CENTRAL COLLECTION AGENCY
MUNICIPAL INCOME TAX

SUBMITTAL PROCEDURES FOR W-2 AND FORM-1099 TAX INFORMATION

The Employer:

Enclosed is the Central Collection Agency (CCA)'s procedure for the submittal of W-2 and Form-1099 tax information in tax year 2025. These procedures are for employers or their agents who are submitting W-2 and Form-1099 tax information to CCA for processing.

Please read these instructions carefully.

For tax year 2022 and beyond CCA has changed submittal of W-2 and Form-1099 datasets to utilizing an encrypted and secure web based reporting method. Employer supplied annual W-2 and Form-1099 tax information must be submitted by following the Submittal Workflow section in these procedures.

Should an employer be unable to comply with the updated requirements discussed above, please contact the person listed in the Submittal Assistance section to discuss further. Any submission that does not comply with the Submittal Workflow section will be properly destroyed and the tax submittal may be rejected. An employer account will be considered delinquent until the W-3 Annual Reconciliation form has been received and the annual W-2 or Form-1099 dataset has been submitted correctly, per these procedures, and successfully processed.

Beginning with tax year 2016, pursuant to Section 718.03(H) of the Ohio Revised Code, when an employer reports CCA tax information for an employee, then the employer is required to report all of the employee's tax information regardless of whether the city's municipal income tax is administered by CCA or not. This includes reporting tax information for cities within Ohio and outside Ohio.

Table of Contents

Filing and Policy Information

Any employer who reported withholding forms to CCA during the tax year is required to file a W-3 annual reconciliation form, W-2 tax information and select Form-1099 tax information (when applicable) to CCA by the established deadline. For deadline information, see section Deadline for Filing W-2 and Form 1099 Tax Information.

W-2 tax information is used to reconcile employer tax amounts submitted to CCA during the tax year against the tax amounts submitted annually to verify employer withholding refund and credit requests. Employer submitted annual W-2 tax information is also used to verify individual tax returns, to generate annual tax returns for individual taxpayers, to generate bills on unpaid local municipal taxes and to verify refund and credit requests made by individual taxpayers.

Form-1099 tax information is used to verify that individuals or businesses who were issued a Form-1099 have paid appropriate local municipal taxes that are due. Employer submitted annual Form-1099 tax information is also used to generate bills on unpaid local municipal taxes.

Any differences between the employer's submitted withholding amounts during the tax year and the submitted W-2 dataset, Form-1099 dataset or the W-3 annual reconciliation form must be documented at the time of filing. Documentation should be included with the W-3 annual reconciliation at the time of filing.

Deadline for Filing W-2 and Form-1099 Tax Information

Submittals for Tax Year 2025 are **due before March 2, 2026**.

CCA requires employers or their agents to include the following items at the time of filing:

- The W-3 Annual Reconciliation form can be found at: https://www.ccaohio.gov/tax-forms/business#year-2025
    - Documentation describing any discrepancies between submitted withholding amounts during the tax year and the 2025 tax year filing.
    - Copies of any exemptions authorized by the tax administrator.
- The appropriate W-2 or Form-1099 tax information based on Conditions for Filing W 2 and Form 1099 Tax Information section.

Providing inaccurate information may result in delays processing your submittal.

Conditions for Filing W-2 and Form-1099 Tax Information

CCA requires those organizations who meet one of the following conditions to file employee tax information:

1. Payroll organizations, accounting organizations, CPA organizations or any other organizations who are filing on behalf of one or more employers who have withheld CCA tax for any number of employees, or Form 1099 payees, are required to file a single conformant W-2 and/or applicable single conformation Form 1099 dataset for those employers electronically through the DropSecure service.

2. Employers who are directly filing with CCA and withholding CCA tax for 10 or more aggregate employees or withholding CCA tax for 10 or more aggregate Form 1099 payees are required to file a single conformant W-2 and/or applicable single conformant Form 1099 dataset for those employers electronically through the DropSecure service.

3. Employers who are directly filing with CCA and withholding CCA tax for less than 10 aggregate employees or withholding CCA tax for less than 10 Form 1099 payees are required to file a paper copy of the employees W-2 or the payees Form 1099-MISC or Form 1099-NEC, clearly showing all information required on those federal forms.

Employers who meet conditions 1 or 2 above:

1. Paper W-2 or Form-1099 tax information will not be accepted unless the Tax Administrator has granted permission to do so before the tax information is originally submitted.

