

Expirations, New School Districts, Renewals and Rate Changes Effective 1/1/2009

Dear Employer:

Ohio law requires you to canvass your employees and ask each employee for the school district in which they reside. If you have an employee who resides in a school district with a school district income tax in effect, then you must withhold this tax from the employee's compensation – even if you conduct no business or operations in that school district. Employers not fulfilling these requirements are subject to penalties and interest for any unpaid school district income taxes **even if the taxes were not withheld**. A list of school districts with a tax in effect for 2009 is found on pages 3-4.

Important

- If your employees do not know the school district in which they reside, they may determine their school district by contacting their county auditor or by using *The Finder* at tax.ohio.gov.
- Several Ohio school districts have the same or similar names. Be sure to verify the correct school district on the attached list.
- You may use the Ohio Business Gateway to file your school district income tax returns and pay your school district income taxes at tax.ohio.gov.
- If you file paper returns and pay by check, please complete your Ohio form SD 101 and include the form with your payment. Be sure to show the amount due for each school district. By doing so, you will help us forward each tax payment to the correct school district. Ohio form SD 101 is available on our Web site at tax.ohio.gov.

School District Withholding Requirements

Who Must Register? All employers maintaining an office or transacting business in Ohio and required to withhold federal and state income tax must register if they employ at least one resident of a school district that has enacted a school district income tax. To register, employers should complete and return Ohio form IT 1R in this packet. Employers use the same account number they use for Ohio income tax withholding. All forms and correspondence should reflect this account number.

Who Must Withhold? Every employer maintaining an office or transacting business within the state of Ohio and making payments of any compensation to an employee who resides in an affected school district must withhold the school district income tax. The employer's office or employee's work location is irrelevant. The employee's residence is the determining factor for employers to withhold school district income tax.

How Much Tax Do I Withhold? Employers should use the same wage base and number of exemptions they use for withholding Ohio income tax and use the school district withholding tables, unless the school district income tax is based on earned income. Several school districts have enacted an alternative, earned income only tax base. For those school districts with an income tax based on earned income, the employer should withhold at a flat rate equal to the tax rate for the district with no reduction or adjustment for personal exemptions. These earned income only tax base school districts are found on page 3.

What Forms Must be Completed?

Employee's Withholding Exemption Certificate, Ohio Form IT 4 – Every employer liable for Ohio withholding tax must keep on file Ohio form IT 4, Employees Withholding Exemption Certificate. By doing so, employers have built-in fields for the name and number of the school district in which the employee resides. Employees must update Ohio form IT 4 whenever previous information becomes insufficient or incorrect.

Registration for Ohio School District Withholding Agent, Ohio Form IT 1R – All affected employers who are not active in the school district withholding system should complete and return the registration form as soon as the employer determines that it has one or more employees subject to the tax.

School District Income Tax Withholding Packet – Upon registration employers will receive a packet with enough Ohio SD 101 quarterly or monthly returns to remit their school district tax for each period. Employers will also receive the school district income tax withholding tables. File returns and pay taxes according to the following:

- **Quarterly** payments are due if the **combined** Ohio and school district liability does not exceed \$2,000 during the 12-month period ending on June 30th of the preceding calendar year.
- **Monthly** payments are due if the **combined** Ohio and school district liability exceeds \$2,000 during the 12-month period ending on June 30th of the preceding calendar year.
- **Partial weekly** and **electronic funds transfer (EFT)** payments are not required for school district withholding tax.

Note: Overpayments made for a district can be applied to reduce the tax due for the same district in a subsequent period, but

<u>New for 2009</u>			
<u>SD #</u>	<u>School District</u>	<u>Rate</u>	<u>County</u>
<u>New:</u>			
7502*	Botkins LSD	1.25	Auglaize, Shelby
7201*	Clyde-Green Springs EVSD	1.00	Sandusky, Seneca
5505*	Milton Union EVSD	1.25	Miami
<u>Rate Change:</u>			
5507	Piqua CSD	1.25	Miami
<u>Renewed:</u>			
5401*	Celina CSD	0.75	Mercer
7202	Fremont	1.25	Sandusky
3603*	Greenfield EVSD	1.25	Fayette, Highland, Ross
0908*	Ross LSD	0.75	Butler
8104	Van Wert	1.00	Van Wert
1907	Versailles EVSD	0.75	Darke, Shelby
<u>Expired:</u>			
2805	Ledgemont LSD	1.25	Geauga

*Districts with an alternative earned income only tax.

