

You may **adjust within** the same school district by reflecting below your underpayment or overpayment from a prior period during 2000 and showing the **net** amount on the reverse side by that school district number. **Do not** show a net amount below zero. If you cannot use up your overpayment for that district this period, you should continue to adjust your next SD-101(s) until you are in balance for that district. Make any adjustments between school districts on your annual reconciliation, Form SD-141.

SCHOOL DISTRICT NAME	SD #	THIS PERIOD	UNDERPAYMENT	(OVERPAYMENT)	PERIOD NET

1. REQUIREMENT TO WITHHOLD SCHOOL DISTRICT INCOME TAX

Pursuant to Sections 5747.06 and 5747.07 of the Ohio Revised Code, all employers are required to withhold and remit School District Income Tax from employees who reside in a School District which has enacted a School District Income Tax. Employers should use the same wage base as they use for Ohio withholding less the number of exemptions claimed on Form IT-4, Employee's Withholding Exemption Certificate (which they keep on file). Employers must remit this tax with Form SD-101, Payment of School District Income Tax Withheld, usually on the same due date as Form IT-501, Payment of Ohio Income Tax Withheld (see exceptions below). Employers liable for withholding School District Income Tax must also complete Form SD-141, School District Employer's Reconciliation of Tax Withheld.

2. QUARTERLY OR MONTHLY PAYMENTS

- Quarterly** payments are due if the combined Ohio and School District liability does not exceed \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year.
- Monthly** payments are due if the combined Ohio and School District liability exceeds \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year.
- Partial weekly** payments are not required (Section 5747.07 of the Ohio Revised Code).
- Electronic Funds Transfer (EFT)** payments are not required (Section 5747.07 of the Ohio Revised Code).

3. HOW TO COMPLETE THE SD-101 PAYMENT FORM

- Enter the School District Income Tax withholding liability for the period beside the appropriate school district name and number.
- Enter the total amount of taxes withheld for all school districts on the **TOTAL TAX DUE** line. Mail a check payable to **SCHOOL DISTRICT INCOME TAX** for the total amount shown to the address at the bottom of this side of the SD-101. The address will show through a window envelope.

4. INTEREST ON UNPAID TAXES

School District Income Taxes withheld or required to be withheld for each withholding period and remaining unpaid are subject to the applicable interest rate per year (8% for 2000).

5. PENALTIES ON UNPAID/LATE-PAID WITHHELD TAXES

- If an employer fails to pay the tax deducted and withheld from employees' compensation by the due date, a penalty of 50% shall be assessed on the tax due, unless the employer shows the failure was for reasonable cause and not willful neglect.
- If an employer files Form SD-101 and/or SD-141 after the due date, the penalty is the greater of \$50 per month up to a maximum of \$500 or 5% per month up to a maximum of 50% of the tax due.

School District Income Tax
P.O. Box 182388
Columbus, Ohio 43218-2388

SCHOOL DISTRICT WITHHOLDING REQUIREMENTS

WHO MUST REGISTER? All employers maintaining an office or transacting business in Ohio and required to withhold federal and state income tax must register if they employ residents of school districts which have enacted the School District Income Tax. To register, employers should return Form IT-1R found in the IT-501 coupon book sent for Ohio withholding. School district employers use the same account number they use for Ohio withholding. All forms and correspondence should reflect this account number.

WHO MUST WITHHOLD? Every employer maintaining an office or transacting business within the State of Ohio and making payments of any compensation to an employee who resides in an affected school district must withhold the School District Income Tax.

WHO IS AN EMPLOYEE FOR SCHOOL DISTRICT PURPOSES? Every individual who resides in a school district which has enacted a tax and who performs services subject to either the control and/or will of an employer, whether as to what shall be done and/or how it shall be done, is an employee for purposes of the School District Income Tax. Permitting the employee considerable discretion and freedom of action does not matter, so long as the employer has the legal right to control either the method and/or result of the services.

