

# GENERAL TAX INFORMATION FOR 2018 INDIVIDUAL RETURNS \*

## INFORMATION TO REMEMBER

- ALL GAMBLING/LOTTERY WINNINGS AND CANCELATION OF DEBT ARE TAXABLE INCOME ON YOUR CITY OF MIAMISBURG/AUSTIN CENTER JEDD RETURN
- RETURNS FILED LATE ARE SUBJECT TO A \$25 PER MONTH LATE FEE (max. late fee \$150)
- K-1 FORMS FOR PARTNERSHIPS & ESTATES MUST BE INCLUDED AND, IF APPLICABLE, MUST INCLUDE THE MUNICIPAL TAXES BREAKDOWN FOR CITY TAXES PAID AT THE ENTITY LEVEL TO BE GIVEN CREDIT
- REFUNDS OF \$10.01 OR LESS WILL NOT BE REFUNDED OR CREDITED TO ANOTHER YEAR
- WHEN COMPLETING YOUR RETURN, IF THE TAX AMOUNT DUE AFTER WITHHOLDINGS & CREDITS IS \$10.01 OR LESS, NO PAYMENT IS DUE.

## THE FOLLOWING SHOULD FILE A MIAMISBURG/AUSTIN CENTER JEDD TAX RETURN, EVEN IF NO TAX IS DUE:

- ALL MIAMISBURG/AUSTIN CENTER JEDD RESIDENTS and partial year residents ages 18 and over
- RETIRED RESIDENTS if they have rental, business or other income taxable to Miamisburg/Austin Center JEDD
- EVERY BUSINESS ENTITY that conducts business within the City of Miamisburg/Austin Center JEDD
- EVERY NON-RESIDENT WHO ENGAGES IN BUSINESS or other activity within the City of Miamisburg/Austin Center JEDD, including, but not limited to rental of real and personal property. Non-residents who are employed within the City of Miamisburg/Austin Center JEDD, but whose Miamisburg/Austin Center JEDD City income tax is not fully withheld by their employer, must also file a return.

*This form is for use by individual taxpayers only. Partnerships, Corporations, S-Corporations, etc. who file on an entity basis must obtain the "Miamisburg/Austin Center JEDD/Dayton Mall JEDD Business Return" from the Income Tax office or from the City's website.*

**WHEN TO FILE:** Individual taxpayers must file their return on or before **April 15, 2019**. **Late filing of this return may result in interest charges and a minimum \$25.00 penalty for each month or fraction of a month the return is late up to \$150.00.**

**MAKE SURE YOU ATTACH PAGE 1 OF YOUR FEDERAL 1040 TAX RETURN. YOUR RETURN IS NOT COMPLETE UNLESS THE 1040 IS ATTACHED.**

**REQUEST FOR EXTENSION OF TIME TO FILE:** If you have filed for a Federal Extension (form 4868), please provide our office a copy of the extension form. You may also request a City filing extension by sending us a letter. Please include the name of the taxpayer(s) the request is for as well as the current address & Social Security Number(s) by April 15, 2019. **Miamisburg/Austin Center JEDD does not receive copies of federal extensions from the IRS. An extension is an extension of time to file but is NOT an extension of time to pay.** Late payment of tax will incur penalty and interest. Individual returns with extensions are due in office no later than October 15, 2019.

**TAXABLE INCOME:** Includes, but is not limited to: salaries, wages, commissions and other compensation, bonuses, tips, stock options, incentive payments, directors' fees, property in lieu of cash, tips, dismissal or severance pay, vacation and sick pay, wage continuation plans, employer supplemental unemployment benefits (SUB pay), all gambling & lottery winnings, employee contributions to retirement plans & tax deferred annuity plans (including sec. 401k, 403b, 457b, etc.), cancellation of debt, profit sharing, jury duty, union steward fees, executor fees, and scholarship income to the extent that it is reportable on the federal tax return.

**NON-TAXABLE INCOME:** Includes interest, dividends, capital gains, unemployment compensation, workers' compensation, child support, retirement distributions, social security benefits, alimony, annuities, active military duty pay, Ministers' housing allowances, insurance proceeds (excl. compensation paid for lost salaries or wages or awards for punitive damages), & earnings for individuals under the age of 18.

