

NOTICE

Enclosed in this package is the information and forms needed to prepare and file employer's monthly returns of tax withheld. This booklet contains a form for each calendar month to be returned to the Gallipolis City Income Tax Department.

Please read the instructions carefully and complete each form in its entirety.

To avoid errors in processing and to assure proper credit to your account, please type or print your name and address where indicated including the account number as shown on the mailing label of this booklet.

WHO MUST FILE:

Each employer within, or doing business within, the City of Gallipolis who employs one or more persons is required to withhold city income tax from all compensation paid employees at the time or times such compensation is paid and to file a withholding form and remit such tax to the Gallipolis City Income Tax Department.

WITHHOLDING RATE:

1% of gross compensation.

DUE DATE:

Returns are due by the end of the month following the close of each month. Returns are necessary even if no wages were paid or no tax is due.

The annual reconciliation along with copies of w-2's and 1099's is due by February 28.

CHANGES OF STATUS:

The Income Tax Department should be notified of any changes in employer status, i.e. change of ownership, consolidation, dissolution of business or any other circumstances that may affect your account. If your withholding account should be removed from our active files, please notify our office with all pertinent information and effective dates.

TAXABLE INCOME:

Qualifying wages, salaries and other compensation.

Bonuses, stipends and tip income.

Commissions, fees, and other earned income.

Sick pay (including third party sick pay).

Employer supplemental unemployment benefits (sub pay).

Strike pay.

Vacation pay.

Employee contributions to retirement plans and tax deferred annuity plans (including §401k, 403b, 457b, etc.).

Profit sharing

Contributions made by or on behalf of employees to tax deferred annuity programs.

Uniform, automobile, moving & travel allowances.

Reimbursements in excess of deductible expenses.

Employer provided educational assistance.

Stock options (tax when exercised, usually valued at market price less option price on the date the option is exercised).

Employer paid premiums for group term life insurance over \$50,000.

Compensation paid in goods or services or property usage, taxed at fair market value.

Income from wage continuation plans (including retirement incentive plans & severance pay).

Income from guaranteed annual wage contracts.

Prizes and gifts if connected with employment.

LATE FILING FEE, PENALTY AND INTEREST: (EFFECTIVE JANUARY 1, 2004)

One time late filing fee of \$25.00 if received after due date.

Penalties for non-payment of monies required to be withheld are 1 1/2% per month. All taxes remaining unpaid after they have become due bear interest at the rate of 1 1/2% per month.