2. Once an employer submits a W-2 or Form-1099 dataset they should not resubmit paper W-2 or Form-1099 tax information.

Employers who meet condition 3 above are strongly encouraged to file a CCA conformant W-2 or a Form-1099 dataset through the DropSecure service.

W-2 Reporting Requirements

1. Employers must report employees who worked in a CCA administered municipality, including all wages and withholding within Ohio and outside Ohio for those employees.

2. Employers must report employees who worked in a CCA administered JEDD/JEDZ or revenue sharing arrangement, including all wages and withholding within Ohio and outside Ohio for those employees.

3. Employers must report employees who were a resident of a CCA administered municipality and the employer withheld resident taxes for the employee, including all wages and withholding within Ohio and outside Ohio for those employees.

4. Employers may optionally report all employees regardless of whether they worked in a CCA administered municipality, JEDD/JEDZ or revenue sharing arrangement, or they were a resident of a CCA administered municipality. CCA will determine whether the employee has a tax obligation based on the reported codes and ignores those employees whom did not have any tax obligation.

Form-1099 Reporting Requirements

1. Employers who have facilities located in a CCA administered municipality must report payees who had Form 1099-MISC income for:
    a. Rents
    b. Prizes, awards, etc.
    c. Excess Golden Parachute payments.

2. Employers who have facilities located in a CCA administered municipality must report payees who had Form 1099-NEC income for:
    a. Non-employee compensation.

Appeal to the Requirement for Filing W-2 and Form-1099 Datasets

Employers may request an exemption from the requirement to file W-2 and Form-1099 datasets via DropSecure. Requests **must be received before January 1, 2026** and contain the reasons why the requirements cannot be met. Requests can be emailed to CCA-DS@clevelandohio.gov or mailed to:

Tax Administrator
Central Collection Agency
Municipal Income Tax
205 W St Clair Ave
Cleveland, OH 44113

For requests that are granted by the Tax Administrator, the employer's 2025 tax year filing must include a copy of the Tax Administrator response along with the employer's W-3 annual reconciliation.

Policy on Returning W-2 and Form-1099 Tax Information

CCA will not return W-2 or Form-1099 tax information, either datasets or paper, and will keep them in accordance with public record policies until such time that those policies allow for the destruction of the information.

Submitting W-2 and Form-1099 Datasets

For tax year 2022 and beyond CCA has changed submittal of W-2 and Form-1099 datasets to utilizing DropSecure, an encrypted and secure web based reporting method. Employer supplied annual W-2 and Form-1099 tax information must be submitted by following the Submittal Workflow section in these procedures.