Because employers in Michigan, Indiana, Kentucky, West Virginia, and Pennsylvania are not required to withhold Ohio or School District Income Tax, Ohio residents working in those states may need to file Estimated School District Income Tax. Employers in reciprocity states may choose to withhold school district tax if they withhold Ohio tax.

WHAT FORMS MUST BE COMPLETED?

Employee's Withholding Exemption Certificate, Form IT-4 - Every employer liable for Ohio withholding tax must keep on file the Employee's Withholding Exemption Certificate. By using the IT-4 employers have built-in fields for the name and number of the school district of residence. Employees must update their IT-4 whenever previous information becomes insufficient or incorrect.

Registration for Ohio School District Withholding Agent, Form IT-1R - All affected employers who are not active in the school district withholding system should complete and return the registration form, found in the IT-501 coupon book, as soon as they determine they have employees subject to the tax.

School District Income Tax Withholding Booklet - Upon registration employers will receive a coupon booklet with enough SD-101 quarterly or monthly returns to remit their school district tax for each period. Employers will also receive the School District Income Tax Withholding Tables. Employers should use the same wage base and number of exemptions they use for withholding Ohio tax. **Quarterly** payments are due if the *combined* Ohio and school district liability does not exceed \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year. **Monthly** payments are due if the *combined* Ohio and school district liability exceeds \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year. **Partial weekly** and **Electronic Funds Transfer (EFT)** payments are not required for school district withholding tax. Employers discovering a withholding error from a previous period should adjust their next SD-101(s) by showing the net withholding tax due within that same school district only. Employers may **not** adjust **between** school

districts on the SD-101.

School District Employer's Annual Reconciliation of Tax Withheld, Form SD-141 - All employers required to withhold must file no later than January 31 of the next calendar year an annual report, Form SD-141, reconciling school district tax withheld and paid for the past calendar year. Employers selling or quitting their business during the year must file their final return within 15 days after the date of selling or quitting the business. Employers should show all withholding amounts on the back of the SD-141 and bring the net overpayment or underpayment to the front of the return. Employers discovering an error after filing the SD-141 should file the Amended School District Employer's Annual Reconciliation, Form SD-141X, to adjust for the error.

Wage and Tax Statement, Form IT-2 (or combined W-2) - On or before January 31 of the succeeding calendar year, employers required to withhold school district tax must furnish to all employees subject to the tax two copies of the report of compensation paid during the calendar year and the amount deducted and withheld as school district tax. Employers may use Ohio Form IT-2 or the federal combined W-2. **Employers should clearly identify the school district on the W-2 by its four-digit number.**

Transmittal of Wage and Tax Statements, Form IT-3 - All employers required to withhold must file with the Ohio Department of Taxation by the last day of February of the succeeding calendar year a copy of Ohio Form IT-3, the state's copy of Form IT-2 (or combined W-2), and a list (preferably on calculator tape) of the Ohio and School District income tax withheld. In lieu of Form IT-2 or combined W-2 the employer may submit the required employee information on magnetic tape (format furnished upon request).

If employers discover an error on an IT-2 (or combined W-2), they must furnish two copies of a corrected IT-2 (or combined W-2) marked "CORRECTED BY EMPLOYER" to the employee and one copy to the Department of Taxation marked "REISSUED BY EMPLOYER."

EMPLOYER'S LIABILITY FOR SCHOOL DISTRICT TAX - Each withholding agent is liable for the school district tax to be withheld. For purposes of assessment and collection, amounts required to be withheld and paid to the Ohio Department of Taxation are considered to be a tax on the employer. The officer or the employee having control or supervision of or charged with the responsibility of filing the report and making payment shall be held personally liable for any failure to file the report or pay the tax as required by law.

