

GENERAL INFORMATION FOR INDIVIDUAL RETURNS

1. WHO MUST FILE

All residents of Englewood that are 18 years of age or over, whether or not any income was earned or any tax is due, are required to file an annual return. All non-residents that earn or receive income within Englewood that is not fully withheld upon are required to file. Those living in the city for any part of the year are required to file a return. All resident business entities including trusts, corporations, S-Corporations, partnerships and other unincorporated businesses are required to file an annual return on an entity basis. Non-resident business entities, including S-Corporations, partnerships, trusts and other unincorporated businesses, that conduct business, perform services, have a location or have income earned in Englewood are required to file on an entity basis. For corporations and partnerships and other taxable entities, a Business income tax return will be needed.

NOTE: Anyone receiving a notification letter has an active account and will need to file a return. All accounts remain in active status until a "final" return is filed.

2. UNDER 16 YEARS OF AGE

You may be eligible for a refund if Englewood taxes were withheld on income earned prior to your 16th birthday. If you are under 16 or if you turned 16 years of age during the year, only the income earned after your 16th birthday is subject to Englewood income tax. Attach verification of your date of birth (photocopy of driver's license or birth certificate) and verification/computation of your taxable/non-taxable earnings.

3. PART-YEAR RESIDENTS

Part-year residents will need to allocate their income and any deductions and credits based on the amount of time they lived in each city. Verification/computation (paystubs, etc.) will need to be attached to the return. Those living in Englewood for any part of the year are required to file a return. College students, even though they may reside away from home for a portion of the year, are required to file if their permanent residence is within Englewood.

4. DUE DATE

Returns are due by April 17, 2011, following the close of the calendar year; or within 3½ months of the end of the year for those businesses on a fiscal year basis.

5. EXTENSIONS

Extensions are not granted on an automatic basis. An extension of time to file does not extend the time to pay the tax. All extensions shall be conditioned upon the taxpayer filing a request, accompanied by payment of the amount of tax due, by the original due date of the return and the account not being held in a delinquent status. Interest will be assessed on any tax remaining unpaid after the original due date. Additionally, there is no provision for extending the current year first quarter estimate payment. Make written request for extensions on or before the due date. Extensions request forms may be obtained from the Tax Office or our website: www.Englewood.oh.us.

6. SUPPORTING DOCUMENTS

Documentation is necessary to verify all taxable or non-taxable incomes, expenses, deductions and credits. The following are examples (examples only, not all inclusive) of types of forms and schedules to attach as applicable: W-2(s), Form 2106, Schedules A, K-1 and F, page 1 of Form 1040, other city tax returns, Form 1099 (misc), pages 1 & 2 of Form 4797 and Schedules C and E. Those taxpayers claiming deductions for commissions paid, contract labor and the like must provide a schedule showing a breakdown of amounts paid, and how much of said work was in the city, names of those paid with addresses and social security numbers or federal identification numbers. Copies of Form 1099 (misc) may be sent in lieu on the schedule.

7. TAXABLE WAGES

Income subject to taxation includes, but is not limited to, qualifying wages, commissions, bonuses, disability and sick pay, vacation pay, strike pay, tips, severance pay, contributions to tax deferred pay, stock options as indicated by the amount on the W-2, gambling and lottery winnings, profit sharing, trusts, estates, executor fees, director fees, fringe benefits such as car allowances, incentive payments and other compensation received accrued or in any other way set apart. Note: Qualifying wages for city purposes is generally the same amount as the Federal Medicare wage amount.

8. NON-TAXABLE WAGES

Includes, but is not limited to: Interest, dividends, military pay and allowances, Social Security benefits, welfare benefits, unemployment insurance benefits, worker's compensation, personal earnings of persons under 16 years of age, capital gains, alimony, housing allowances for clergy to the extent that the allowance is used to provide a home, compensation not exceeding \$1000.00 paid to poll workers, proceeds from qualified retirement plans as defined by the IRS.

9. FILING STATUS

A husband and wife may file either joint or separate returns. The filing status will not affect the amount of tax due.

