

## INSTRUCTIONS FOR PREPARING MUNICIPAL INCOME TAX RETURNS

If your work situation changed such as: retired, unemployed, disabled, moved, married or divorced, you should file this form to advise this office of your current status

### GENERAL INSTRUCTIONS

**WHO MUST FILE:** Every resident of Ashtabula 18 years or older, whether or not tax is due, shall make and file a return. Every business entity (individual, proprietorship, etc.) whether a resident or nonresident who conducts a business in this municipality must file a return and pay tax on the net profit.

**PARTIAL YEAR RESIDENT:** If you were a resident of the City of Ashtabula for only a portion of the year, you must file and report the income earned during the period of your residency.

**UNDER EIGHTEEN YEARS OF AGE:** Persons under 18 years of age are not subject to the tax. If you worked in the City of Ashtabula and City tax was withheld, request a refund from the City of Ashtabula Tax Dept. A copy of your birth certificate or driver's license and W-2's are required with the refund form. Ashtabula residents 18 years old for a portion of the tax year are required to file a return.

**WHEN TO FILE:** Filing deadline is **April 15<sup>th</sup>** for calendar year end or 105 days after close of fiscal year end.

**EXTENSION TO FILE:** An extension of time to file will be granted in conjunction with same request of federal government. Submit copy of federal extension request on or before filing due date.

**INCOME TAXABLE BY CITIES:** You must report all your earned income regardless of the income's origin or characteristics including but not limited to: wages, salaries, commissions, other compensation including fees, sick pay, bonuses, tips, rents, profits from businesses including professional associations and partnerships, employer supplemental and unemployment benefits (sub pay), wage continuation plans, dismissal or severance pay, incentive payments, property in lieu of cash, other compensation earned, received or accrued. Your contribution to retirement plans, annuities or Individual Retirement Accounts (IRA's) and all other deferred compensation plans are taxable.

**INCOME NOT TAXABLE:** Includes dividends, interest, active military pay and allowances, insurance proceeds, pensions, annuities, alimony, social security, Medicare, poor relief, unemployment insurance benefits, gifts, inheritances, scholarships, involuntary conversions, royalties and other revenue from intangible property. The income of religious, fraternal, charitable or other non-profit associations is exempt from the tax if exempt from real estate tax or exempt by enumeration in section 718.01 of the Ohio Revised Code or section 501 (a) of the Internal Revenue Code.

### TAXPAYER ASSISTANCE

**PHONE ASSISTANCE** – We have a direct phone line (440) 992-7104 for help in completing your City of Ashtabula tax return.

**In Person Office Assistance** – Our tax office staff is available to assist you in completing your city tax return or answer questions every day, Monday thru Friday, 8:00 A.M. to 4:30 P.M. at 4400 Main Avenue.

Website Assistance: [www.cityofashtabula.com](http://www.cityofashtabula.com)

### SPECIFIC INSTRUCTIONS

**HEADING:** Print your name, address and social security number plainly, or make needed corrections if already imprinted. Indicate your residency status. If you choose to file a joint return with your spouse, add their complete name and social security number.

**TOTAL WAGES:** List your gross (highest) W-2 wages in this chart. Each line represents the taxable wages you received from each employer. Deferred compensation and fringe benefits are not exempt from city income tax.

**INCOME OTHER THAN WAGES:** Attach applicable Federal Schedules substantiating income (or loss).

**BUSINESS LOSS:** Business Losses may be claimed only in year incurred. Losses from business activity (including rentals) may not be deducted from wages earned.

**CREDIT FOR TAX PAID TO OTHER CITIES:** Withholding in excess of 1.8% paid to another city may not be used for credits toward another W-2 earning which is not withheld at the rate of 1.8%.

**PENALTIES AND INTEREST:** Penalty is imposed for failure to file and/or pay amount due, on or before due date, at rate of 10% of tax due but in no case less than \$50.00. Interest: all taxes remaining unpaid after they became due shall bear interest at rate of 12% per year calculated at 1% a month on balance of tax due.

**EMPLOYEE BUSINESS EXPENSE:** Allowable 2106 business expenses are permissible from W-2 income only. For city income tax purposes, the following are not allowable deductions: Federal Schedule A Items and educational expenses. If the reimbursement from the employer was in excess of the expenses and was not included on your W-2, the difference must be listed as additional income. Copies of all W-2's and 1099's issued for reimbursement of business expenses **MUST** be submitted with your return and/or refund request. If you were a resident of Ashtabula for only a portion of the year, and have prorated your income, your business expenses must also be prorated.

### PREPARING DECLARATION OF ESTIMATED TAXES

#### 1. WHO MUST FILE A DECLARATION

- Every Resident of the City of Ashtabula, Ohio who expects to receive taxable income, wherever earned, which is not subject to withholding.
- Every Non-Resident of Ashtabula who expects to receive taxable income, earned or derived from within the City of Ashtabula, whose employer did not withhold Ashtabula tax.
- Every Business entity, such as corporation, partnerships, unincorporated business, professional entities, or fiduciary of active trusts conducting activities or producing income with the City of Ashtabula.

2. **WHEN TO FILE A DECLARATION** – A Declaration must be filed on or before April 15 for calendar year. Fiscal taxpayers must file within 105 days after the beginning of their fiscal year.

3. **PAYMENT OF ESTIMATED TAX** – For full year estimate at least ¼ of estimated tax must be paid on or before April 15, with ¼ becoming due June 30, ¼ Sept. 30 and ¼ due Dec. 31. The tax amount listed on Line 17, is the amount divided into quarterly payments. Credit carryover from the previous year return is to be deducted from the first quarterly payment. If there is still more credit left, it goes into the second quarterly payment, etc.