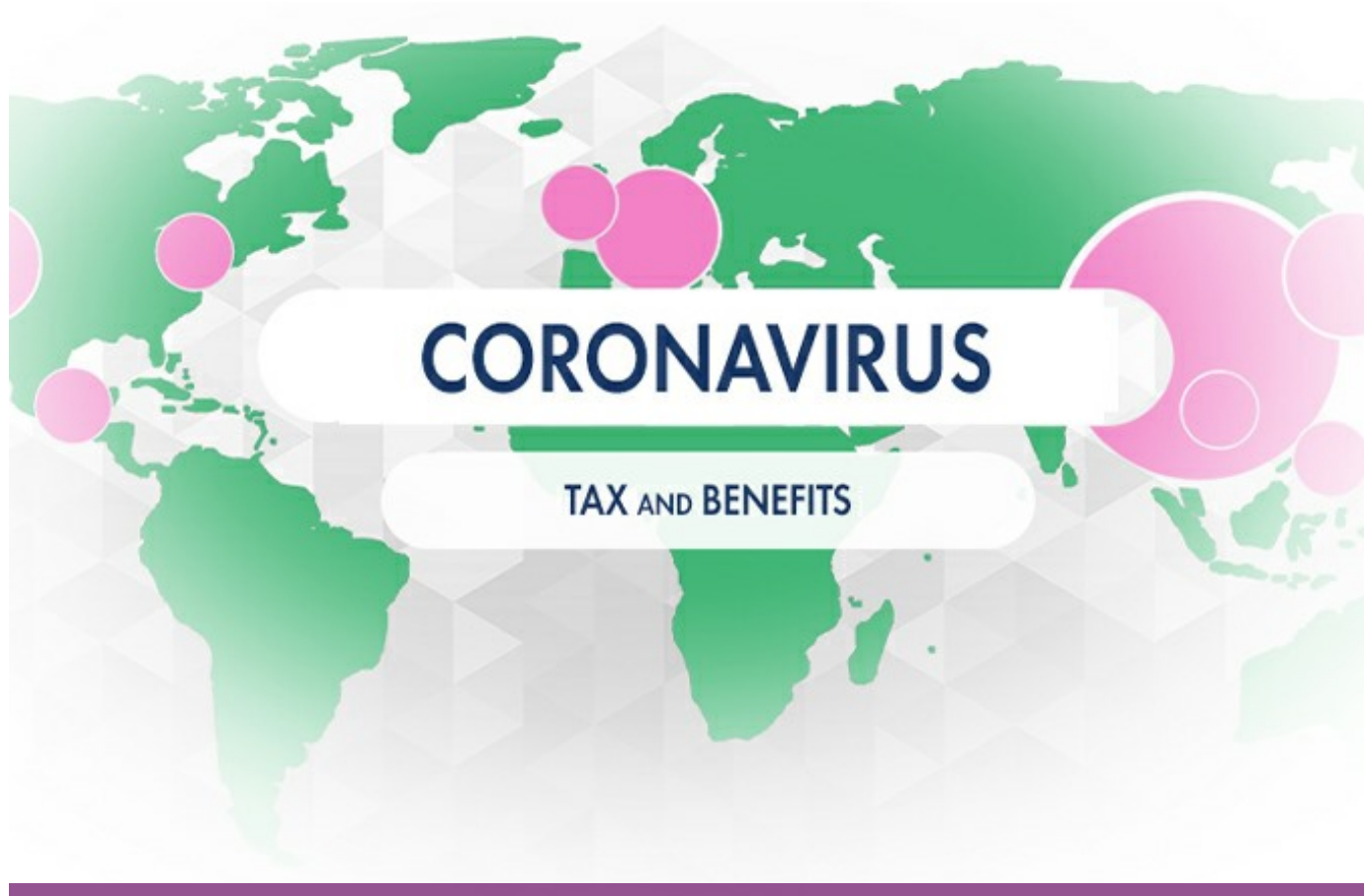


Ohio eliminates "20-day rule" under municipal income tax for employees working from home during the health emergency



David M. Kall, Christian D. Sorensen | Friday, March 27, 2020

Governor DeWine signed [HB 197](#) into law, which among other things, eliminates Ohio's "20-day rule" under municipal income tax for employees working from home during the COVID-19 health emergency.

The "20-day" rule provides that an employer need not withhold tax for a municipality if the employee is working in the municipality on 20 or fewer days. An employee can only be considered to be in one municipality per calendar day.

Employers are required to withhold municipal income tax for each employee's principal place of work. The challenge is to identify and track additional municipalities in which the employee works for more than 20 days.

With employees working from home for extended periods of time due to the COVID-19 health emergency, many businesses had expressed concerns about the potential implications of the "20-day rule" and whether they would be required to withhold tax for these employees.

The passage of HB 197 has alleviated these concerns, as it provides that the "20-day rule" will not apply to employees working from home during the COVID-19 health emergency. Accordingly, during the COVID-19 health emergency, employers will not be required to withhold tax for a municipality even if an employee works from home in the municipality for more than 20 days.

Ohio eliminates 20 day rule under municipal income



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