10. RENTALS

Net rental earnings from all types of real estate or other property are taxable for residents regardless of where the rental is located. Net rental earnings derived within the city are taxable to the property owners without regard for their place of residence. An annual return is required even though a loss may be incurred.

11. BUSINESS INCOME

Income derived from a profession, sole proprietorship, joint venture, partnership or similar business endeavor is taxable to residents no matter where that income is earned. Non-residents receiving such income derived within a city are taxable without regard to their place of residence. A return is necessary even though a loss may have been incurred.

12. 2106 EXPENSES

Employee business expenses that have been properly reported on Federal Form 2106 and that have been deducted for Federal tax purposes may be included as an adjustment to taxable income if the total of such expenses does not exceed the related income from the same employer. When income is pro-rated, employee business expenses relating to that income must also be pro-rated. Employee business expenses related to income earned in another taxing municipality may be eligible for a refund from that city. When claiming a deduction for employee business expenses, a copy of Form 2106 and Federal Schedule A must be filed with the income tax return.

13. OTHER CITY TAX CREDITS

Residents of a city who work in and pay tax to another city may take a credit against their resident city tax liability for other city tax paid up to a maximum of 1.75% of the taxable income earned in the other city. A proration of taxable income will result in a proration of the other city tax credit. In some instances an adjustment of credit may be necessary if the tax paid or withheld for another city is incorrect. When claiming a credit for other city taxes paid, verification, such as W-2(s) or other city tax returns, must be filed with the income tax return.

14. DECLARATION OF ESTIMATED TAX

Every taxpayer who anticipates having income tax due of \$100.00 or more that is not fully withheld must file an annual declaration of estimated tax. At least 90% of the current tax year liability or 100% of the previous year liability must be paid either through withholding and/or estimated payments by January 31st or 31 days after the end of the tax year. Failure to pay estimated taxes timely may result in a penalty and interest assessment. Quarterly payment coupons are available on our website: www.Englewood.oh.us.

15. CORPORATIONS, PARTNERSHIPS, TRUSTS, ETC.

Corporations, S-Corporations, partnerships, trusts, joint ventures and similar business entities having a location or doing business in Englewood are required to file annual income tax returns on an entity basis. Such entities will need to obtain a Business income tax return. Distributions from S-Corporations should not be included on individual tax returns, individuals who receive payments from partnerships should only include those on their individual return when the distributing partnership is not doing business or located in their city of residence.

16. LOSSES

Net business losses including rental losses, except any portion of a loss separately reportable for municipal tax purposes to another city, may be deducted from net gains of similar businesses and rentals. However, such losses may not be used to offset wage income or other types of personal service compensation. There may be no carry forward nor carry back of operating losses.

17. LATE FILING FEE, PENALTIES AND INTEREST

When returns are filed after the due date by Englewood residents or by businesses performing services in Englewood a late filing fee of \$25.00 is assessed without regard for the amount of tax due. Late filing fees will be assessed even though no tax may be due. Also, any tax remaining unpaid after the due date is assessed a penalty of ½ % per month or 10%, whichever is greater, and interest of 1½ % per month.

18. CREDIT CARD PAYMENTS

City taxes may be paid with your credit card or electronic check.

INSTRUCTIONS FOR INDIVIDUAL RETURNS

If you have business income, rental income or any type of taxable income other than wages and salaries, COMPLETE SECTION D ON THE PAGE 2 OF FORM IR-1 BEFORE PROCEEDING. If your only taxable income is from wages and salaries and shown on a W-2(s), complete the front of the return.

SECTION A

List all W-2 information and Form 2106 expenses where indicated. NOTE: The wage amount indicated in Line 1-C should be the municipal qualifying wage amount (see Item 7 of the General Information). For income earned in another city, the maximum allowable credit for taxes paid to other cities is 1.75% of income earned and properly taxed in that city. Attach a copy of each W-2 to the front of the return.

LINE 1

Add each column, as indicated. Enter totals on Line 1-A, 1-B, 1-C, 1-D & 1-E. (See Item 11 of the General Information for more detailed Form 2106 instructions and Item 12 for the calculation of other city tax withheld).

LINE 2

Enter total of Line 1-E (or Column 3 if applicable).

LINE 3

Multiply Line 2 by 1.75%.