INTEREST AND PENALTIES - If an employer fails to pay the school district tax deducted and withheld from employees by the due date, interest shall accrue on the unpaid tax at the rate provided for under Section 5703.47 of the Ohio Revised Code. Interest (9% for 2001) on the unpaid tax is due in addition to any penalty for late filing or late payment of a tax due. If an employer fails to pay the tax deducted and withheld from employees by the due date, the employer may incur a penalty of 50% of the tax due, unless failure was for reasonable cause and not willful neglect. If an employer does not file the SD-101 or SD-141 or files after the due date, the penalty may be the greater of \$50 per month (a maximum of \$500) or 5% per month (a maximum of 50% of the tax due).



SCHOOL DISTRICT INCOME TAX

P.O. Box 182837
Columbus, Ohio 43218-2837
(888) 405-4039
TTY/TDD (800) 750-0750

Dear Employer:

Below is a list of the **new** school districts enacting the School District Income Tax effective January 1, 2001. Also listed are the school districts with a **rate change** beginning January 1 and three **expired** districts. Inside is a list of all school districts with an income tax in effect for 2001.

If you have an employee who resides in any of these school districts, you must withhold the School District Income Tax. If you have not yet registered and if you are now required to withhold, please sign and mail the Registration for Ohio School District Withholding Agent, Form IT-1R, included in the front of the 2001 Ohio IT-501 coupon book. After receiving the IT-1R, we will forward a school district withholding booklet, including remittance forms and withholding formula.

Several Ohio school districts have the same name or similar names. Be sure to verify the affected school district by county before withholding for your employees.

If any of your employees do not know the school district in which they reside, they can contact their county board of elections or county auditor.

SD #	School District	Rate	County
New:			
7406	Seneca East LSD	1.00%	Seneca
Rate change:			
5401	Celina CSD	.75	Mercer
8607	Stryker LSD	1.50	Williams
3208	Vanlue LSD	1.00	Hancock
Expired:			
0701	Barnesville EVSD		Belmont
1508	Salem CSD		Columbiana
7107	Zane Trace LSD		Ross

Remember: When you create W-2's for your employees, you should identify the school district by its four-digit code. You will help your employees avoid any unnecessary delay in the processing of their income tax returns.

Below are all the school districts with an income tax in effect January 1, 2001 - December 31, 2001.

Remember to: 1) Check this list against your IT-4 exemption forms you must keep on file.

2) Withhold according to the tax rate shown and the number of exemptions on the IT-4.

3) Remit your school district withholding tax when your Ohio withholding tax is due (see reverse side).

