



Office of the Program Director
State of Ohio
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March 2, 2007

Dear Municipal Income Tax Administrator:

I am pleased to announce that OBG has completed work on the Municipal Income tax Withholding Returns and Payments application. The availability of this new application again represents a culmination of effort and collaboration with tax administrators and businesses. We continue to make progress on our mutual goal to meet the requirements outlined by the Ohio Revised Code.

Withholding payments and returns are a straightforward addition to the existing electronic filing services you are already familiar with. You will still receive all data from OBG and manage all of your electronic payments in the same way through your electronic mailbox. Here is a brief summary of a few important points:

- Withholding payments and returns are delivered to you in a separate activity file from the net profits returns, estimated payments and extension requests. The first line of each activity file contains a file version number and a value for the dollar amount of payments in the corresponding bank NACHA file.
- All payments are included in one bank NACHA file. For those municipalities who deposit withholding and net profits funds to separate accounts, the NACHA file's internal structure supports that distinction and enables your bank to handle your deposits accordingly. If your bank requires you to validate the dollar amount of the NACHA file, please note you will need to add the amounts from each of your activity reports.
- For those municipalities who receive only human-readable reports, you will now have a minimum of two files per day in your electronic mailbox, and up to three files per day when you have payment activity.
- Sample screen shots and activity reports for the Withholding Returns and Payments application are available online at the project web site <http://munitax.obg.ohio.gov> (see Tax Administrators' Outreach).

Taxpayers may immediately begin filing withholding returns and payments with activated municipalities. Municipalities are activated for the new withholding application based upon the data provided in the 2007 Municipal Profile Certification. If you have any questions about the data you have provided, or if you need to update or provide your profile in order to be activated, please contact my office. My office may also contact you to clarify any information as we continue to activate municipalities.

Lastly, your feedback is important. If you have any questions, please contact my office. As I have mentioned previously, we are working on enhancements to the Net Profits Returns, Estimated Payments, and Extension Requests based on your feedback. These changes will be implemented later this spring.

Thank you again for your support of the project.

Sincerely,

Joe Zapotosky
Program Director