LINE 4-A

Enter the total amount of tax withheld by your employer(s) for your city of residence (from Line 1-A).

LINE 4-B

Enter the total credit for tax paid to another city (from Line 1-B). NOTE: Other city tax credit may not exceed 1.75% of the amount of taxable income earned.

LINE 4-C

Enter the total estimated tax payments plus any prior year credits.

LINE 4-D

Enter the total of Line 4-A, 4-B and 4-C.

LINE 5

Line 3 minus Line 4-D. If Line 3 is greater than Line 4-D, a balance is due and a payment must accompany this return. (If balance is less than \$5.00, no payment is necessary but the return will still need to be filed.) If Line 4-D is greater than Line 3, proceed to Line 8 (or Line 6 if filing after the due date).

LINE 6

If your return is filed after the due date, a Late Filing Fee of \$25.00 may be added and a Penalty and Interest assessment will be made as applicable. (See Item 16 of the General Information.)

LINE 7

Enter total of Line 5 and Line 6.

LINE 8

If Line 4-D is greater than Line 3, indicate the amount to be refunded and/or the amount to be credited to your next year tax liability.

SECTION B

A Declaration of Estimated tax must be filed by every resident, non-resident or business entity that expects to receive taxable income from which the tax has not been withheld and the amount of tax due is \$100.00 or more. Coupons are available on our website: www.Englewood.oh.us for use in making quarterly estimated tax payments. Upon filing the final return, **penalty and interest charges will be assessed if at least 90% of the final tax liability, or 100% of the prior year tax liability, was not received by January 31st.**

LINE 9

Enter the estimated amount of taxable income where indicated and show the amount of tax estimated to be due.

LINE 10

Enter the amount of estimated tax credits. Include any tax to be withheld for your city of residence and any credit for tax to be withheld for other cities not to exceed 1.75%, Englewood's tax rate.

LINE 11

Subtract Line 10 from Line 9. This is your estimated net tax due for the next tax year.

LINE 12

Enter ¼ of Line 11. This is the quarterly amount due.

LINE 13

If you indicated a Credit to Next Year on Line 8, show the amount on Line 13. The overpayment will be applied to your first quarterly payment. If the overpayment is greater than the first quarterly payment, the difference will be applied to the next payment(s) due.

LINE 14

Subtract Line 13 from Line 12. This is the amount of estimated tax due with this return. (Coupons to be used for making the remaining quarterly payments are available at the Tax Office and on our website: www.Englewood.oh.us.)

LINE 15

Enter the total of Line 7 plus Line 14. Make checks payable to the City of Englewood.

SECTION C

SIGNATURES

The taxpayer and spouse, if filing a joint return, must sign where indicated. If someone other than the taxpayer or spouse completed this return, indicate by checking yes or no if we may contact your tax preparer with questions regarding this return. In either case, the tax preparer must sign in the area so designated.

SECTION D

On the reverse side of Form IR-1, needs to be completed if you have income other than wages as reported on your W-2(s). Completion of Section D does not replace the need to attach copies of federal schedules and other supporting documents. Indicate amounts earned in the city as applicable. See more detailed Section D instructions on the reverse of Form IR-1.

NOTE: Section D should be complete before proceeding to the front of the return if you have taxable income that is not shown on a W-2.

SECTION Y

On the reverse of Form IR-1 is a Business Apportionment Formula used to compute the portion of net profits allocable to Englewood. If the Business Apportionment Formula is used, amounts allocated to each entity should be entered in Section D.

SECTION Z

If you (and/or your spouse if filing jointly) meet one of the following requirements, please complete Section Z:

- Your only income is from a federally qualified retirement plan
- Your only income is from active duty military pay
- Your only income is from a non-taxable source(s) (see the listing on taxable and non-taxable income) and indicate source.

ASSISTANCE: For free assistance in completing this return, or if you have any questions, please contact the Income Tax Department. We are located in the City of Englewood Municipal Building at 333 W National Road, Englewood, Ohio. Office hours are 8:00 A.M. to 4:30 P.M. Monday through Friday. Phone (937)836-5106 or visit our website at: www.Englewood.oh.us or email at tax@Englewood.oh.us.