**NON-DEDUCTIBLE EXPENSES:** The following expenses are non-deductible: self-employment tax; self-employed health insurance premiums, the federal non-deductible portion of meals & entertainment. Due to changes to IRS regulation for tax year 2018, you must meet specific criteria to use Form 2106: Employee Business Expenses and Reimbursements. Please verify with a tax preparer or the IRS website to ensure you qualify.

**BUSINESS ACTIVITY:** The net loss from an unincorporated business activity (Schedule C, E, or F) may not be used to offset salaries, wages, commissions (to the extent that they are reported on form W-2 or 1099-Misc.), other compensation or income. If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits or net operating loss. Starting with Tax Year 2017, Net Losses reported on the City return can be used against net income, at a reduced amount, for the proceeding five years. A separate form for Calculation of Net Loss Carryforward is available on the City's website.

**CREDIT FOR TAXES PAID TO OTHER CITIES:** With proper documentation, credit is allowed for taxes paid to other cities up to a maximum of 2.25%. For example, for a resident working in the City of Dayton (2.5% tax rate), the credit allowed against Miamisburg/Austin Center JEDD taxes is 2.25% of the wages taxed by Dayton. For a resident working in the City of Cincinnati (2.1%), full credit of 2.1% would be allowed against Miamisburg/Austin Center JEDD taxes since the rate is less than 2.25%. This means that the Miamisburg/Austin Center JEDD resident owes Miamisburg/Austin Center JEDD tax on those wages for the difference between 2.25% and 2.1%. This credit is reduced by refunds from other cities.

**ESTIMATED TAX PAYMENTS:** Every person who anticipates receipt of taxable income not subject to employer withholding or who engages in a business, profession, enterprise or other activity subject to Miamisburg/Austin Center JEDD taxation due shall file a declaration and pay estimated tax if they expect their 2019 tax liability to be greater than \$200.00. Estimated payments are due on April 15, June 15, September 15, and January 15. Failure to pay estimated taxes may result in an assessment of penalty charges. See Line-by-Line Instructions for more details.

**PENALTIES AND INTEREST:** Filing your return late, paying your taxes late and/or not paying the appropriate estimated tax payments, if required, will subject you to penalties and interest. See Line-by-Line instructions for more details.

*\* This is a basic overview and does not replace or supersede the City or Austin JEDD Income Tax Ordinances, which are available at our website - <http://www.ci.miamisburg,oh.us/> - under the Local Government Tab*

**PARTIAL YEAR RESIDENTS:** If you were a Miamisburg/Austin Center JEDD resident for only part of 2018, you must file a tax return covering that time. Report the amount of income you earned while you were a Miamisburg/Austin Center JEDD resident. Pay statements with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Miamisburg/Austin Center JEDD cannot be determined, you may break down your earnings by the number of months employed by that job, arriving at a monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If your income is pro-rated all City tax withheld, on this same income, must also be pro-rated. Attach a worksheet and statements explaining your calculations.

If you are requesting that your account be inactivated due to your moving from the jurisdiction with no intent to return, although retaining a mailing address within the jurisdiction as your address of record, please enter the date of your move and the reason and attach supporting documentation regarding your relocation.

**ASSISTANCE** – Staff assistance is available for the preparation of the Miamisburg/Austin Center JEDD Income Tax Return. Taxpayers need to bring in copies of their Federal 1040, all W-2 forms, 1099-MISC and any other applicable Federal Schedules. Hours of operation are 8:00 a.m. to 5:00 p.m. Monday – Friday. The Tax Office is located in the Miamisburg Civic Center at 10 N 1<sup>st</sup> St., Miamisburg, OH 45342. If you have questions, you may reach us by phone (937-847-6462), email (incometax@cityofmiamisburg.com) or by fax (937-847-6470).

## LINE-BY-LINE INSTRUCTIONS FOR 2018 INDIVIDUAL RETURNS \*

**HEADING** – Print your name, address, & social security number. If married filing jointly, print your spouse's name & social security number.

**FILING STATUS** – Check one. If married filing separately, enter your spouse's social security number & full name. Joint or separate returns are permissible for married taxpayers.

**RESIDENCY STATUS** – Check one. See General Tax Instructions for more information on partial year residency. If you moved during 2018, complete the date of the relocation and the previous address.