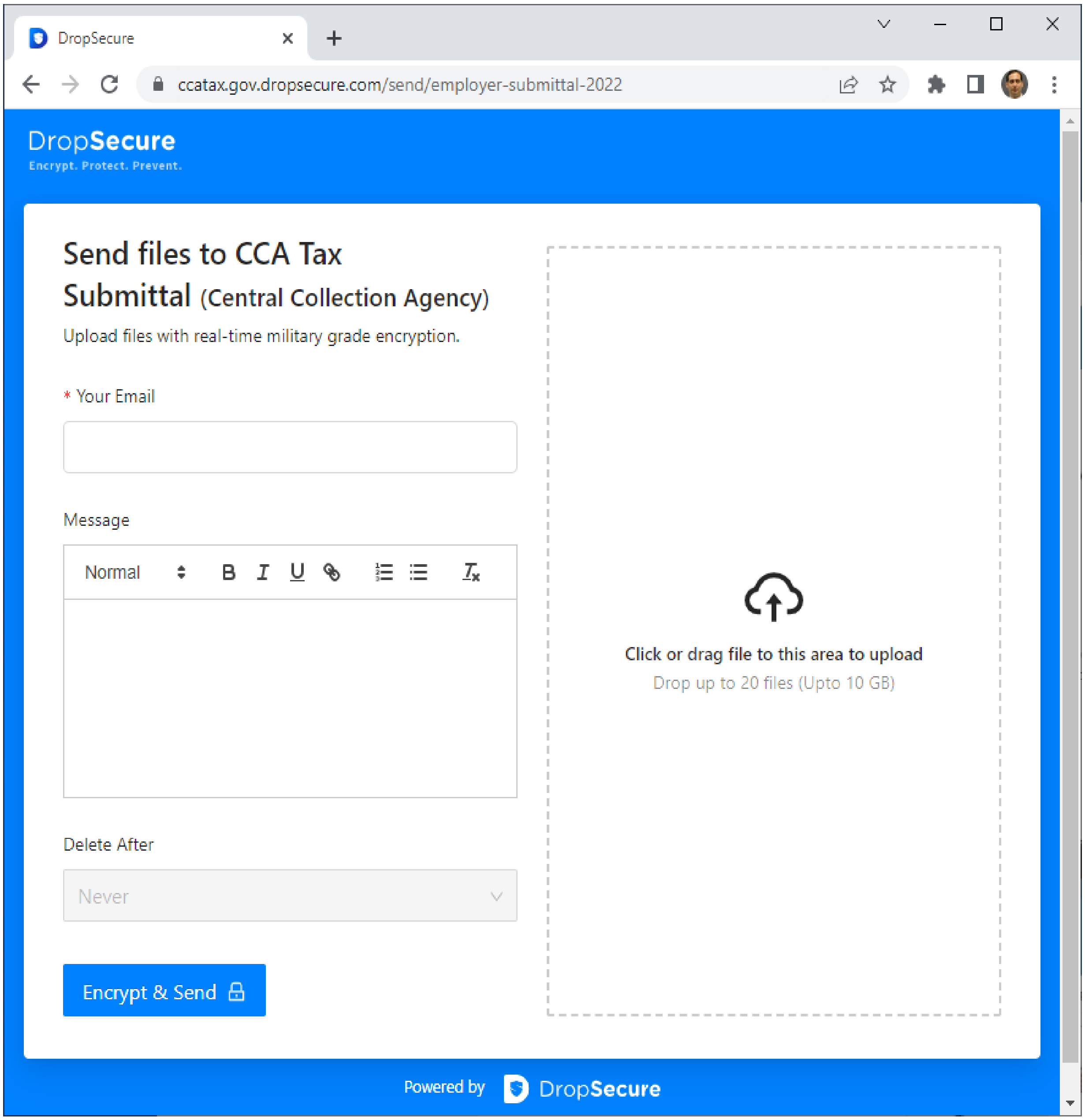
Should an employer be unable to comply with the updated requirements discussed, please see the Submittal Assistance section for contact information. Any submission that does not comply with the Submittal Workflow will be properly destroyed and the tax submittal may be rejected. An employer account will be considered delinquent until the annual W-2 or Form-1099 dataset is submitted correctly, per these procedures, and successfully processed.

CCA will not accept W-2 or Form-1099 datasets that have been compressed, e.g., 7ZIP, GZIP, RAR, TAR, ZIP, etc. Submittals not conforming to these requirements will be immediately rejected for non-compliance without any further processing.

CCA will not run any executable that was found along with the submitted W-2 or Form-1099 dataset to protect CCA's computer infrastructure from malware and viruses. Submittals containing any executable with the submitted W-2 or Form-1099 dataset will be immediately rejected for non-compliance without any further processing.

Submittal Workflow

1. Enter the web address https://ccatax.gov.dropsecure.com/send/employer-submittal into your browser or click the link in this document. This will bring up the CCA portal web page to submit your W-2 or Form-1099 dataset:



2. Enter your email address in the "Your Email" text box of the web form. This email address should be the direct contact person whom CCA will be in contact with during the submittal process.

3. Click on the toolbar 123 list item icon in “Message” text area of the web form, then enter the following information on each line item specified below:

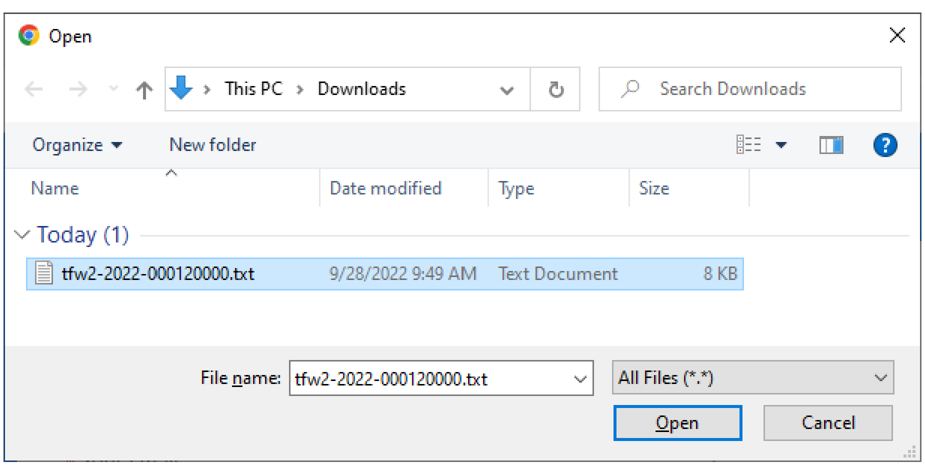
    1. On this line item enter the submitter’s organization’s FEIN without hyphens, followed by a space character, followed by the submitter’s organization’s name, e.g., 000120000 ACME ROCKET POWERED PRODUCTS INC

