

City of Oxford, Ohio

Income Tax Division

www.ritaohio.com

Frequently asked questions about
Municipal Income Tax

Table of Contents

• Current Tax Rate for Oxford, Ohio	• Page 3
• What does the City do with the income tax revenue?	• Page 4
• How do I file my City Income Tax?	• Page 5
• Universal Filing	• Page 6
• Can I get an extension of the filing deadline?	• Page 7
• Can a tax return be amended?	• Page 8
• Tax Obligations	• Page 9
• Determining where tax is owed	• Page 10
• Withholding	• Page 11
• Withholding (continued)	• Page 12
• Estimated Tax Payments	• Page 13
• Due dates for estimated tax payments	• Page 14
• What is Municipal Income Tax?	• Page 15
• What is school district tax?	• Page 16
• Does a resident owe both taxes?	• Page 17
• What needs to be included with your tax return?	• Page 18
• Municipal Tax Filing Status	• Page 19
• Refunds	• Page 20
• When can I expect my Refund?	• Page 21
• Unpaid taxes	• Page 22
• Confidentiality	• Page 23
• Municipal Income Tax for Businesses	• Page 24

Current Tax Rate

The current tax rate for the City of Oxford is two percent (2.00%)

What does the City do with the income tax revenue?

1.75% of the income generated provides funding for the purposes of general municipal operations, procurement of capital assets, capital improvements, payment of debt obligations, and for all other lawful purposes.

General operations include: police, parks, recreation, street maintenance, community development, and administrative support functions.

0.25% of the income generated provides funding for the purposes of Fire/EMS operations, procurement of capital assets, capital improvements, and for all other lawful purposes.

How do I file my City Income Tax?

Currently, the City of Oxford has a contractual agreement with the Regional Income Tax Agency (R.I.T.A) to collect the tax liabilities due the City of Oxford.

Tax forms can be requested from the City of Oxford Finance Dept (524-5221) or from the Regional Income Tax Agency (800-860-7482)

Your tax return can be filed via the Regional Income Tax Agency website. www.ritaohio.com

Universal Filing

- On or before April 15th of each year, every resident or partial-year resident who has earned income is required to file a City tax return, **whether or not a tax is due.**
- Also, any non resident who is employed (or doing business) in the City of Oxford AND has **not** had municipal income tax withheld during the tax year (or not enough municipal tax withheld) is required to file.

Can I get an extension of the filing deadline?

Yes, if a written request is submitted on or before the due date for filing the return.

Extensions may not exceed six months or one month beyond any extension requested of or granted by the Internal Revenue Service.

Can a tax return properly filed be amended?

Yes, an amended return must be filed
to report additional income
to pay any additional tax due
to claim a refund of overpaid taxes.

Tax Obligations

How to determine what City
you live in and / or work in

Please do not rely on the mailing address to determine the city in which you live or work. The United States Postal Service establishes mailing addresses based upon the Post Office that serves your area. Your mailing address does not always fall within the city limits within which you actually reside.

To determine the city in which a certain address is located, please either refer to the street guide listed on our website or call our office at 524-5221.

Determining Where Tax is Owed

How to determine where your local tax is owed.

Local tax is due first to the city in which the income was actually earned.

You may also have an obligation to your city of residence.

For example:

Assume that you work in a city that has a 1% local tax rate and you reside in a city that has a 2% tax rate. If the city where you live allows a 100% credit for the local tax paid to the city where you work, your tax obligation is 1% to the city where you are employed and 1% to the city where you reside.

Withholding

Municipal Income Tax deducted from your paycheck is paid to the Municipality in which you work.

If you work in Oxford, your Oxford Income Tax should be deducted from your paycheck by your employer and paid to the City for you.

If your employer is not in Oxford, but is willing to withhold Oxford tax for you, they can easily set up a withholding tax account.

Withholding (continued)

- Q. I reside in Oxford, my wages are my only taxable income, and my employer is withholding my tax liability properly. Do I need to file an Oxford tax return?
- A. Yes, the tax return that you file will reflect that no tax is owed to the City of Oxford. Failure to file this return can result in a penalty assessment of \$50
- Q. I do not live in Oxford, but I do work in Oxford. Do I owe the City of Oxford income tax?
- A. Yes, because income is taxed first where it is earned.
- Q. I reside in Oxford, but work in a village that does not have income tax. Do I owe the City income tax?
- A. Yes, the second tax on income is residency tax. Since there is no 'work city tax', the 'residency tax' is 100% of the City of Oxford tax rate of 2.00%.

Why do I need to pay Estimated Tax Payments to R.I.T.A.?