SD #	School District	Rate	County	SD #	School District	Rate	County	SD #	School District	Rate	County
3301	Ada EVSD	.75%	Hardin	1305	Goshen LSD	1.00%	Clermont	5405	Parkway LSD	1.00%	Mercer
7501	Anna LSD	.50	Shelby	2904	Greeneview LSD	.50	Greene	3504	Patrick Henry LSD	1.75	Henry
1901	Ansonia LSD	.75	Darke	1904	Greenville CSD	.50	Darke	6302	Paulding EVSD	1.00	Paulding
6301	Antwerp LSD	.75	Paulding	7505	Hardin-Houston LSD	.75	Shelby	8708	Perrysburg EVSD	.50	Wood
1902	Arcanum-Butler LSD	.75	Darke	3302	Hardin Northern LSD	1.00	Hardin	2307	Pickerington LSD	1.00	Fairfield
3202	Arlington LSD	1.25	Hancock	2004	Hicksville EVSD	.75	Defiance	5507	Piqua CSD	.50	Miami
0701	Barnesville EVSD--EXPIRED--		Belmont	5902	Highland LSD	.50	Morrow	7007	Plymouth-Shiloh LSD	1.00	Richland
2801	Berkshire LSD	.75	Geauga	3604	Hillsboro CSD	1.00	Highland	6804	Preble Shawnee LSD	1.00	Preble
7401	Bettsville LSD	1.00	Seneca	3501	Holgate LSD	1.00	Henry	2509	Reynoldsburg CSD	.50	Franklin
2101	Big Walnut LSD	.75	Delaware	4901	Jefferson LSD	.50	Madison	3304	Ridgemont LSD	1.00	Hardin
2303	Bloom-Carroll LSD	.75	Fairfield	3303	Kenton CSD	1.00	Hardin	3305	Riverdale LSD	1.00	Hardin
8701	Bowling Green CSD	.50	Wood	6905	Leipsic LSD	.75	Putnam	4604	Riverside LSD	.75	Logan
5502	Bradford EVSD	1.75	Miami	3205	Liberty-Benton LSD	.75	Hancock	7507	Russia LSD	.75	Shelby
1701	Buckeye Central LSD	1.50	Crawford	3502	Liberty Center LSD	1.00	Henry	1508	Salem CSD--EXPIRED--		Columbiana
2102	Buckeye Valley LSD	1.00	Delaware	2306	Liberty Union-Thurston LSD	1.25	Fairfield	7105	Scioto Valley LSD	.75	Ross
2502	Canal Winchester LSD	.75	Franklin	4506	Licking Valley LSD	1.00	Licking	7406	Seneca East LSD *	1.00	Seneca
2902	Cedar Cliff LSD	1.00	Greene	0303	Loudonville-Perrysville EVSD	1.25	Ashland	3905	South Central LSD	1.25	Huron
5401	Celina CSD **	.75	Mercer	0905	Madison LSD	.50	Butler	1205	Southeastern LSD	1.00	Clark
4201	Centerburg LSD	.75	Knox	7609	Massillon CSD	.75	Stark	4510	Southwest Licking LSD	.75	Licking
2002	Central LSD	.75	Defiance	3206	McComb LSD	1.00	Hancock	0209	Spencerville LSD	1.00	Allen
1303	Clermont-Northeastern LSD	1.00	Clermont	1102	Mechanicsburg EVSD	.50	Champaign	5010	Springfield LSD	1.00	Mahoning
5402	Coldwater EVSD	.50	Mercer	5504	Miami East LSD	.50	Miami	8607	Stryker LSD **	1.50	Williams
6901	Columbus Grove LSD	.75	Putnam	6906	Miller City-New Cleveland LSD	1.25	Putnam	6503	Teays Valley LSD	.75	Pickaway
6902	Continental LSD	1.00	Putnam	1905	Mississinawa Valley LSD	1.00	Darke	1103	Triad LSD	1.00	Champaign
3203	Cory-Rawson LSD	1.00	Hancock	8802	Mohawk LSD	1.00	Wyandot	1906	Tri-Village LSD	1.50	Darke
5503	Covington EVSD	.50	Miami	8605	Montpelier EVSD	.75	Williams	7106	Union-Scioto LSD	.50	Ross
1503	Crestview LSD	1.00	Columbiana	5903	Mount Gilead EVSD	.75	Morrow	1510	United LSD	.50	Columbiana
4202	Danville LSD	2.00	Knox	6802	National Trail LSD	1.00	Preble	8803	Upper Sandusky EVSD	.50	Wyandot
2003	Defiance CSD	.50	Defiance	5708	New Lebanon LSD	.75	Montgomery	3306	Upper Scioto Valley LSD	.50	Hardin
6803	Eaton CSD	.75	Preble	3903	New London LSD	1.00	Huron	5713	Valley View LSD	1.25	Montgomery
8602	Edgerton LSD	1.00	Williams	0907	New Miami LSD	1.00	Butler	3208	Vanlue LSD **	1.00	Hancock
8703	Elmwood LSD	1.25	Wood	7404	New Riegel LSD	.75	Seneca	0605	Wapakoneta CSD	.75	Auglaize
2602	Evergreen LSD	.75	Fulton	4507	Newark CSD	1.00	Licking	6303	Wayne Trace LSD	.75	Paulding
8001	Fairbanks LSD	.75	Union	5506	Newton LSD	1.00	Miami	0606	Waynesfield-Goshen LSD	1.00	Auglaize
2903	Fairborn CSD	.50	Greene	8003	North Union LSD	1.00	Union	4715	Wellington EVSD	1.00	Lorain
2304	Fairfield Union LSD	.75	Fairfield	5904	Northmor LSD	1.00	Morrow	1105	West Liberty-Salem LSD	1.50	Champaign
7503	Fairlawn LSD	.75	Shelby	4509	Northridge LSD	1.00	Licking	3906	Western Reserve LSD	1.25	Huron
7504	Fort Loramie LSD	.75	Shelby	8505	Northwestern LSD	1.25	Wayne	3122	Wyoming CSD	1.25	Hamilton
5406	Fort Recovery LSD	1.00	Mercer	3904	Norwalk CSD	.50	Huron	2906	Xenia Community CSD	.50	Greene
1903	Franklin Monroe LSD	.75	Darke	4712	Oberlin CSD	1.00	Lorain	7107	Zane Trace LSD--EXPIRED--		Ross
7202	Fremont CSD	.75	Sandusky	6907	Ottawa-Glandorf LSD	.50	Putnam		* new		
2603	Gorham Fayette LSD	1.00	Fulton	6909	Pandora-Gilboa LSD	.75	Putnam		** rate change		