**LINE 1** – Total qualifying wage and compensation information, as noted in **Box 3 on Worksheet A**, is reported on this line. On page 2, **Worksheet A**, indicate employer's name, the City where the work was performed, amount withheld for Miamisburg/Austin Center JEDD, amount withheld for another City (up to a maximum of 2.25% of qualifying wages), and qualifying wages earned (generally the larger of W-2 Line 5 or Line 18). Be certain to attach all W-2's and 1099's. **If your W-2's are marked "various" or "all cities" in the Local Tax Withheld Line, you should request an itemized breakdown of wages & income tax withheld by City from your employer(s). This must be attached to your return. Do not include unemployment, pension distributions, interest or dividend 1099's.**

**LINE 2** – Enter Employee Business Expenses eligible to be deducted from wage income, as reported on your Federal Return. You must include a copy of your **Federal Form 2106**, as well as, **Schedule 1** of your Federal return. Due to changes to IRS regulation for tax year 2018, you must meet specific criteria to use Form 2106: Employee Business Expenses and Reimbursements. Please verify with a tax preparer or the IRS website to ensure you qualify.

**LINE 3** – Total Taxable Wages. Line 1 minus Line 2.

**LINE 4** – Put the total of all Gambling winnings (in state and out of state winnings), lottery winnings, contest winnings, and prizes on this line. Also include all other taxable income not reported elsewhere on this return. Types of income to be reported here are executor/ trustee fees, fees, awards, property in lieu of cash, excess business expense reimbursement, taxable income from all other sources not reported with qualifying wages or Business Type Income. Please attach copy of 1099 or other support. Gambling losses not deductible against gambling winnings or schedule C or E income.

**LINE 5** – Business Type Income, brought forward from **Worksheet B** on page 2. In no case may business losses be subtracted from wages or other compensation.

**LINE 6** – Amount subject to Miamisburg/Austin Center JEDD Income Tax, Line 3 plus Line 4 plus line 5.

**LINE 7** – Miamisburg/Austin Center JEDD Income Tax. Multiply Line 6 by 2.25% (or .0225).

**LINE 8** – Credits against Miamisburg/Austin Center JEDD income tax.

**Line 8A** - Enter Miamisburg/Austin Center JEDD income tax withheld by your employer(s). Total in Box 1 from Worksheet A.

**LINE 8B** - Enter tax withheld or paid to other municipalities from Box 2 of Worksheet A. This credit is limited to Miamisburg/Austin Center JEDD rate of 2.25%. (See General Tax Information for more details.)

**LINE 8C** - Enter estimated payments made to Miamisburg/Austin Center JEDD for the 2018 tax year and prior year overpayments that were carried forward.

**LINE 8E** - Total of Lines 8A, 8B, and 8C.

**LINE 9** – Tax Amount Due -- If Line 7 is greater than Line 8D, the difference should be entered here.

**LINE 10** – Penalty & Interest

**Late Filing Fee** - Any return filed after its due date (or extended due date, if applicable) will be subject to a \$25 late filing fee for each month, or partial month, up to a maximum of \$150.

**Late Payment** - Taxes owed and unpaid after the due date are subject to a 15% penalty and .5% interest per month or fraction thereof. (6% per annum)

**UNDERESTIMATION/UNDERPAYMENT** – You will be subject to underestimation/underpayment penalty, if line 8D is less than 90% of Line 6 **UNLESS** line 8D is equal to or greater than 100% of your 2017 Miamisburg/Austin Center JEDD income tax amount. The penalty is 15% of the underpaid estimate amount or 15% of the 2018 actual tax due (line 9), whichever is less.

**LINE 11** – Balance Due for 2018 is the total of Line 9 and Line 10D. NOTE: Amounts of \$10.00 or less are not required to be paid. Overpayments should be reported on line 12.

**LINE 12** – Overpayment -- If Line 12 shows an overpayment, the amount should be placed in the REFUND or CREDIT to 2019 box. NOTE: Amounts of \$10.00 or less will not be refunded or credited to another year. This amount, if greater than \$10.00, will be transferred as a credit toward next year's tax unless you request a refund. No refund shall be made to any taxpayer until he or she has complied with all the provisions of the Ordinance and has furnished all information required by the Tax Administrator. Refunds are processed in order of receipt of the complete return. Typically, refund checks are mailed 90 days after the filing deadline or 90 days after the complete return is filed, *whichever is later*. Per Federal law, a Form 1099-G will be mailed to all individual recipients for refunds of \$10.00 or more. Refunds are allowed only when Miamisburg/Austin Center JEDD income tax has actually been paid or withheld for Miamisburg/Austin Center JEDD.

