

INCOME TAX RETURN INSTRUCTIONS

Name, Address and Telephone Number: Complete the name and address information and Social Security number where requested. If your name and address are not correctly shown, make the appropriate changes to reflect name and/or address changes. (Put date address change occurred.) State telephone number.

Married couples may use one Individual Return for filing their returns with one taxpayer completing the left side of the Return and their spouse completing the right side of the Return. Both parties must sign their portion of the return in Part III where indicated. When using this method, be sure to complete name/complete address/Social Security Number and City account number (if known) for both individuals.

Fill in the appropriate blanks indicating residency showing the dates that you lived in Springfield if you were a part-year resident. If you were a part-year resident, only the portion of income earned while a resident is taxable. However, all income earned within the City limits is taxable.

On a separate sheet of paper, show the adjustment to income for each taxpayer either through allocation or exact amount earned. Adjustments should be shown in **Worksheet C** on reverse side of Return, listing taxpayer and spouse information separately.

PART I You may receive a tax return and, for various reasons, may not have to complete Part II of the Return if you qualify under one of the exemptions listed below.

- NO TAXABLE INCOME OR NO INCOME
- ACTIVE DUTY MILITARY ONLY (NO OTHER NON MILITARY INCOME)
- RETIRED WITH ONLY NONTAXABLE INCOME
- UNDER 18 YEARS OF AGE FOR ALL OF THE YEAR BEING FILED

PART II If you are exempted in Part I of the return, you do not need to complete Part II of this return.

INCOME

Note: See listing of examples of types of taxable and non-taxable income listed on the accompanying sheet included in your tax packet entitled "TAXABLE ITEMS."

Line 1: Taxpayer's total wage and compensation information is reported separately on Line 1 of the return with taxpayer's and their spouse's income segregated on either side of the Return. Please do not add spousal wages together when filing.

If you have more than one W-2, please complete **Worksheet A** on the reverse side of the Return showing the city where the work was performed, wages earned and amount withheld for Springfield. For **Worksheet A**, on the back of the City Return, the taxpayer should report wages in the left side of the worksheet, under the section labeled "TAXPAYER" and the spouse in the right half of worksheet, under the section labeled "SPOUSE." **Worksheet A** totals are transferred to Part II, Line 1 on the front side of the return. Attach copies of all W-2's.

Line 2: Total other income is reported using **Worksheet B** of the tax return. Fill in the location where the work was performed and the net amount of taxable gain or loss from the Federal schedule. **Worksheet B** total is transferred to Part B, Line 2.

Note: Losses from schedules or businesses, including multiple partnerships, may not offset gains from other schedules or businesses except sole proprietorships, rentals and farms in the name of the same individual. Losses may not offset wages or personal service compensation. Partnership losses may not offset partnership, sole proprietorship, rental or farm gains. Attach copies of all appropriate 1099's, schedules, and forms.

Line 3: Adjustments to income should be indicated in **Worksheet C**, of the return.

Additional adjustments to income that may occur are income earned as a non-resident of Springfield, income earned while under 18 years of age, housing allowance, etc. Attach a separate sheet of paper with an explanation of the adjustment, calculations and supporting documentation.

Employee business expenses, which are reported for Federal purposes on Form 2106, are deductible for city purposes if they are (1) reportable for Federal purposes and (2) deducted for Federal purposes. The total Employee business expense cannot exceed the related W-2 wage income from the same employer.

Other expenses as listed on Federal Schedule A are not deductible for City purposes. Thus the amount that is deducted on Schedule A (after the 2% AGI limitation is subtracted) must be allocated between unreimbursed 2106 employee expenses and other expenses, if any.

The total employee business expenses and other adjustments for each individual are transferred from **Worksheet C** to Part II, Line 3, of the return. Please indicate any negative amounts with parentheses. For assistance regarding this topic, please contact the Income Tax Division.

Line 4: Add Lines 1 through 3 to calculate total taxable income.

Line 5: Multiply Line 4 times 2% (.02) to compute Springfield city tax.

PAYMENTS AND CREDITS

Line 6: Show total estimated payments made and prior year overpayment credits on Line 6. Estimated payments and credits must be accounted for separately for the taxpayer and spouse.

Line 7: Taxes withheld for Springfield as shown on your W-2(s) are entered on Line 7 of the return.

If you have more than one W-2 with Springfield taxes withheld, you may use **Worksheet A** to combine the amounts, or add all taxes withheld for Springfield from your W-2's and indicate the total on Line 7. **DO NOT SHOW TAXES WITHHELD FOR OTHER CITIES ON THIS LINE.** Attach copies of all W-2's showing Springfield taxes withheld.

Line 8: Other City Tax Credit or Joint Economic Development District (J.E.D.D.) tax credit is computed using **Worksheet D** of the return. Up to a 1% (.01) credit is given for taxes paid to another city or J.E.D.D. for income earned and tax correctly withheld for the other jurisdiction. You must attach verification such as W-2's, other cities' returns, etc.

Worksheet D. Other City Credit allowed is 1/2 of tax correctly paid (Maximum allowable credit 1% of taxable income earned in other jurisdictions). Using **Worksheet D** on the back of the Return, list the city where the work was performed, the income earned while working there and the other city tax correctly paid. In Column D, compute 2% (.02) of taxable income in Column B comparing it to Column C. Write the lesser amount in Column E, then multiply the total of Column E by .5. The result is the allowable credit to be used in Part II, Line 8.

