

GENERAL INSTRUCTIONS

This is your City of Upper Sandusky Annual Income Tax Return and Declaration of Estimated Income Tax Form. This return must be filed by individuals, partnerships, corporations and any other entity having income taxable by the City of Upper Sandusky from which the full tax was not withheld for the City of Upper Sandusky. If you received a return and have no income or loss to report, please notify the tax department promptly.

FILING DATES: Taxpayers who end their year on December 31 must file on or before the following **April 15**. Taxpayers on a fiscal year basis must file on or before the 15th day of the fourth month following their year end.

The total amount due must be paid when the return is filed. Make checks or money orders payable to UPPER SANDUSKY INCOME TAX. Amounts of less than \$1 need not be remitted.

EXTENSIONS: A Request for Extension must be filed. A Request for Extension Form is available upon request, or a copy of a Request for Federal Extension is acceptable. An extension will be granted to the end of the month following the due date of the Federal Extension. **INTEREST** will be charged on payments made with extended returns.

TAXABLE INCOME: (1) All salaries, wages, commissions, sub pay, vacation pay, tips and other compensation including but not limited to bonuses, incentive payments, director's fees, property in lieu of cash, dismissal or severance pay, wage continuation plans and other compensation earned, received or accrued by residents of Upper Sandusky or by non-residents for work done or services performed or rendered in Upper Sandusky, (2) Net profits of all unincorporated businesses, partnerships, rental income which aggregates in excess of \$100 per month, farm income, or other activities conducted by residents of Upper Sandusky or by non-residents in Upper Sandusky. (3) Net profits of all corporations derived from work done or services performed or rendered and business or other activities conducted in Upper Sandusky, whether or not such corporations have an office or place of business in Upper Sandusky.

INCOME NOT TAXABLE: (1) Welfare payments, unemployment benefits, retirement pensions or similar payments received from local, state or federal government, or charitable or religious organizations. (2) Proceeds of insurance except third party sick pay, annuities, worker's compensation insurance, Social Security benefits, pensions, compensation for damages for personal or property injuries and like reimbursement, not including damages for loss of profits. (3) Interest and dividends from intangible property. (4) Military pay and allowances, including reserve. (5) Earnings and income of all persons under 18 years of age. If you are under 18 years of age and Upper Sandusky income tax has been withheld from your pay, please see your employer for a refund. Do not file a refund request with our office. (6) Any income of less than \$100 per year, rental income which aggregates in \$100 or less per month.

NET PROFITS: Net Profits are determined on the basis of the information used for federal income tax purposes, using the same accounting system, adjusted to the requirements of the Upper Sandusky Income Tax Ordinance. Expenses attributable to non-taxable income are not deductible. The following are not deductible in determining net profits: municipal, state or federal income taxes, other taxes based on income including the Ohio Corporation Franchise Tax, if based on income, and taxes on property producing income not taxable by the City of Upper Sandusky. Corporations should enter "Taxable income before net operating loss and special deductions" per form 1120. Partnerships should enter "Ordinary business income" per form 1065. Fiduciary should enter "Taxable income" per form 1041.

LOSSES: A loss may not be carried backward or forward. Taxpayers with multiple sources of income other than W-2 wages may aggregate all profits and losses subject to the tax. Losses may not be deducted from W-2 wages.

DECLARATION OF ESTIMATED TAX: Estimated tax payments are required if you anticipate owing more than \$100 for the next taxable year. If you are unsure of the amount, estimates should be made for at least as much as the previous year's tax. The estimated tax may be paid in full with the declaration, or in quarterly payments due April 15, July 31, October 31, and January 31 for Individuals, and for all others with the declaration, and on or before the last day of the sixth, ninth and twelfth month of their fiscal year. Notices will be mailed to you for the second, third and fourth payment due, if your return is not extended. Returns extended beyond April 15 should include payment for all quarters due at the time of filing. The estimate may be amended at the time of making quarterly payments by completing the appropriate box on the statement, or at any time by contacting our office.