    2. On this line item enter the submitter’s phone number as only digits specifying the area code (3 digits), exchange (3 digits) and number (4 digits). You may optionally add a phone extension to the phone number by immediately following the phone number with a lowercase “x” followed by a number that is between 1 and 5 digits. **DO NOT** use spaces or punctuation when specifying the phone number. The phone number should be followed by a space character, followed by the submitter’s name, e.g., 9739990000x123 MARVIN ACME

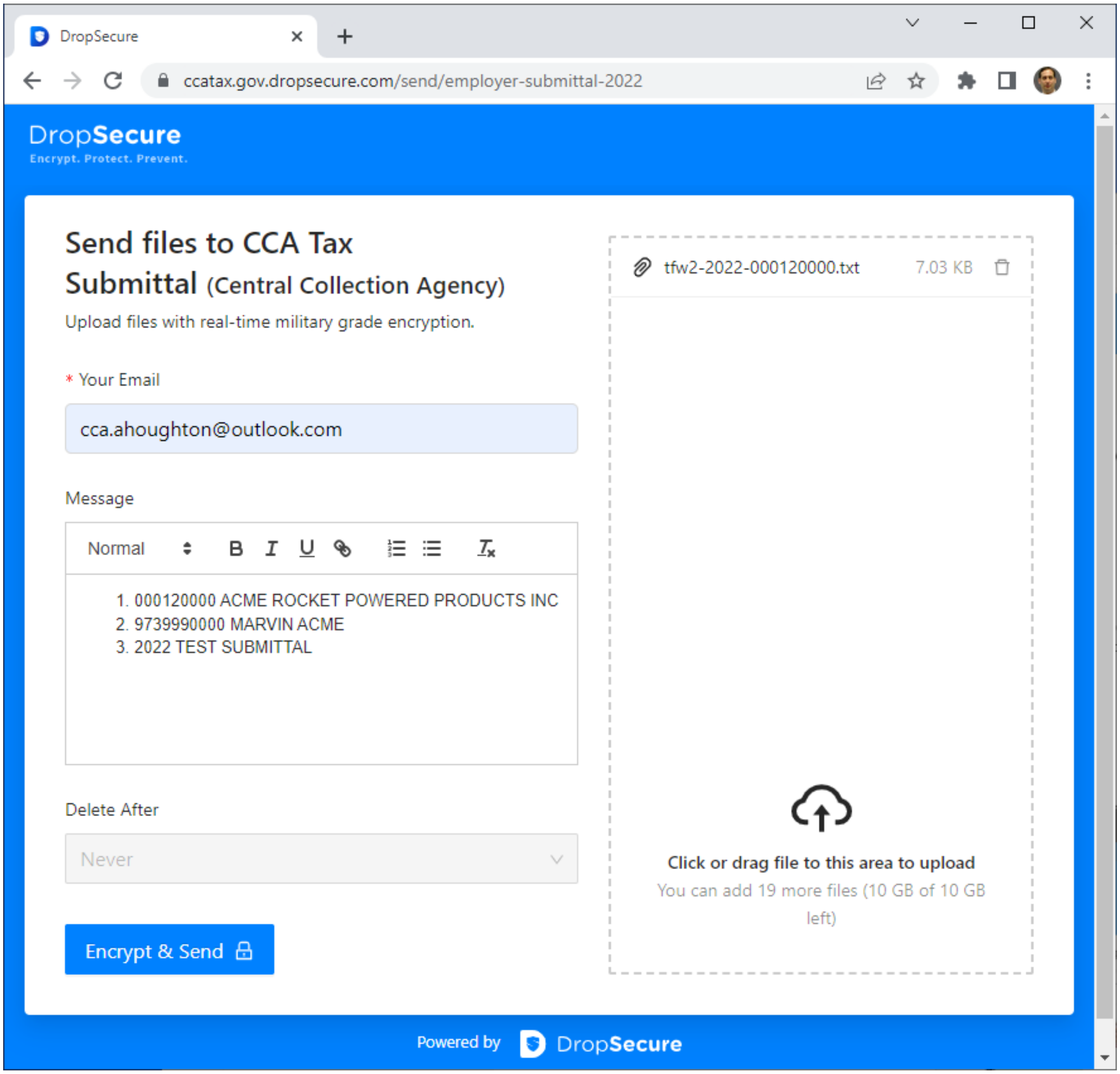
    3. On this line item enter the tax year for the data being submitted, followed by a space character, followed by the word TAX or TEST depending upon whether the data is an annual tax or test submittal, followed by a space, followed by the word SUBMITTAL, e.g.,
       2025 TAX SUBMITTAL
       2025 TEST SUBMITTAL

