

INSTRUCTIONS FOR PREPARING INDIVIDUAL INCOME TAX RETURNS

SEE OTHER SIDE FOR INSTRUCTIONS FOR PREPARING BUSINESS INCOME TAX RETURNS

GENERAL INSTRUCTIONS

WHO MUST FILE: Every resident and ALL postal workers, 18 years or older, with earned income or net profit from any source whatsoever shall make and file a return. All such earnings wherever earned are considered taxable. The location of the places from which payment is made or where payment is received is immaterial. Every business entity (individual, proprietorship, etc.) whether a resident or non-resident who conducts a business in this municipality must file a return and pay tax on the net profit.

PERSONS UNDER EIGHTEEN (18) YEARS OF AGE are not subject to the tax. If the tax was withheld for Wickliffe from their wages, a refund should be requested. Proof of age required.

INCOME TAXED BY CITIES: You must report all your income regardless of the income's origin or characteristics including: wages, salaries, commissions, other compensation including fees, sick pay, bonuses, tips, rents, profits from businesses including professional associations and partnerships, royalties, employer supplemental unemployment benefits (subpay), wage continuation plans, cafeteria plans, contest prizes and awards, gambling and **lottery winnings**, dismissal or severance pay, incentive payments, property in lieu of cash, depreciation recapture and other compensation earned, received or accrued. Your contribution to retirement plans, annuities and all other deferred compensation plans are taxed by cities.

RENTAL INCOME: You must attach Federal Schedule E, **Rental Income For Property Owned & Rented in Wickliffe**

INCOME NOT TAXABLE includes dividends, interest, military pay and allowances, insurance proceeds, pensions, annuities, alimony, social security, medicare, poor relief, unemployment insurance benefits, gifts, inheritances, scholarships, involuntary conversions and royalties. The income of religious, fraternal, charitable or other non-profit associations are 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.

★ **Filing Deadline is on or before April 15, 2014** ★

EXTENSIONS OF TIME TO FILE for good cause may be granted by the Administrator. Make written request on or before April 15th, stating reason. Will accept copy of Federal Extension.

ROUNDING OFF TO WHOLE DOLLARS is permitted. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

PENALTIES AND INTEREST are imposed for failure to file a return or pay the tax due.

EXEMPTIONS AND ITEMIZED DEDUCTIONS as available on individual federal income tax returns are not allowed. The municipal income tax is based on gross earnings.

FULL CREDIT FOR MUNICIPAL TAX withheld or paid to other communities is given and you are not double taxed. Credit cannot exceed the current rate of this community.

SPECIFIC INSTRUCTIONS

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

LINE 1 - List your gross city wages from box #5 or #18 on W-2 Form, whichever is higher. Each line represents the taxable wages you received from each employer. If you are deducting 2106 expenses you must attach a copy of Federal Form 2106 or 2106 EZ and a copy of your Federal Schedule A, or the deduction will not be allowed. **For municipal income tax purposes, the deduction is limited to unreimbursed employee expenses less 2% of Federal Adjusted Gross Income (AGI).**

LINE 2 - Is the total of other income subject to tax brought forward from page 2, line 23.

LINE 3 - Total of lines 1 and 2.

LINE 4 - Two percent of line 3 (multiply by .02).

LINE 5(a) - Enter the total municipal income tax withheld by your employer as shown on 1(B). **This total must not exceed 2% per W-2. IMPORTANT:** Withholding in excess of 2% from one W-2 may not be used as credit towards another W-2 form for earnings withheld at less than 2%. Note: If wages are reduced by 2106 expenses, use net amount for this calculation.

LINE 5(b) - Enter estimated payments made to Wickliffe for this taxable year.

LINE 5(c) - Enter credit from prior year (overpayment you indicated on the prior return to be credited against this year's tax).

LINE 5(d) - Not to exceed 2% -- attach copy of tax return.

LINE 5(e) - Is the total of Lines 5(a), 5(b), 5(c) and 5(d).

LINE 6 - If line 4 is greater than Line 5(e) the difference should be entered here. Remittance in the amount must accompany the return when filed. If this amount is less than \$1.00, you do not have to pay.

LINE 7 - If line 5(e) is greater than Line 4 the difference should be entered here.

LINE 8 - This amount will be transferred as a credit towards next year's tax unless you request a refund. Refunds of less than \$1.00 are not made per the income tax ordinance.

LINE 9 - Penalty for failure to file timely, whether or not tax is due, is \$25.00

LINE 10 - All taxes remaining unpaid after they become due shall bear interest at the rate of one and a half percent (1.5%) per month.

LINE 11 - All taxes remaining unpaid after they become due shall have 10% penalty per month.

LINE 12 - Total tax due. Add lines 6, 9, 10 and 11. Pay in full.

FOR ESTIMATE FILING ONLY

LINE 21 - Add lines 12 and 19.

IF YOU WORK IN EUCLID ONLY 2% OF YOUR LOCAL WAGES ARE TO BE USED FOR THE "CITY TAX WITHHELD". NO REFUNDS WILL BE GIVEN - - EXCESS MONIES REMAIN WITHIN THE WITHHOLDING MUNICIPALITY.