## **DECLARATION OF ESTIMATED TAX FOR 2019: TAX RATE is 2.25% for 2019**

### **Who must file & pay estimated income tax for the current year?**

- You are a Miamisburg/Austin Center JEDD resident & work in either a municipality that is not subject to municipal income tax withholding (including townships) or a municipality with a municipal income tax rate of less than **2.25%**;
- You are a Miamisburg/Austin Center JEDD resident and are self-employed (filing a Schedule C or Schedule F on your Federal tax return);
- You are a Miamisburg/Austin Center JEDD resident and you receive rental income (filing a Schedule E or form 4835)
- You are NOT a Miamisburg/Austin Center JEDD resident but had self-employment income earned in Miamisburg/Austin Center JEDD;
- You are NOT a Miamisburg/Austin Center JEDD resident but have income from rental property located inside the City of Miamisburg/Austin Center JEDD.
- You are or are not a Miamisburg/Austin Center JEDD resident and have any similar type of situation where your income is not fully withheld upon (at **2.25%**) & you would have a tax balance due to Miamisburg/Austin Center JEDD.

### **Methods of calculating estimated tax due:**

- A. If your 2018 liability after withholding will be less than \$200.00 no estimates will be required.
- B. If your liability will be greater than \$200, you may pay an amount equal to your Miamisburg/Austin Center JEDD Income Tax for 2018 (line 6) (less any anticipated Miamisburg/Austin Center JEDD tax credits). By paying 100% of the 2018 Miamisburg/Austin Center JEDD Income Tax via credits or estimated payments in timely quarterly estimated tax payments, you will not be penalized for underpayment should your income be greater in 2019. (Known as "safe harbor"). Estimates are due April 15, June 15, Sept. 15, and Jan. 15.
- C. Or, if you know what your anticipated income will be for 2019, you can base your estimate on 90% of that anticipated income amount. Using that figure, you can determine an equal quarterly amount for remittance for each period.

### **Penalty for underestimation/underpayment**

If you have not paid the lower of (1) 90% of the current tax year's tax liability (through withholdings, estimated payments, or prior year overpayments) or (2) 100% of the prior year's tax liability, then the penalty for underestimation/underpayment is 15% of the unpaid estimate balance or actual tax balance due (Line 9), whichever is less. For calendar year 2018 the interest rate for past due payments is 6% per annum (0.5% per month). For calendar year 2019 the interest rate for past due payments is 7% per annum (0.5833% per month).

**LINE 13** – Enter *either* the total estimated taxable income for 2019 *or* the actual tax liability for 2018 (Line 6, if using the "safe harbor" method). Include all income subject to Miamisburg/Austin Center JEDD tax, such as salaries/wages, commissions, net income from business/profession (Federal Schedule C), net rental (Federal Schedule E), gross gambling/lottery winnings and other income sources. This amount is then multiplied by **2.25%** and entered on Line 13.

**LINE 14** – Enter the total of all anticipated credits, such as anticipated Miamisburg/Austin Center JEDD tax withheld and/or tax paid to another municipality, overpayment of previous year returns, or amended return credits.

**LINE 15** – Balance of estimated Miamisburg/Austin Center JEDD Income Tax due. Line 13 minus Line 14.

**LINE 16** – If using Method B, "safe harbor", on line 13 above, then a minimum of 25% of Line 15 is due with your return, or April 15 (whichever comes first). If using Method C on Line 13, then a minimum of 22.5% of Line 15 is due by April 15, 2019. The estimated tax may be paid in full with this Declaration or in equal quarterly payments. **Quarterly payments will not be billed.** The estimate may be amended at the time of making any quarterly payment. For individuals, quarterly payments are due on or before April 15, June 15, September 15, and January 15. If the due date falls on a weekend or a City holiday, the due date will be the following business day. Any prior year credit carry-over will be included as current year estimated payment. Interest is assessed for failure to pay the tax when due. Interest at the rate of 0.5 % per month is assessed on any tax remaining unpaid after the due date. To avoid an underestimation penalty assessment, the amount paid (via timely estimates, withholdings, or prior year overpayments) must be within 90% of the actual amount owed for 2019 or 100% of the 2018 tax due.

