**Ohio Payroll Taxes**

**OH State Income Tax Withholding**

<https://tax.ohio.gov/business/resources/employer-withholding>

**Who Must Withhold OH State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within OH State is required to withhold Ohio income taxes, including municipal and school district income taxes.

Employers must register within 15 days of when liability begins. Register online through the Ohio Business Gateway (OBG) at <https://gateway.ohio.gov/home>. Once the registration has been completed, employer withholding and school district withholding returns and payments can be submitted immediately. For questions regarding the registration process, call 1-888-405-4089.

Filing Frequencies

The initial Ohio withholding filing frequency is determined during the withholding account registration process. The Ohio employer withholding filing and payment frequencies are re-evaluated for each calendar year. Filing frequency is determined by the combined amount of Ohio and school district income taxes that were withheld or required to be withheld during the look-back period. The look-back period is the 12-month period ending June 30 of the preceding calendar year.

Quarterly:

The estimated employer withholding remittance amount selected during registration or the combined amount of Ohio and school district withholding taxes withheld during the look-back period is $2,000 or less. Form IT 501 and payment are due by the last day of the month following the end of each calendar quarter. Employers who registered on or after July 1 of the preceding calendar year will also remit quarterly, unless notified otherwise.

Monthly:

The estimated employer withholding remittance amount selected during registration or the combined amount of Ohio and school district withholding taxes withheld during the look-back period is greater than $2,000 but less than $84,000. Form IT 501 and payment are due within 15 days following the end of each month.

Partial-weekly:

The estimated employer withholding remittance amount selected during registration or the combined amount of Ohio and school district withholding taxes withheld during the look-back period is $84,000 or more. Payments must be made by electronic funds transfer (EFT) within three banking days from the end of each partial-weekly period in which the employer issued its payroll.

There are two partial-weekly withholding periods each week. One consists of Saturday, Sunday, Monday, and Tuesday and the other consists of Wednesday, Thursday, and Friday. The partial-weekly period is determined based upon the day of the week that the employer issued its payroll; however, a partial-weekly withholding period cannot extend from one calendar year into the next.

If the combined Ohio and school district income tax withheld by an employer during a pay period reaches $100,000 or more, payment of the Ohio income tax portion of this withheld amount (excluding school district income taxes) is due by the first banking day after the date the employer issued its payroll on which the combined withholding equals or exceeds $100,000.

OH Withholding Tax due dates and payment schedules are available here: <https://tax.ohio.gov/business/resources/employer-withholding>.

All employers are required to file and pay electronically through the Ohio Business Gateway.

Effective for tax year 2023, all employers and retirement system payers who file and pay their employer withholding taxes electronically are required to upload their W-2/1099-R information electronically through the Ohio Business Gateway. Payroll providers and employers that meet the electronic filing requirement must submit forms to the agency on or before January 31 of the following year.

OH W-2 / 1099 Information Page: <https://tax.ohio.gov/business/ohio-business-taxes/employer-withholding/w2-information-page/w2-information-page>. Ohio W-2s must report school district withholding as well as municipal (locality), if applicable. <https://tax.ohio.gov/static/ohiotaxalert/archivedalerts/4sdinumberonw2.pdf>

**OH W-4 Requirements**

Each employee must complete an Ohio IT 4, Employee’s Withholding Exemption Certificate, including the name and number of the employee’s school district of residence. Form IT 4 is available here: <https://tax.ohio.gov/static/forms/employer_withholding/generic/wth-it4-combined-fi.pdf>.

**OH State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Ohio law requires the Ohio Department of Job and Family Services (ODJFS) to get information from all Ohio employers about their workers. That info is used to decide if employers are subject to the State’s unemployment insurance laws.

OH allows an employing agency that is exempt from FUTA (e.g., a governmental entity) to become a Reimbursing Employer, liable for payments in lieu of contributions. Reimbursing employers will be billed for the amount of benefits paid to their former employers and must reimburse the state for benefit charges on a dollar-for-dollar basis. Employers may request reimbursing status at the time they register the new account online.

To register for a UI employer ID and get immediate notification of whether you have to pay into unemployment, go to the "State of Ohio Unemployment Resource for Claimants and Employers," called The SOURCE: <https://thesource.jfs.ohio.gov/>. At The SOURCE you can:

* Manage business related to unemployment contributions
* Register new businesses
* File quarterly reports
* Make tax payments

Ohio law requires all employers subject to Ohio unemployment insurance laws to electronically file quarterly reports detailing the wages paid to each employee. Quarterly wage detail reports can be filed online at The SOURCE. These reports must be filed by the following due dates. If the due date falls on a weekend, then the reports are due the next business day. Employers who had no workers or paid no wages during a quarter still must complete and file the reports by the due dates.



OH has adopted the Interstate Reciprocal Coverage Arrangement but permits an employer to elect coverage under a reciprocal agreement only if coverage cannot be determined using the four-part test. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**OH State Workers’ Compensation**

By Ohio law, employers with one or more employees must have workers' compensation coverage, and those with coverage must keep their policy information updated. OH is a monopolistic state, meaning Workers’ Compensation coverage must be secured directly with the state fund.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard [kimberly.haggard@des.wa.gov](mailto:kimberly.haggard@des.wa.gov) at DES Risk Management.

**OH State Paid Family / Medical Leave**

Ohio does not have a paid family and medical leave program as of 12/06/2023.

**Helpful resources for Ohio**

OH Dept of Taxation Employer Withholding FAQs: <https://tax.ohio.gov/help-center/faqs/employer-withholding/employer-withholding>

OH Dept of Taxation Tax Finder provides information on local taxing jurisdictions and certain tax rates for all addresses in Ohio, including for the Municipal Income Tax, the School District Income Tax, and the Sales and Use Tax: <https://tax.ohio.gov/help-center/the-finder/the-finder>

Employer’s Guide to Ohio Unemployment Insurance: <https://www.odjfs.state.oh.us/forms/num/JFS08201/pdf/>

OH Bureau of Workers’ Compensation: <https://info.bwc.ohio.gov/for-employers>