    4. On this line item enter any special situations that need to be conveyed for the submittal to be processed. This line item is optional and only used when directed by the person listed in the Submittal Assistance section.

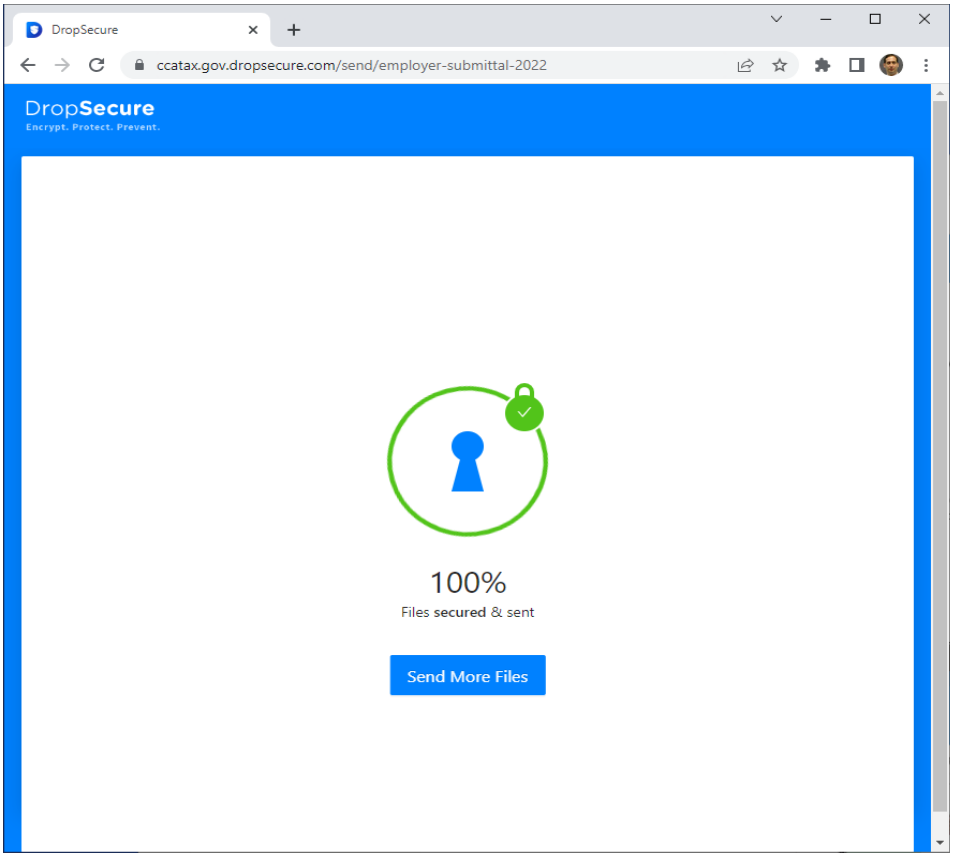
   Click in the upload area of the web form which will bring up the Open dialog box, navigate to the W-2 or Form-1099 dataset to upload and select it, then click the “Open” button to add it to the upload area.



