

# IMPORTANT WITHHOLDING TAX CHANGES EFFECTIVE 1-1-2021

**Changes mandated by Ohio Revised Code Chapter 718** (House Bill 5- Municipal Income Tax Uniformity)

## **INTEREST AND PENALTIES**

Interest: 5.0% per annum ( 0.42%) per month  
Late Payment Penalty: 50% of the total tax due

## **WHO MUST FILE:**

1. Each employer located within The Village of Arcanum is required to withhold the tax for all employees age (18) eighteen and older.
2. Before beginning work within The Village, each NON RESIDENT EMPLOYER doing business in The Village must register with the city income tax department, to determine their filing requirements.

## **DEPOSIT REQUIREMENTS**

**QUARTERLY** — If tax withheld or required to be withheld is less than \$200 per month, remittance is due by the last day of the month following the end of the quarterly period.

**MONTHLY** — If tax withheld or required to be withheld is equal to or greater than \$200 per month, remittance is due by the fifteenth (15th) day of the following month.

## GENERAL INFORMATION

On or before the last day of February of each year, each employer must file a withholding reconciliation using The Village of Arcanum Form W-3. Copies of all W-2 forms applicable to the reconciliation must be attached. All W-2's must furnish the name, address, social security number, qualifying wages, city tax withheld, name of city for which tax was withheld, and any other compensation paid to the individual. If copies of the W-2 forms are not available, each employer must provide a listing of all employees subject to Arcanum tax. The listing shall require the same type of information as is required on the W-2 form.

Any individual, association, or business entity that is required under the Internal Revenue Code to issue form 1099-MISC to any person shall on or before the last day of February of each year, file copies of said 1099's to the Income Tax Department. If 1099 copies are not available, a listing with the same information as contained on form 1099 may be submitted.

## SPECIFIC FILING INFORMATION

The front of the Form W-3 must show a breakdown of all withholding payment made either quarterly or monthly in the boxes provided. Numbers 1, 2, 3, 4 and 5 must be completed. The total tax paid should be equal to 1% of the summary, line 2. The completed Form W-3 and all attachments must be submitted to The Department of Taxation, The Village of Arcanum, P. O. Box 157, Arcanum, OH 45304 on or before February 28 of each year. Any question regarding the Form W-3 should be referred to the Village Tax Department at 937-692-8500.

