This flowchart represents RITA's understanding of ORC 718.011 and may not represent the understanding of other income tax administrators.

\*\*\* DRAFT \*\*\*

## For which municipality does Ohio Revised Code section 718.011 require withholding for the day?

Notes:

1. JEDDs and JEDZs are municipalities under Ohio Revised Code section 718.01(AA).

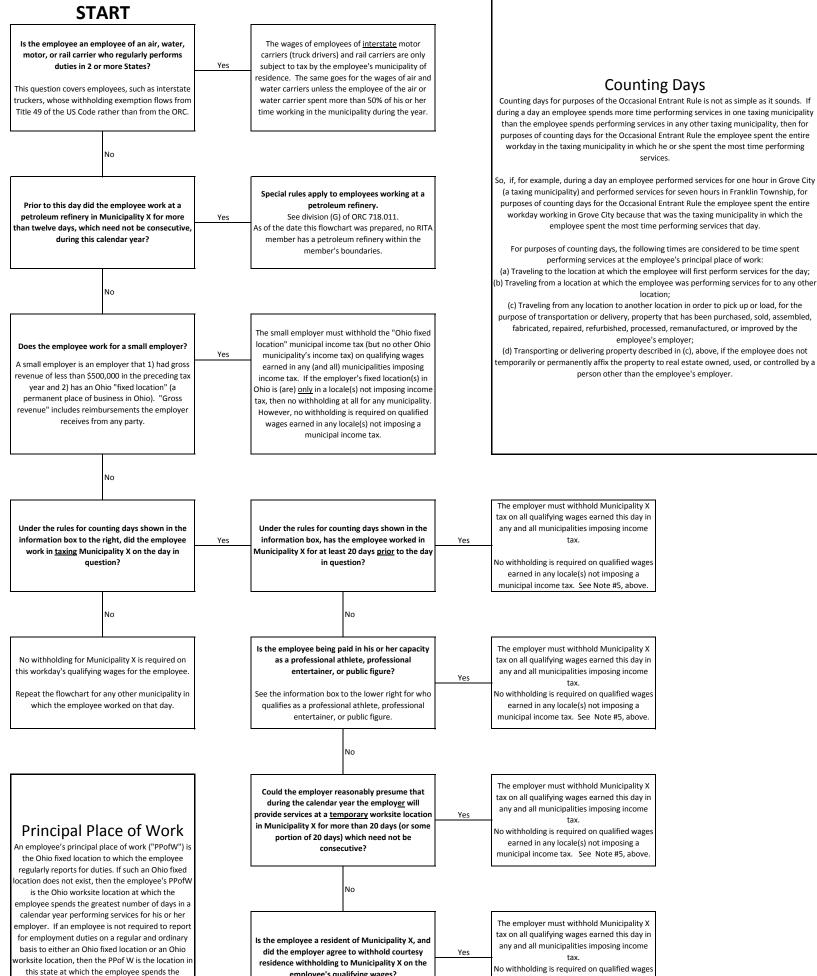
2. For each employee working in at least one taxing municipality on a day, the employer will withhold for only one municipality for that entire day. However, there will be no required withholding at all for employees of any small employer if the small employer's fixed location in Ohio is in a jurisdiction not imposing municipal income tax.

3. An employer does not have to withhold any tax for qualifying wages paid to any employee for work the employee performs in a locale where there is no municipal income tax.

4. An employer who is not a small employer (see " Does the employee work for a small employer?" below, left) can choose to disregard the Occasional Entrant Rules and withhold from the first day on all wages earned for work performed in an "occasional entrant" municipality.

5. For qualifying wages for which no withholding is required per the flowchart, the employer must keep clear and convincing documentation to support that no withholding was required.

6. Even though withholding may not be required per the flowchart, the employer can elect to withhold for the municipality in which is located the employee's principal place of work (defined below. left).



greatest number of days in a calendar year performing services for her/his employer.

An employee spends a day at an Ohio location when he or she spends more time working at that Ohio location than at any other Ohio location. If the employee spends an equal amount of time in two municipalities, the employee will have two principal places of work, and the employer will have to split the withholding on a rational basis.

For some employees their principal place of work will change during the year and not actually be known until late in the year. An employer in this predicament who is not a small employer with a fixed location in Ohio can choose one of the two following solutions: 1) disregard the Occasional Entrant Rules and withhold from the first day on all wages earned for work performed in a RITA municipality or 2) determine the employee's current principal place of employment at the end of each pay period and withhold accordingly for that pay period. Note that "at the end of each pay period" takes in the period beginning on Jan. 1 of the year and ending on the last day of the most current pay period. employee's qualifying wages? No Withhold to the employee's Principal Place of Work (see discussion to the left) on the employee's qualifying wages earned this day in any and all

municipalities imposing an income tax. If the employee's principal place of work is in a municipality not imposing income tax, then no withholding for any city for this day for the employee.

## Warning

Failure to withhold to the Principal Place of Work voids the employer's protection under the Occasional Entrant Rule. No withholding is required on compensation earned in any locale(s) not imposing a municipal income tax. See Note #5, above. earned in any locale(s) not imposing a municipal income tax. See Note #5, above

## Professional Athletes, Professional Entertainers, &

Revised 1/20/16; Updated 10.19.16

## **Public Figures**

A professional athlete is an athlete who is paid to participate in professional athletic events

A professional entertainer performs in the professional performing arts and is paid on a perevent basis. An entertainer who is paid by the season regardless of whether or not he or she performs at a specific event is not a professional entertainer.

A public figure is any person of prominence, such as a politician, entertainer, athlete, college football coach, famous boxing event promoter, or well-known business leader, who is paid to perform at an event such as a speech, public appearance, graduation ceremony, or other similar event.