*Districts that have changed from a traditional tax base to an earned income tax base.

Note: When you create W-2s for your employees, you should identify the school district by its **four-digit code**. By doing so, you will help your employees avoid any delay in the processing of their income tax returns.

employers cannot use an overpayment to one school district to reduce the tax due for any other school district.

School District Employer's Annual Reconciliation of Tax Withheld, Ohio Form SD 141 – All employers required to withhold must file no later than Jan. 31 of the succeeding calendar year an annual report, Ohio form SD 141, reconciling school district tax withheld and paid for the past calendar year. Employers selling or quitting their business during the year must file their final return within 15 days after the date of selling or quitting the business. Employers should show all withholding amounts for each district on Ohio form SD 141. Employers discovering an error after filing Ohio form SD 141 should file Ohio form SD 141X, Amended Annual Reconciliation, to adjust for the error and attach corrected W-2(s), if any.

Wage and Tax Statement, Ohio Form IT 2 (or Combined W-2) – On or before Jan. 31 of the succeeding calendar year, employers required to withhold school district tax must furnish to all employees subject to the tax two copies of the report of compensation paid during the calendar year and the amount deducted and withheld as school district tax. Employers may use Ohio form IT 2 or the federal combined W-2. **Employers should clearly identify the school district on the W-2 by its four-digit number.**

Transmittal of Wage and Tax Statements, Ohio Form IT 3 – All employers required to withhold must file with the Ohio Department of Taxation by the last day of February of the succeeding calendar year a copy of Ohio form IT 3, the state's copy of Ohio form IT 2 (or combined W-2), and a list (preferably on calculator tape) of the Ohio and school district income tax withheld. In lieu of Ohio form IT 2 or combined W-2, the employer

may submit the required employee information on magnetic tape (format furnished upon request).

If an employer discovers an error on an Ohio form IT 2 (or combined W-2), the employer must furnish two copies of a corrected Ohio form IT 2 (or combined W-2) marked "CORRECTED BY EMPLOYER" to the employee and one copy to the Department of Taxation marked "REISSUED BY EMPLOYER."

Employer's Liability for School District Tax – Each employer is liable for the school district tax required to be withheld. For purposes of assessment and collection, amounts required to be withheld and paid to the Ohio Department of Taxation are considered to be a tax on the employer. The officer or the employee having control or supervision of or charged with the responsibility of filing the report and making payment shall be held personally liable for any failure to file the report or pay the tax as required by law.

Interest and Penalties – If an employer fails to pay the school district tax deducted and withheld from employees by the due date, interest shall accrue on the unpaid tax at the rate provided for under Ohio Revised Code section 5703.47. Interest (5% for 2009) on the unpaid tax is due in addition to any penalty for late filing or late payment of the tax due. If an employer fails to pay the tax deducted and withheld from employees by the due date, the employer may incur a penalty of up to 50% of the tax due, unless failure was for reasonable cause and not willful neglect. If an employer does not file Ohio forms SD 101 or SD 141 or files after the due date, a late filing penalty may be assessed, which is the greater of \$50 per month or fraction of a month (up to a maximum of \$500) or 5% per month or fraction of a month (up to a maximum of 50% of the tax due).