4. Before submitting the web form it should look similar to:

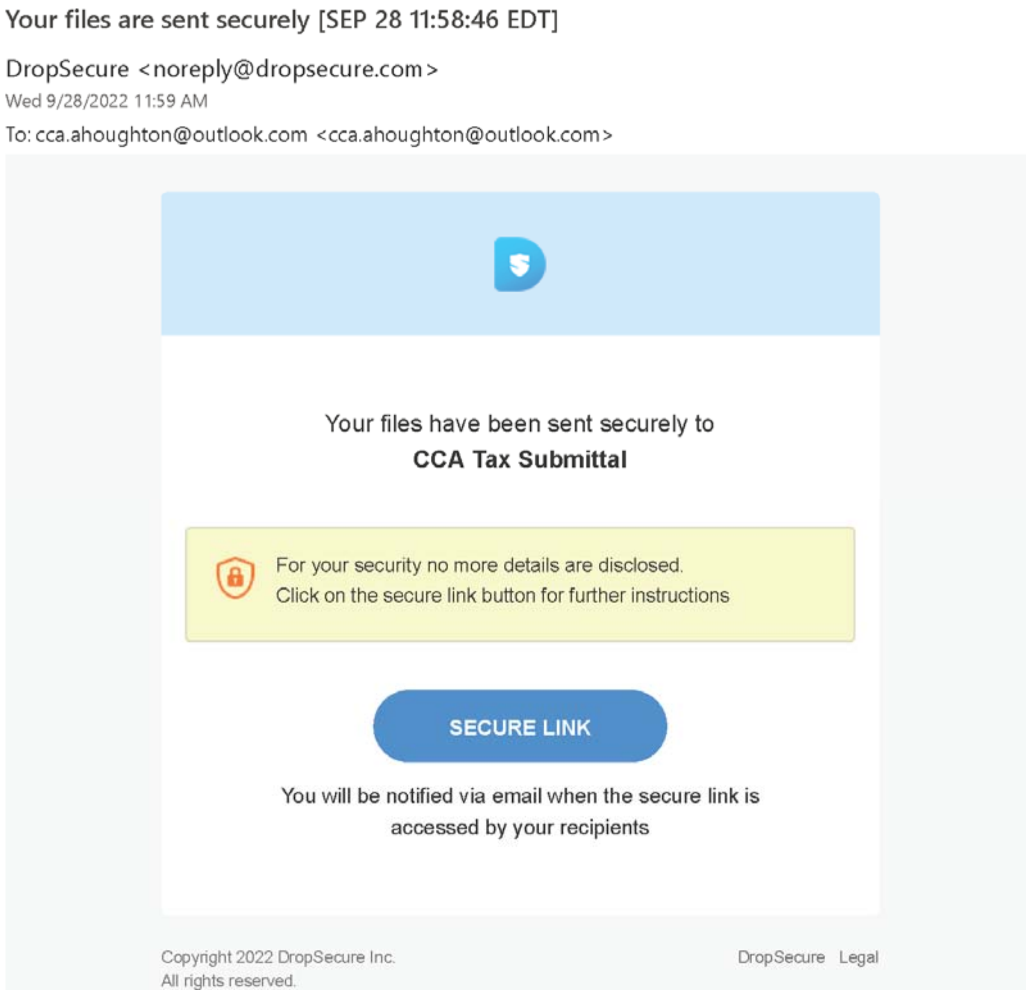


5. Click the “Encrypt & Send” button on the web form to send the submittal to CCA. When the data has been uploaded you should see the following web page in your browser:



6. Your submittal has been sent to CCA and you can close your browser.

7. When you send a submittal to the DropSecure cloud service, the service will send you an email message indicating that the files were sent. You should receive an email message similar to the following message:



When you receive this email message, it only indicates that your data has been successfully uploaded to the DropSecure cloud service, thus allowing CCA to download your data for processing. It does not imply that your submittal was accepted or rejected.

Submittal Rejection

CCA will attempt to process submitted W-2 or Form-1099 datasets. However, when a submittal is rejected for lack of conformance, CCA will send an email to the email address in the “Message” section of the DropSecure website, indicating the submittal was rejected along with the issues that were found with the submittal.

The employer is responsible for correcting any issues reported for a rejected submittal, within 30 days from the date the submittal is rejected, and sending the corrected W-2 or Form-1099 dataset using these procedures. CCA acknowledges that employers or their agents may need to work with their vendors to correct reported issues and CCA will work with the employer, agents or vendors to ensure a successful re-submittal, however, CCA is not authorized to change the employer’s W-2 or Form-1099 dataset that has been submitted to CCA.

