

RETURN OF INCOME TAX WITHHELD
FILE AND PAY PROMPTLY

- Notify office of any change in name or address.
- Make check or money order payable to City of Marion Income Tax.
- If you did not have any employees this period, so state and return.

FILE WITH
MARION CITY INCOME TAX DEPT
233 W. CENTER CITY BUILDING
MARION, OHIO 43301-1822

FOR PERIOD

ACCOUNT NUMBER

DUE ON OR BEFORE

1. TOTAL SALARIES, WAGES, ETC.

SUBJECT TO MARION TAX

\$		
\$		

2. TAX WITHHELD THIS PERIOD

3. ADJUSTMENTS

4. AMOUNT PAID

I HEREBY CERTIFY THAT THE INFORMATION AND
STATEMENTS CONTAINED HEREIN ARE TRUE AND CORRECT.

X

SIGNATURE

DATE

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**** RECONCILIATION ****

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233 W. CENTER CITY BUILDING
MARION, OHIO 43301-1822

FOR PERIOD

ACCOUNT NUMBER

DUE ON OR BEFORE

1. TOTAL SALARIES, WAGES, ETC.
SUBJECT TO MARION TAX

2. TAX WITHHELD THIS PERIOD

XXXXXXXXXXXXXXXXXX

3. AMOUNT PAID

4. VARIANCE

XXXXXXXXXXXXXXXXXX

5. OVERPAYMENT TO BE REFUNDED ____ OR CREDITED TO NEXT FILING ____
6. NUMBER OF W-2 FORMS ENCLOSED ____ SEE INSTRUCTIONS.

\$			
\$			

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X

SIGNATURE

DATE

IMPORTANT

This envelope contains:

- * Marion City Income Tax Withholding Returns. (Form EQR)
- * Marion City Income Tax Annual Reconciliation of Tax Withheld. This return must be completed and filed no later than February 28.
- * Instructions for preparing forms.

INSTRUCTIONS FOR COMPLETING EMPLOYER WITHHOLDING FORM EQR

1. The coupons in this envelope are preprinted with a Withholding Tax Period and Due Date. Please use the return which corresponds to the period for which you are filing.
2. On line 1, enter the wages subject to Marion City Income Tax paid during the filing period. Please refer to the enclosed sheet explaining "qualifying wages" to determine if wages are subject to city income tax.
3. On line 2, enter the Marion City Income Taxes withheld for the period. Our tax rate is 2.00% of qualifying wages.
4. Line 3 may reflect either a positive or negative adjustment. A positive adjustment may be due to taxes withheld during a prior period but previously underpaid in error. A negative adjustment would be to take credit for a previous overpayment. Attach a statement of explanation for all adjustments.
5. Line 4 is the total amount due.
6. When a business is discontinued, the payment of wages cease, or if you have a change in name and/or address, please enter a full explanation of the nature of the change. This would include any change of ownership. Use a separate sheet if necessary.
7. Please be sure that lines 2 and 4 on form EQR are entered correctly. Mail your check in the amount indicated on line 4 along with form EQR to Marion City Income Tax, 233 W. Center St., Marion, OH 43301-1822.
8. Returns not received by the due date may be subject to a **late filing penalty** and interest will be applied to any unpaid balance from the original due date of the return until filed and paid.

QUALIFYING WAGES

Beginning with wages paid in 2004, Ohio municipalities may tax only qualifying wages. Pursuant to Ohio Revised Code § 718.03(A)(2), qualifying wages for Marion income tax purposes are defined as follows:

(V) QUALIFYING WAGES.

(1) Wages, as defined in § 3121(a) of the Internal Revenue Code (IRC), without regard to any wage limitations, adjusted as follows:

(a) Deduct any amount included in wages if the amount constitutes compensation attributable to a plan or program described in IRC § 125.

(b) Add the following amounts:

(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986.

(ii) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, or other disposition of stock purchased under a stock option. Division (V)(1)(b)(ii) of this section applies only to those amounts constituting ordinary income.

(iii) Any amount not included in wages if the amount is an amount described in IRC § 401(k) or 457. Division (V)(1)(b)(iii) of this section applies only to employee contributions and employee deferrals.

(iv) Any amount that is supplemental unemployment compensation benefits described in IRC § 3402(o)(2) and not included in wages.

IRC § 3121(a) defines wages for purposes of Social Security and Medicare taxes.

Please note the following for wages beginning January 1, 2004:

- 1) Employee contributions to IRC § 125 (cafeteria) plans are not subject to Marion income tax.
- 2) The cost of group term life insurance in excess of \$50,000 will be subject to Marion income tax to the same extent that it is subject to Medicare tax.
- 3) Nonqualified deferred compensation will be subject to Marion income tax in the same year that the nonqualified deferred compensation is subject to Medicare tax.
- 4) Wages resulting from employee stock options are subject to Marion income tax and withholding is required.
 - a) Under state law, withholding will not be required from wages if the wages result from a disqualifying disposition of an incentive stock option by a former employee.
 - b) Under our local ordinance, the relief from withholding provided in a) above would also apply to employee stock purchase plans.
- 5) Wages exempted from Medicare taxes under IRC § 3121(a) are exempt from Marion income tax. Other sections of the IRC (such as IRC § 3121(b)) which exempt or exclude wages from Medicare taxes do not exempt or exclude the wages from Marion income tax.

**INSTRUCTIONS FOR COMPLETING EMPLOYER'S RECONCILIATION
OF MARION CITY INCOME TAXES WITHHELD
FORM EQR-ANNUAL RECONCILIATION**

1. On line 1 enter the total wages paid for the year subject to Marion City Income Tax.
2. On line 2 enter the amount of Marion City Income Tax withheld for the year.
3. On line 3 enter the amount of Marion City Income Tax remitted for the tax year being reported.
4. On line 4 enter any difference between line 2 and line 3 (line 2 minus line 3). If line 3 is more than line 2, enter the [overpayment] on line 4 and complete line 5. We will not issue credit for fractional differences. If line 2 is more than line 3, enter the underpayment on line 4 and remit payment with this reconciliation.
5. On line 5 indicate whether overpayment is to be credited to next year or refunded.
6. On line 6 enter the number of W-2 forms submitted with this return. Copies of original W-2 forms are acceptable. Include an adding machine tape showing the total Marion wages and Marion withholding. A computer listing of the W-2 information is acceptable if the listing includes all W-2 information including name, address, social security number, federal taxable wages, Medicare wages, deferred compensation information, etc.
7. If you issued 1099-MISC forms for services performed or property rented within the City of Marion, include a copy of such 1099-MISC forms, or a computer printout with the complete 1099-MISC information with your withholding reconciliation.

Enclose all W-2/1099-MISC information along with a check for any underpayment and mail to:

CITY OF MARION, OHIO - INCOME TAX
233 West Center Street
Marion, OH 43301-1822

MARION CITY INCOME TAX - RECORD OF PAYMENT
(Quarterly filers use the MAR - JUN - SEPT - DEC lines.)

	TAXABLE PAYROLL	TAX WITHHELD	AMOUNT PAID	DATE PAID	CHECK NO.
JAN					
FEB					
MAR					
APR					
MAY					
JUN					
JUL					
AUG					
SEPT					
OCT					
NOV					
DEC					
TOTAL					