School Districts With an Income Tax for 2009

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SD#	School District Name (and Counties)	Decimal Rate	Percent
"Earned Income Only" School Districts			
0502	Athens CSD (Athens)	.0100	1%
2801	Berkshire LSD (Geauga)	.0100	1%
7502	Botkins LSD (Auglaize, Shelby)	.0125	1¼%
5401	Celina CSD (Mercer)	.0075	¾%
8501	Chippewa LSD (Wayne)	.0100	1%
6501	Circleville CSD (Pickaway)	.0075	¾%
5204	Cloverleaf LSD (Medina)	.0050	½%
7201	Clyde-Green Springs EVSD (Sandusky, Seneca)	.0100	1%
8702	Eastwood LSD (Wood)	.0100	1%
3603	Greenfield EVSD (Fayette, Highland, Ross)	.0125	1¼%
4902	Jonathan Alder LSD (Franklin, Madison, Union)	.0075	¾%
2305	Lancaster CSD (Fairfield)	.0150	1½%
5505	Milton Union EVSD (Miami)	.0125	1¼%
8705	North Baltimore LSD (Hancock, Wood)	.0100	1%
4508	North Fork LSD (Knox, Licking)	.0100	1%
0908	Ross LSD (Butler)	.0075	¾%
5008	Sebring LSD (Mahoning)	.0100	1%
3118	Southwest LSD (Hamilton, Butler)	.0075	¾%
5509	Troy CSD (Miami)	.0150	1½%
"Traditional" Tax Base School Districts			
3301	Ada EVSD (Hancock, Hardin)	.0075	¾%
7101	Adena LSD (Pickaway, Ross)	.0100	1%
7501	Anna LSD (Shelby)	.0050	½%
1901	Ansonia LSD (Darke)	.0075	¾%
6301	Antwerp LSD (Paulding)	.0150	1½%
3201	Arcadia LSD (Hancock, Seneca)	.0100	1%
1902	Arcanum-Butler LSD (Darke)	.0150	1½%
3202	Arlington LSD (Hancock)	.0125	1¼%
2001	Ayersville LSD (Defiance)	.0100	1%
3901	Bellevue CSD (Erie, Huron, Sandusky, Seneca)	.0050	½%
2302	Berne-Union LSD (Fairfield, Hocking)	.0100	1%
7401	Bettsville LSD (Seneca)	.0100	1%
2501	Bexley CSD (Franklin)	.0075	¾%
2101	Big Walnut LSD (Delaware)	.0075	¾%
2303	Bloom-Carroll LSD (Fairfield)	.0125	1¼%
0203	Bluffton EVSD (Allen, Hancock)	.0050	½%
8701	Bowling Green CSD (Henry, Wood)	.0050	½%
5502	Bradford EVSD (Darke, Miami, Shelby)	.0175	1¾%
8601	Bryan CSD (Williams)	.0100	1%
1701	Buckeye Central LSD (Crawford, Huron, Richland, Seneca)	.0150	1½%
2102	Buckeye Valley LSD (Delaware, Marion, Morrow, Union)	.0100	1%
2502	Canal Winchester LSD (Fairfield, Franklin)	.0075	¾%
8801	Carey EVSD (Seneca, Wyandot)	.0100	1%
8301	Carlisle LSD (Montgomery, Warren)	.0100	1%
2902	Cedar Cliff LSD (Clark, Greene)	.0100	1%
4201	Centerburg LSD (Delaware, Knox, Licking)	.0075	¾%
2002	Central LSD (Defiance, Williams)	.0075	¾%
1303	Clermont-Northeastern LSD (Brown, Clermont)	.0100	1%

