

MUNICIPALITY TAX BASED ON WORK LOCATION FREQUENT QUESTIONS AND ANSWERS

1. How are work state and work local taxes determined?

Payroll uses the location on your primary position Colleague to determine state and local tax withholdings.

2. Who needs to submit a Municipality Tax request to report work location(s) for tax purposes?

Employees who (1) work fully remote or (2) have a hybrid arrangement working remote and at COTC location. Work tax withholdings will only be accurate if the information is submitted to payroll via the Municipality Tax form. Employees working in a single campus location **do not** need to complete a Municipality Tax form. Work taxes are based on the worker's primary position in Colleague.

3. Is the Municipality Tax form the only way to report work location(s) for tax purposes?

Yes, if the employee is working at multiple locations a Municipality Tax form needs to be submitted to ensure proper tax withholdings.

4. The work taxes on my paycheck are wrong. How do I get them fixed?

Employees should submit the Municipality Tax form with the correct work location(s) and corresponding percent of time worked at each location.

5. I had taxes withheld for a locality that I was not working in. How do I receive a refund?

Employees should contact the local municipality directly for more information on how to request a refund. As a reminder, employees may also be required to file with the local municipality where they were working and/or residing but taxes were not reported or withheld. Employees are responsible for working directly with the municipality for any tax withholding corrections resulting from late or inaccurate location reporting, including refunds.

Payroll will complete the employer certification section on IR-25 and RITA 10A forms at the employee's request. The employee's request will be validated by their supervisor as it pertains to their work schedule.

Employees should work with a tax preparer or financial advisor for any questions regarding the form and personal taxes. Payroll partners are not trained tax advisors and will be unable to answer these questions.

6. I submitted my Municipality Tax form, and my manager approved it. When will the tax deduction on my paycheck change?

If the work address(es) you reported on the Municipality Tax form is in a different tax municipality from your previous work location and/or your percentage allocation for multiple work locations changed, the updates will reflect on your paycheck within two pay periods following manager and employee approval. Questions regarding invalid addresses will be sent back to the employee and manager and may cause a delay in processing. Employees are responsible for working directly with the local municipality for any tax withholding corrections resulting from late or inaccurate location reporting, including refunds. Payroll will make the changes effective going forward on all future paychecks.

7. How often do I need to review my flexible work arrangement with my manager for tax purposes?

Work locations must be reviewed at minimum quarterly to ensure accurate work address and percentage allocation are reported for tax purposes. Also, any time that a work location has permanently changed (for a period of more than 20 days), a Municipality Tax form should be submitted.

Employees should work with a tax preparer or financial advisor for any questions regarding the form and personal taxes. Payroll partners are not trained tax advisors and will be unable to answer these questions.

8. I submitted a Municipal Tax form effective mid-pay period and expected my taxes to change on that effective date. Why did they change for my whole paycheck?

For tax purposes, municipality changes must be effective at the beginning of a biweekly pay period for employees. If a change is effective mid-pay period, the tax localities and percentage allocations active at the end of the pay period will apply to the entire pay period.

9. I have reviewed the information available here and still have questions. Who do I contact?

Contact payroll at cotc-payroll@mail.cotc.edu or call 740-366-9140 or 740-364-9629.