

## **Eastlake and CCA Income Tax Agreement**

Starting in January 2012, the Central Collection Agency (CCA) will begin comparing the IRS tax records with the City of Eastlake's tax records. This work is being conducted as the result of an agreement between the City of Eastlake and CCA, which is the tax collection agency of the City of Cleveland. CCA has the ability to access IRS tax records from prior years in an effort to locate residents and businesses that have either failed to file income tax returns or under reported their income to the City of Eastlake.

In addition to collecting the income taxes for the City of Cleveland, CCA collects income taxes for many other municipalities located within the State of Ohio. The information that the IRS provides to CCA is only sent to municipalities with large populations; which is why the City of Eastlake is unable to obtain this information directly from the IRS.

To bring fairness, all residents and businesses that have reported and paid their income taxes on a timely basis will not be affected by this program.

This program will identify those residents and businesses that either did not report all of their income, or pay the income taxes due on that income. Once identified, CCA will then commence collection efforts.

Residents have in the past under reported their income by omitting or understating the following items:

- 1) Income earned on a 1099
- 2) Schedule C's (self-employment income)
- 3) Schedule E's (rental income)
- 4) Gambling winnings

All initial collection efforts will be conducted by CCA, as an agent for the City of Eastlake. Residents and/or businesses who receive correspondence from CCA must contact them directly to resolve any outstanding issues.

The City of Eastlake is not paying any fixed costs for this program to CCA; instead, CCA will retain a percentage of the dollars collected from each individual and/or business. The remaining dollars will be remitted to the City of Eastlake.

If you have not filed or have under reported your income and income tax for any tax year, please contact Seth A. Miller, the City's Tax Administrator, at 440-951-1416 extension 160. Taxpayers taking advantage of this opportunity, who have not received a notice from CCA, may be granted leniency. The City's Tax Department is open Monday through Friday from 8:00 AM to 4:30 PM.