SD#	School District Name (and Counties)	Decimal Rate	Percent
"Traditional" Tax Base (cont.)			
5402	Coldwater EVSD (Mercer)	.0050	½%
1703	Colonel Crawford LSD (Crawford)	.0125	1¼%
1502	Columbiana EVSD (Columbiana, Mahoning)	.0100	1%
6901	Columbus Grove LSD (Allen, Putnam)	.0075	¾%
6902	Continental LSD (Putnam)	.0150	1½%
3203	Cory-Rawson LSD (Hancock)	.0175	1¾%
5503	Covington EVSD (Miami)	.0175	1¾%
1503	Crestview LSD (Columbiana)	.0100	1%
8101	Crestview LSD (Van Wert)	.0100	1%
8502	Dalton LSD (Wayne)	.0075	¾%
4202	Danville LSD (Holmes, Knox)	.0200	2%
2003	Defiance CSD (Defiance, Paulding)	.0050	½%
6803	Eaton CSD (Preble)	.0150	1½%
8602	Edgerton LSD (Defiance, Williams)	.0100	1%
8703	Elmwood LSD (Hancock, Wood)	.0125	1¼%
2602	Evergreen LSD (Fulton, Lucas)	.0150	1½%
8001	Fairbanks LSD (Madison, Union)	.0100	1%
2903	Fairborn CSD (Clark, Greene, Montgomery)	.0050	½%
2304	Fairfield Union LSD (Fairfield, Hocking, Perry)	.0200	2%
7503	Fairlawn LSD (Shelby)	.0075	¾%
7504	Fort Loramie LSD (Darke, Shelby)	.0150	1½%
5406	Fort Recovery LSD (Darke, Mercer)	.0150	1½%
1903	Franklin Monroe LSD (Darke, Miami)	.0075	¾%
7202	Fremont CSD (Sandusky)	.0125	1¼%
2603	Gorham Fayette LSD (Fulton)	.0100	1%
1305	Goshen LSD (Clermont, Warren)	.0100	1%
2904	Greeneview LSD (Clinton, Fayette, Greene)	.0100	1%
1904	Greenville CSD (Darke)	.0050	½%
7505	Hardin-Houston LSD (Shelby)	.0075	¾%
3302	Hardin Northern LSD (Hancock, Hardin)	.0175	1¾%
2004	Hicksville EVSD (Defiance)	.0150	1½%
5902	Highland LSD (Delaware, Morrow)	.0050	½%
3604	Hillsboro CSD (Highland)	.0100	1%
3501	Holgate LSD (Henry)	.0150	1½%
4901	Jefferson LSD (Madison)	.0050	½%
6903	Jennings LSD (Putnam)	.0075	¾%
4503	Johnstown-Monroe LSD (Licking)	.0100	1%
6904	Kalida LSD (Putnam)	.0100	1%
3303	Kenton CSD (Hardin, Wyandot)	.0100	1%
7204	Lakota LSD (Sandusky, Seneca, Wood)	.0150	1½%
6905	Leipsic LSD (Putnam)	.0075	¾%
3205	Liberty-Benton LSD (Hancock)	.0075	¾%
3502	Liberty Center LSD (Fulton, Henry)	.0175	1¾%
2306	Liberty Union-Thurston LSD (Fairfield)	.0175	1¾%
4506	Licking Valley LSD (Licking, Muskingum)	.0100	1%
6502	Logan Elm LSD (Hocking, Pickaway)	.0100	1%
4903	London CSD (Madison)	.0100	1%
0303	Loudonville-Perrysville EVSD (Ashland, Holmes, Knox, Richland)	.0125	1¼%
0905	Madison LSD (Butler)	.0050	½%

(continued on next page)

Boldface indicates newly enacted rate or rate change for 2009.

School Districts With an Income Tax for 2009

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SD#	School District Name (and Counties)	Decimal Rate	Percent
"Traditional" Tax Base (cont.)			
3206	McComb LSD (Hancock, Putnam, Wood)	.0150	1½%
1102	Mechanicsburg EVSD (Champaign, Madison)	.0150	1½%
5504	Miami East LSD (Champaign, Miami)	.0100	1%
8604	Millcreek-West Unity LSD (Williams)	.0100	1%
6906	Miller City-New Cleveland LSD (Putnam)	.0125	1¼%
0601	Minster LSD (Auglaize, Darke, Mercer, Shelby)	.0050	½%
1905	Mississinawa Valley LSD (Darke)	.0175	1¾%
8802	Mohawk LSD (Crawford, Seneca, Wyandot)	.0100	1%
8605	Montpelier EVSD (Williams)	.0075	¾%
5903	Mount Gilead EVSD (Morrow)	.0075	¾%
6802	National Trail LSD (Darke, Preble)	.0175	1¾%
0602	New Bremen LSD (Auglaize, Mercer, Shelby)	.0100	1%
0603	New Knoxville LSD (Auglaize, Shelby)	.0125	1¼%
5708	New Lebanon LSD (Montgomery)	.0125	1¼%
3903	New London LSD (Ashland, Huron, Lorain)	.0100	1%
0907	New Miami LSD (Butler)	.0100	1%
7404	New Riegel LSD (Seneca)	.0150	1½%
4507	Newark CSD (Licking)	.0100	1%
5506	Newton LSD (Darke, Miami)	.0175	1¾%
8003	North Union LSD (Delaware, Union)	.0100	1%
5904	Northmor LSD (Marion, Morrow, Richland)	.0100	1%
4509	Northridge LSD (Delaware, Knox, Licking)	.0100	1%
8505	Northwestern LSD (Ashland, Wayne)	.0125	1¼%
3904	Norwalk CSD (Huron)	.0050	½%
4712	Oberlin CSD (Lorain)	.0200	2%
7405	Old Fort LSD (Sandusky, Seneca)	.0100	1%
8707	Otsego LSD (Henry, Lucas, Wood)	.0100	1%
6907	Ottawa-Glandorf LSD (Putnam)	.0050	½%
6909	Pandora-Gilboa LSD (Allen, Putnam)	.0175	1¾%
5405	Parkway LSD (Auglaize, Mercer, Van Wert)	.0100	1%
3504	Patrick Henry LSD (Henry, Putnam, Wood)	.0175	1¾%
6302	Paulding EVSD (Paulding, Putnam)	.0100	1%
8708	Perrysburg EVSD (Wood)	.0050	½%
2604	Pettisville LSD (Fulton, Henry)	.0100	1%
2307	Pickerington LSD (Fairfield, Franklin)	.0100	1%
5507	Piqua CSD (Miami)	.0125	1¼%
7007	Plymouth-Shiloh LSD (Crawford, Huron, Richland)	.0100	1%
6804	Preble Shawnee LSD (Butler, Montgomery, Preble)	.0175	1¾%
2509	Reynoldsburg CSD (Fairfield, Franklin, Licking)	.0050	½%