Submitting Corrected Files

Submitting corrected files follows the same rules as submitting the original files. However, with a file resubmittal, please ensure to notate “2025 TAX RESBUMITTAL in the “Message” box on the DropSecure website.

CCA uses a last filed strategy to determine taxpayer information.

For any corrections that add taxpayers or change a taxpayers wages or withholding, you may also need to resubmit the W-3 Annual Reconciliation form along with a letter explaining the changes. The W-3 Annual Reconciliation form should be sent to the address listed on that form and not through the DropSecure service.

Submitting Test Datasets

CCA allows employers or their agents to submit W-2 or Form-1099 test datasets for conformance validation in the upcoming tax year. Employers or their agents must submit their W-2 or Form-1099 test datasets for Tax Year 2025 during the month of December 2025 and indicate that the data is an annual test dataset. CCA will validate the data for conformance against the CCA Data Format specification[1] for Tax Year 2025.

Should an employer or their agent have a pressing need to submit a test dataset prior to or after December 2025, please contact the person listed in the Submittal Assistance section in these procedures to determine when or whether the test dataset submission can be scheduled with existing tax year activities.

Submittal FAQ

What do I name my file?

- Your dataset is processed by several CCA systems that have differing file naming conventions. To avoid delays in processing your dataset you should follow these guidelines:
    - Your dataset name should contain only alphabetic characters, numeric characters, the minus (dash/hyphen) character, the plus character or the underscore character.
    - Your dataset name should be less than 32 characters in length, excluding the ".txt" file extension.
    - Your dataset name should have a ".txt" file extension.
- CCA recommends using one of the following formats for the name of your dataset which will aid in the tracking and processing of your dataset across our systems:

  {format}-{tax-year}-{fein}.{extension}
  {format}-{tax-year}-{fein}-{identifier}.{extension}

    - Where each **{...}** parameter is separated with a minus (dash/hyphen) character and the dataset name has a ".txt" file **{extension}**.
    - Where the **{format}** parameter is the string:
        - "efw2" for a W-2 tax submittal that will be processed.
        - "tfw2" for a W-2 test submittal that will only be verified for conformance.
        - "ef1099" for a Form-1099 tax submittal that will be processed.
        - "tf1099" for a Form-1099 test submittal that will only be verified for conformance.
    - Where the {tax-year} parameter is the tax year that is being filed.
    - Where the {fein} parameter is the submitter's federal identification number and should contain only numeric characters.

- Optionally, an employer or their agent may use the second format, when applicable, and specify a unique identifier given by the {identifier} parameter.
    - The unique identifier should not contain a minus (dash/hyphen) character.
    - The same unique identifier be used when resubmitting the dataset for a rejected submittal.
    - CCA does not recommend using the date of creation, date of submittal or a hash of the dataset, due to the prior bullet's uniqueness requirement.
- Examples:
  efw2-2023-123456789.txt
  efw2-2023-123456789-1.txt
  ef1099-2023-123456789.txt
  ef1099-2023-123456789-1.txt

What if my company has multiple locations or payroll systems using the same EIN?

- When you are an agent for one or more employers, you are required to submit a single conformant W-2 or Form-1099 dataset to CCA that has all the employers you represent.
- When you are an employer that has multiple locations or subsidiaries, or represent multiple independent organizations you are required to submit a single conformant W-2 or Form-1099 dataset to CCA with all locations, subsidiaries or independent organizations you represent, unless your locations, subsidiaries or independent organizations have separate payroll systems and you are reporting directly from them, then you are required to submit all the W-2 or Form-1099 datasets together. When it is permissible to submit multiple W-2 or Form-1099 datasets, use the optional **{identifier}** parameter to provide a unique file name for each of your locations, subsidiaries or independent organizations (see question *What do I name my file?*).

Are there any restrictions concerning the number of records for a W-2 dataset?

- If your organization files on behalf of multiple employers, include no more than 1 million RW (Employee) records or 50,000 RE (Employer) records per submission.

Are there any restrictions concerning the number of records for a Form-1099 dataset?

- If your organization files on behalf of multiple employers, include no more than 1 million B (Payee) records or 50,000 A (Payer) records per submission.

Submittal Assistance

Direct specific questions about these procedures to the address/email listed below.

Central Collection Agency
Municipal Income Tax
205 W St Clair Ave
Cleveland, OH 44113
Attn: ISS Department

Email: CCA-DS@clevelandohio.gov

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