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SPECIFIC INSTRUCTIONS

HEADING: Print your name and address, or make necessary corrections if preprinted. Answer the questions in the section beside name and address.

NOTE: IF YOU ARE FILING ON W-2 WAGES ONLY, proceed to Line 6. You may deduct business expenses from your total wages on Schedule X, however, you must attach a copy of Federal Form 2106.

LINE 1: Enter the total amount of other income subject to the tax from the completed schedules on Page 2. You may attach copies of appropriate federal schedules instead of completing the schedules on Page 2.

LINE 2: Enter the total amount of items not deductible from Line M of Schedule X.

LINE 3: Enter the total amount of items not taxable from line Z of Schedule X.

LINE 4: Enter the result of adding Line 1 to Line 2, and subtracting Line 3.

LINE 5: Enter the amount allocable to Upper Sandusky if Schedule Y is used.

LINE 6: Enter the total of gross wages (usually Box 5: Medicare Wages) from all W-2 forms.

LINE 7: Enter the total of Line 4 or Line 5, whichever is applicable and Line 6. Do not subtract business losses from W-2 Wages.

LINE 8: Multiply the amount of Line 7 by 1%. This is the amount of tax.

LINE 9: (a) Enter the amount of tax withheld for Upper Sandusky. (b) Residents only, enter the amount of tax withheld for other municipalities. This credit must not exceed 1% of the gross income per W-2 form, and is only allowed to residents. Do not include tax withheld for a school district. (c) Enter the amount of tax paid or due to another city which has not been withheld by an employer. This credit must not exceed 1% of the income taxed. Business entities using Schedule Y should omit this line. (d) Total of credits carried over from prior years and the amount of estimated payments made for this taxable year as of the date printed. (e) Enter any declaration payments made after the above date. (x) Enter the total of Lines (9a, 9b, 9c, 9d and 9e).

LINE 10: If Line 8 is greater than Line 9x the difference should be entered here. This is the balance of tax due.

Line 11: If Line 9x is greater than Line 8, enter the overpayment here and indicate the amount to be refunded or credited to next year. If no election is made the entire amount will be credited. No refund will be made to any taxpayer until he has complied with all provisions of the ordinance and furnished all information required by the tax office. Refunds of less than \$1 will not be made. The IRS must, by law, be notified by the Tax Department of all refunds or credits of \$10 or more.

SCHEDULE INSTRUCTIONS

SCHEDULE E - RENTAL INCOME: Information on this schedule corresponds to the Rent Schedule as filed with the Internal Revenue Service. If more space is needed, you may attach another page. Copies of Federal Schedules may be submitted instead of completing this schedule.

SCHEDULE C - PROFIT OR LOSS FROM BUSINESS OR PROFESSION: Information on this schedule corresponds to Schedule C as filed with the Internal Revenue Service. If you operate more than one business, a separate copy of Schedule C should be attached for each. Copies of Federal Schedules may be submitted instead of completing this schedule.

SCHEDULE H - OTHER INCOME: This schedule is used to list all taxable income not reported elsewhere on this return. Types of income to be reported here are farm income, partnership, fees, tips, bonuses, 1099 income, commissions, property in lieu of cash, taxable income from all other sources.

SCHEDULE X - RECONCILIATION WITH FEDERAL RETURN: This schedule is to be used to adjust the Federal net income to the City of Upper Sandusky taxable income. The total of items listed in the left hand column are added to the Federal net income. The total of items in the right hand column are deducted from the Federal net income.

SCHEDULE Y - ALLOCATION FORMULA: The business allocation percentage formula (determined by obtaining the average of property, gross receipts and wages paid), **MUST** be used by corporations and non-resident business entities doing business within and without the City of Upper Sandusky. For further information see the Ohio Revised Code 718.02