

### **WITHHOLDING TAX - GENERAL INFORMATION**

Each employer located within or doing business within the City of Kettering, who employs one or more persons, is required to withhold Kettering income tax at the rate of 2.25% from all qualifying wages allocated or set aside for, or paid to, the employee(s). Qualifying wages are defined in IRC Section 3121(a), and generally appear in the Medicare Wage Box of the Form W-2, with an exception to include exempt employees hired before April 1, 1986. In addition, all employers who are **required** to withhold Kettering tax are likewise **required** to file electronically with some exceptions as indicated below. Failure to remit payments electronically will result in a penalty assessment of ten percent (10%) of the amount required to be remitted by electronic funds transfer. Click [here](#) to go directly to Electronic Tax Programs.

#### **Exceptions to Electronic Filing Requirement:**

- Courtesy Withholders: If your business performs no work in the City of Kettering and you are withholding Kettering tax as a courtesy to your employee who resides in Kettering, you may continue to file on paper and remit your payments by mail. We encourage you to file via electronic funds transfer because of the benefits the electronic filing system provides.
- Employers who were required to withhold less than \$175.00 in tax in the prior year may continue to file on paper until they exceed the minimum threshold of \$175.00 in a calendar year.
- Subject to approval by the Board of Adjudication, the Tax Manager may grant a temporary exemption of up to eighteen months from the requirement to file via electronic funds transfer if it is found that the electronic filing requirement will impose a substantial hardship upon the employer. An employer must submit a written request for such an exemption and provide the basis for a substantial hardship.

The amount of tax withheld must be remitted to the Tax Division on a monthly basis in accordance with the due dates specified below. Quarterly filing may be approved at the discretion of the Tax Manager.

**Monthly** withholding payments are due on or before the fifteenth (15th) day of the month following the withholding period.

**Quarterly** withholding payments are due on or before the last day of the month following the quarterly period: April 30, July 31, October 31, and January 31.

### **FORM KW-1 FILING INSTRUCTIONS**

- Line 1 Enter the qualifying wages allocated or set aside for, or paid to, all employees during the filing period. If no qualifying wages were allocated, set aside, or paid during this period, enter a zero (0) on lines 1-4.
- Line 2 Enter the total Kettering tax withheld during this filing period.
- Line 3 Enter any adjustments to the tax withheld on line 2. All adjustments must be explained in the section provided.
- Line 4 Enter the total of lines 2 and 3. This is the amount due and must be paid with this return. Make checks payable to The City of Kettering.

Note: The Federal Identification Number and responsible officer's name and signature must be provided for the return to be complete.

### **PENALTY AND INTEREST**

Returns received after the due date are subject to penalty and interest. Contact the Income Tax Division for the applicable rates.