SCHOOL DISTRICT INCOME TAX

P.O. BOX 182388

Columbus, OH 43218-2388

SD-1
Rev. 02/00

Employer's School District Income Tax Withholding Instructions

1. WHO MUST REGISTER?

All employers maintaining an office or transacting business in Ohio and required to withhold federal and state income tax must register if they employ residents of school districts which have enacted the School District Income Tax. To register, employers should complete Form IT-1R found in the IT-501 coupon book sent for Ohio withholding. School District employers will use the **same account number they use for Ohio withholding**. All forms and correspondence should reflect this account number.

2. WHO MUST WITHHOLD?

Every employer maintaining an office or transacting business within the State of Ohio and making payments of any compensation to an employee who **resides** in an affected school district must withhold the School District Income Tax.

Withholding is not required if the compensation is paid for or to:

- (1) Agricultural labor as defined in division G of section 3121 of Title 26 of the United States code;
- (2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;
- (3) Service performed in any calendar quarter by an employee unless the cash remuneration paid for such service is three hundred dollars or more and such service is performed by an individual who is regularly employed by such employer to perform such service;
- (4) Services performed for a foreign government or international organization;
- (5) Services performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution, or when performed by such individual under the age of eighteen under an arrangement where newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which newspapers or magazines are charged to him;
- (6) Services not in the course of the employer's trade or business to the extent paid in any medium other than cash.

3. WHO IS AN EMPLOYEE FOR SCHOOL DISTRICT WITHHOLDING PURPOSES?

Every individual who resides in a school district which has enacted a tax and who performs services subject to either the control and/or will of an employer, whether as to what shall be done and/or how it shall be done, is an employee

for purposes of the School District Income Tax. Permitting the employee considerable discretion and freedom of action does not matter, so long as the employer has the legal right to control either the method and/or result of the services.

Because employers in Michigan, Indiana, Kentucky, West Virginia, and Pennsylvania are not required to withhold Ohio or School District income tax, Ohio residents working in those states may need to file Estimated School District Income Tax. Employers in reciprocity states may choose to withhold School District tax if they withhold Ohio tax.

4. WHAT FORMS MUST BE COMPLETED?

Employee's Withholding Exemption Certificate

Every employer liable for Ohio withholding tax must keep on file the Employee's Withholding Exemption Certificate, Form IT-4. By using the IT-4 employers have built-in fields for the name and number of the school district of residence. Employees must update their exemption certificate whenever previous information becomes insufficient or incorrect.

Registration for Ohio School District Withholding Agent, Form IT-1R

All affected employers who are not active in the School District withholding system should complete and return the registration form, found in the IT-501 coupon book, as soon as they determine they have employees subject to the School District tax.

School District Income Tax Withholding Booklet

Upon registration employers will receive a coupon booklet with enough SD-101 quarterly or monthly returns to remit their School District tax for the year. Employers will also receive the School District Income Tax Withholding Tables. Employers should use the same wage base for withholding School District tax as they use for withholding Ohio tax and should use the same number of exemptions.