Every person who anticipates any taxable income which is subject to City income tax must file a declaration setting forth the estimated income with the estimated tax due.

This declaration is required to be filed by April 15th of each year or before the fifteenth day of the fourth month after the date the taxpayer becomes subject to the tax for the first time.

The local tax ordinance requires estimated tax payments to be made.

Most employers only withhold “workplace city tax” and do not withhold “resident city tax”.

When are my quarterly estimated tax payments due?

Your quarterly estimated tax payments are due as follows:

First quarter is due April 30th

Second quarter is due July 31st

Third quarter is due October 31st

Fourth quarter is due January 31st

What is Municipal Income Tax?

Municipal Income Tax is a tax that is generally imposed on all qualifying wages, salaries, and other compensation earned by residents of the City and by non-residents working in the City.

State law requires a flat rate within a City. The rate is determined locally. The maximum rate without voter approval is 1%.

Collection of municipal income tax is made through employer withholdings, individual quarterly estimated payments, and annual returns.

What is the school district tax?

In 1981, the Ohio General Assembly granted school districts the authority to levy an income tax. Certain provisions of that law were repealed in 1983 so that no additional school districts could levy the tax. Any school district enacting the tax before August 3, 1983 could continue to levy the tax. Prior to the repeal, voters approved the tax in six school districts, one of which repealed the tax through voter referendum in 1986. In 1989, the General Assembly reinstated provisions of the original law allowing additional school districts to levy the tax.

The school district income tax is imposed on the incomes of residents and estates of persons who at the time of their death were residents of the school district. The Ohio Department of Taxation administers the tax. Collections are made through employers withholdings, individual quarterly estimated payments (called declarations), and annual returns.

Does a resident of the City of Oxford owe both taxes?

Yes, a resident of the City of Oxford must pay the school district tax to the Talawanda School District and Oxford City Income Tax to the R.I.T.A.

A resident's school district tax is based on Federal Adjusted Gross Income similar to state income tax. It is collect by the Department of Taxation as well.

An Oxford resident is also subject to the City income tax. City income tax is based on gross income minus deductions and credits allowed by the Tax Code on any and all income earned and /or received by the taxpayer.

What needs to be included with my return?

All W-2's, all Forms 1099, the first page of your Federal Form, and any applicable federal schedules.

If something is missing, the Income Tax Division will send out a letter requesting the information to complete the return.

The return will not be considered filed until the missing information is received.

Do I have to file under the same status as my Federal tax?

No, you do not have to file under the same filing status as the federal and state.

If you are married, we ask that you file jointly with the City of Oxford, regardless if you filed married filing separately for the federal and state returns.

Persons living together but not married cannot legally file a joint return.

If I overpay my taxes, can I get a refund?

Yes. The refund amount will be figured on your Oxford tax return.

You may have the amount credited to your next year's estimate, or if the amount is over \$5.00, you may request a refund check.

A 1099-G form will be filed with the Internal Revenue Service for all refunds credited or issued and the amount will also be reported to the city where you reside (if it is not Oxford).

How soon can I expect my refund?

Refunds have to be issued within 90 days of receipt of the completed return with all the documents attached.

A refund request is not considered complete and will not be processed unless it has all the supporting documents attached.

What if I am unable to pay the tax that is due?

You should still file your return by the due date.

You will receive a bill for the unpaid taxes, along with late payment penalty and interest charges. You may also be assessed interest and penalty for nonpayment of estimated taxes, depending on your tax situation.

If you would like to enter into a payment arrangement, contact the Regional Income Tax Agency (R.I.T.A.) at 800-860-7482 or 440-526-0900 to make a request to enter into a payment plan.

Confidentiality

Section 181.09(e) of the Tax Code states that “Any information gained as the result of any returns, investigations, hearings or verifications required or authorized by this Chapter shall be confidential and no person shall disclose such information, or except in accordance with proper judicial order or in connection with the performance of that person’s official duties or the official business of the municipal corporation my furnish copies of returns filed under this Chapter to the Internal Revenue Service and to the State of Ohio Tax Commissioner.”

Any unauthorized disclosure will constitute a separate offense of this chapter.

Section 181.09(g) of the Tax Code states that “Any employee of the City who violates the provisions of this section relative to the disclosure of confidential information shall be guilty of an offense punishable by immediate dismissal.”

Municipal Income Tax for Businesses

Please contact the Regional Income Tax Agency
(R.I.T.A.) for any tax questions.

www.ritaohio.com

800-860-7482 OR 440-526-0900

Regional Income Tax Agency
PO Box 477900
Broadview Heights, OH 44147