**LINE 17** – TOTAL AMOUNT PAYABLE TO THE CITY OF MIAMISBURG/AUSTIN CENTER JEDD is the total of Line 11 and Line 16. This amount is due and payable to the City of Miamisburg/Austin Center JEDD prior to April 15, 2019. All check or money orders are to be made payable to the City of Miamisburg.

### **WORKSHEET A – SALARIES, WAGES, TIPS & OTHER COMPENSATION**

On page 2, **Worksheet A**, write in the employers' name(s), the City where you are employed (or where the work was performed), amount withheld for Miamisburg/Austin Center JEDD, amount withheld for another City (up to a maximum of 2.25% of qualifying wages), and qualifying wages earned (generally the larger of W-2 Line 5 or Line 18). Be certain to attach all W-2's and 1099's. **If your W-2's are marked "various" or "all cities" in the Local Tax Withheld Line, you should request an itemized breakdown of wages & income tax withheld by City from your employer(s). This must be attached to your return. Do not include unemployment, pension distributions, interest or dividend 1099's.**

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## WORKSHEET B – OTHER INCOME

**Line 1. Proprietorship (Schedule C)** – For Miamisburg/Austin Center JEDD residents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture is taxable to Miamisburg/Austin Center JEDD regardless of where that income is earned. A credit for taxes paid to other cities may be permitted against such income if you include copies of tax returns filed and paid in other cities. Attach a copy of your Federal 1040 Schedule C.

For nonresidents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture doing business in Miamisburg/Austin Center JEDD is taxable without regard to their place of residence. If you are doing business both in and out of Miamisburg/Austin Center JEDD, you may use Schedule Y to allocate income.

An annual return is required even though a loss may have been incurred. If you had more than one business, a separate Schedule C must be attached for each business. For resident businesses, rent expense will not be allowed unless the name(s) of landlord(s) are furnished.

**Line 2. Rental income (Schedule E)** – Information on this schedule must correspond to Schedule E as filed with the Internal Revenue Service, using the same method of depreciation. Net rental income from all types of real estate or other property is taxable for Miamisburg/Austin Center JEDD residents regardless of where the rental is located. Net rental income derived within the City limits is taxable to the property owners regardless of their place of residence. Where a rental property is jointly owned by 2 or more persons, but no partnership, association or other business entity exists, each co-owner shall declare and pay the tax on his own share of the net income. An annual return is required even though a loss may have been incurred. A copy of Federal Schedule E must be attached.

**Line 3. Ordinary Income or Loss (Schedule 4797)** – Recapture of depreciation on the disposition of certain depreciable property results in ordinary income subject to the municipal income tax. Federal Form 4797 sets out these items and depreciation recaptured which is treated as ordinary income. A copy of Federal Form 4797 must be attached.

**Lines 4. Other Schedule E Reportable Income** - Enter reportable Partnership and Royalty income as listed on your Schedule E. Do not include your share of S-Corporation net profit/loss. Taxable Royalties include amounts received from interests in land/rents and royalties derived therefrom. Please attach a copy of your Schedule E & Schedule K-1. If the Partnership paid taxes to another Ohio municipality, the K-1 will need to reflect this.

**Lines 5.** Enter farm income as reported on your federal return. Please attach a copy of the Schedule F.

**Lines 6.** Sum the applicable City/JEDD Taxable Income. Please see Loss Application information if any boxes are reporting a loss.

**Lines 7. Loss Application** – Application of Net Operating Loss (NOL) was in litigation at the time of this printing. A separate schedule has been created for the calculation and application of NOL. The Net Operating Loss Schedule will be available in office and on the City's website and will be updated as necessary. If you are unable to access the form, please contact our office and we will send it to you.

**Line 8. Grand Total Business Type Income** – Report on page 1 of the City return, Line 5.

## SCHEDULE Y – BUSINESS ALLOCATION FORMULA

For nonresidents, a business allocation formula consisting of the average of property, gross receipts and wages paid, may be used to determine the amount of net profits attributable to Miamisburg/Austin Center JEDD. However, if the books and records of the taxpayer disclose with reasonable accuracy the net profit attributable to Miamisburg/Austin Center JEDD, then only this portion shall be considered as having a taxable status in Miamisburg/Austin Center JEDD. Refer to ORC 718.02 for a more detailed explanation on how you must arrive at this calculation. You may not choose to eliminate calculating a factor on the Schedule Y unless the amount located everywhere is zero.