SD#	School District Name (and Counties)	Decimal Rate	Percent
"Traditional" Tax Base (cont.)			
3304	Ridgemont LSD (Hardin, Logan)	.0100	1%
3305	Riverdale LSD (Hancock, Hardin, Wyandot)	.0100	1%
4604	Riverside LSD (Logan, Shelby)	.0075	¾%
7507	Russia LSD (Darke, Shelby)	.0075	¾%
7406	Seneca East LSD (Huron, Seneca)	.0100	1%
7008	Shelby CSD (Richland)	.0100	1%
3905	South Central LSD (Huron, Richland)	.0125	1¼%
1205	Southeastern LSD (Clark)	.0100	1%
4510	Southwest Licking LSD (Fairfield, Licking)	.0075	¾%
0209	Spencerville LSD (Allen, Auglaize, Van Wert)	.0100	1%
5010	Springfield LSD (Mahoning)	.0100	1%
8607	Stryker LSD (Williams)	.0150	1½%
2606	Swanton LSD (Fulton, Lucas)	.0125	1¼%
0909	Talawanda CSD (Butler, Preble)	.0100	1%
6503	Teays Valley LSD (Fairfield, Franklin, Pickaway)	.0075	¾%
1103	Triad LSD (Champaign, Logan, Union)	.0150	1½%
1906	Tri-Village Community LSD (Darke)	.0150	1½%
6805	Twin Valley LSD (Preble)	.0075	¾%
7106	Union-Scioto LSD (Ross)	.0050	½%
1510	United LSD (Columbiana)	.0050	½%
8803	Upper Sandusky EVSD (Crawford, Marion, Wyandot)	.0125	1¼%
3306	Upper Scioto Valley LSD (Auglaize, Hardin, Logan)	.0050	½%
5713	Valley View LSD (Montgomery, Preble)	.0125	1¼%
8104	Van Wert CSD (Van Wert)	.0100	1%
3208	Vanlue LSD (Hancock, Seneca, Wyandot)	.0100	1%
1907	Versailles EVSD (Darke, Shelby)	.0075	¾%
2308	Walnut Township LSD (Fairfield)	.0125	1¼%
0605	Wapakoneta CSD (Auglaize)	.0075	¾%
6303	Wayne Trace LSD (Paulding, Putnam, Van Wert)	.0125	1¼%
0606	Waynesfield-Goshen LSD (Allen, Auglaize, Logan)	.0100	1%
4715	Wellington EVSD (Huron, Lorain)	.0100	1%
1105	West Liberty-Salem LSD (Champaign, Logan)	.0150	1½%
3906	Western Reserve LSD (Erie, Huron)	.0125	1¼%
1404	Wilmington CSD (Clinton, Greene)	.0100	1%
3122	Wyoming CSD (Hamilton)	.0125	1¼%
2906	Xenia Community CSD (Greene, Warren)	.0050	½%
2907	Yellow Springs EVSD (Clark, Greene)	.0100	1%

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