Quarterly payments are due if the **combined** Ohio and School District liability was **not** more than \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year.

Monthly payments are due if the **combined** Ohio and School District liability was more than \$2000 during the twelve-month period ending on the thirtieth day of June of the preceding calendar year.

Partial weekly payments are not required for School District withholding tax.

Electronic Funds Transfer (EFT) payments are **not** required for School District withholding tax.

Employers discovering a withholding error from a previous period should adjust their next SD-101(s) by showing the net withholding tax due within that same school district only. Employers may not adjust between school districts on the SD-101.

School District Employer's Annual Reconciliation of Tax Withheld

All employers required to withhold must file no later than January 31 of the next calendar year an annual report, Form SD-141, reconciling School District tax withheld and paid for the past calendar year. Employers selling or quitting their business during the year must file their final return within 15 days after the date of selling or quitting the business.

Employers should show all withholding amounts on the back of the SD-141 and bring the net overpayment or underpayment to the front of the return.

Employers discovering an error after filing their SD-141 should file the Amended School District Employer's Annual Reconciliation, Form SD-141X, to adjust for the error.

Wage and Tax Statement, Form IT-2 (or combined W-2)

On or before January 31 of the succeeding calendar year, employers required to withhold School District tax must furnish to all employees subject to the tax two copies of the report of compensation paid during the calendar year and the amount deducted and withheld as School District tax. Employers may use Ohio Form IT-2 or the federal combined W-2. **Employers should clearly identify the school district on the W-2 by its four-digit number.**

Transmittal of Wage and Tax Statements, Form IT-3

All employers required to withhold must file with the Ohio Department of Taxation by the last day of February of the succeeding calendar year a copy of Ohio Form IT-3, the state's copy of Form IT-2 (or combined W-2), and a list (preferably on calculator tape) of the Ohio and School District income tax withheld. In lieu of Form IT-2 or combined W-2 the employer may submit the required employee information on magnetic tape (format furnished upon request).

If an error is discovered on an IT-2 or combined W-2 an employer must furnish two copies of a corrected IT-2 or combined W-2 marked "CORRECTED BY EMPLOYER" to the employee and one copy to the Department of Taxation marked "REISSUED BY EMPLOYER."

5. EMPLOYER'S LIABILITY FOR SCHOOL DISTRICT WITHHELD TAX

Each withholding agent is liable for the School District tax to be withheld. For purposes of assessment and collection, amounts required to be withheld and paid to the Ohio Department of Taxation are considered to be a tax on the employer. The officer or the employee having control or supervision of or charged with the responsibility of filing the report and making payment shall be held personally liable for any failure to file the report or pay the tax as required by law.

6. INTEREST AND PENALTIES

If an employer fails to pay the School District tax deducted and withheld from employees by the due date, interest shall accrue on the unpaid tax at the rate provided for under Section 5703.47 of the Ohio Revised Code. Interest on the unpaid tax is due in addition to any penalty for late filing or late payment of a tax due.

If an employer fails to pay the tax deducted and withheld from employees by the due date, the employer shall incur a penalty of 50% of the tax due, unless failure to pay was for reasonable cause and not willful neglect.

If an employer does not file Form SD-101 or SD-141 or files after the due date, the penalty is the greater of \$50 per month up to a maximum of \$500 or 5% per month up to a maximum of 50% of the tax due.

7. WHAT RECORDS TO KEEP

Every employer required to withhold School District income tax must maintain a current, accurate record of all persons subject to the tax.

Records must include:

- (1) Amounts and dates of all compensation paid subject to withholding;
- (2) Names, addresses, school district of residence, and social security numbers of all employees receiving such compensation;
- (3) Periods of employment, including periods during which compensation is paid while absent due to sickness or injury;
- (4) Amount of compensation paid by pay period; and
- (5) Copies of annual returns filed with the Ohio Department of Taxation.

Employers must maintain records for at least **four** years.