance due, remit the amount due with the reconciliation form. If there is an overpayment, indicate amount on "Refund Due" line.

The amount of tax withheld for Parma Heights should equal the gross wages times (x) the tax rate for the tax year reported. In the event the tax withheld is less than the tax rate, the difference must be fully explained in an attached statement. In the event that the tax was withheld in excess of the tax rate, IT MUST BE PAID TO PARMA HEIGHTS; the employee should apply to the Parma Heights Income Tax Department for a refund.