For assistance with this calculation you can contact the Income Tax Division at (937) 324-7357.

Line 9: Add Line 6 through Line 8 for a total of payments and credits.

Line 10: Subtract Line 9 from Line 5 to compute the balance of your tax liability. If Line 9 is more than Line 5, proceed to Line 15.

Line 11: **LATE PAYMENT INTEREST:** 1% per month of Line 10. **UNDERPAYMENT OF ESTIMATED TAX:** If Line 9 is less than 90% of Line 5 (and more than \$50), multiply Line 10 by 7.5% (.075). If Line 9 is less than 90% of Line 5 (and less than \$50), no estimated interest is due.

Line 12: **LATE PAYMENT PENALTY:** 10% of Line 10.
LATE FILING PENALTY:
\$25.00 if postmarked or received April 16 thru May 15.
\$50.00 if postmarked or received May 16 thru August 15.
\$100.00 if postmarked or received August 16 or later.

Line 13: Add Lines 11 and 12

Line 14: Add Lines 10 and 13.

Line 15: If Line 9 is more than Line 5, an overpayment exists. Enter the overpayment amount on Line 15.

If the amount is \$1.00 or more, you may have the overpayment applied to next year, or refunded to you. Indicate under Line 15 your choice. No indication will result in an overpayment credit. Refunds will be processed in order of date received.

PART III The taxpayer must sign the tax return on the lower left side where indicated, and if applicable, the spouse on the lower right side.

PART IV If someone other than the taxpayer or spouse completes this return, sign as preparer and show address and Federal Identification Number or Social Security Number. Indicate by checking "yes" or "no" if we may contact your tax preparer regarding this return.

PART V METHODS OF PAYMENT You may pay the balance due on Line 10 by check, money order, or credit card (VISA/MasterCard/ Discover).

Make your check payable to Commissioner of Taxation, if the amount is \$1.00 or more. You may write one check for amounts due for both taxpayer and spouse.

If you choose to pay the balance due by VISA/MasterCard/Discover, complete this section of the return. Check which card you are using and indicate the complete account number as shown on your card.

You may combine the total due for taxpayer and spouse, authorize one payment amount and use one charge card. Please show your home and/or work telephone numbers in case we need to contact you with questions regarding your method of payment. The authorized cardholder must sign where indicated.

ASSISTANCE For assistance in completing this return, or if you have any questions, please contact the Income Tax Division, City Hall, 76 E. High St., Springfield, Ohio or online at www.ci.springfield.oh.us. Office hours are 8:00 A.M. to 5:00 P.M. Monday through Friday. Phone: (937) 324-7357.

GENERAL INFORMATION

1. Who Must File

- All Springfield residents, 18 years of age and over.
- Anyone who receives a pre-printed Return.
- All accounts remain on active status until a "final" return is filed or declared exempt.
- Any non-residents of Springfield who receive income within the city that is not fully withheld upon, or who have business, professional or rental income (or loss) within the city.

This form is for use by individual taxpayers only. Partnerships, corporations, S-corporations, etc. are required to file on an entity basis and must obtain "Business Return" from the Income Tax Division.

2. Status Changes

Taxpayers with name, address or other status changes must file those changes with the Income Tax Division within 30 days of the change. Indicate date of address change.

3. Extensions

Extensions are not granted on an automatic basis. The Springfield Income Tax Ordinance authorizes the Commissioner of Taxation, upon good cause shown, to grant extensions on year-end returns when deemed in the city's best interest. All extensions are conditioned upon the taxpayer filing an extension request, accompanied by payment of the amount of tax shown to be due thereon, by the due date. An extension of time to file does not give you an extension of time to pay. Interest will be assessed on any tax balance remaining unpaid after April 15th.

The Ordinance makes no provision for extensions on the current year's estimate, which MUST BE FILED AND ANY AMOUNT DUE PAID BY APRIL 15th. Make written request for extensions on or before April 15th, stating reason, and include a copy of the Federal request, if applicable. Form ITB-42 may be obtained from the Income Tax Division.

4. Joint Returns

While the Springfield Income Tax Ordinance makes no provision for the combining of incomes, this form can be used by taxpayer and spouse if they wish to file using only one tax return. See instructions. Filing a joint return may cause a delay in processing return.

5. Compensation

Income subject to taxation includes gross salaries, commissions, bonuses, disability and sick pay, incentive payments, and other compensation received, accrued or in any other way set apart (see more complete listing of examples of taxable & nontaxable income included).

All gross wages are taxable for city purposes. Amounts appearing on your W-2, Box 1 (wages, tips and other compensation) as used for Federal tax purposes may not always include some types of city taxable income (for example: 401(k) plans, 403(b) plans, tax sheltered annuities, deferred compensation, miscellaneous allowances, etc.) (See a more complete listing of examples of taxable and nontaxable income included).

6. Rentals

Net Rental Earnings from all types of real estate or other property are taxable for Springfield residents no matter where the rental is located. Net Rental earnings derived within the city are taxable to the property owners without regard to their place of residence.

Where a rental property is jointly owned by two 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.

7. Business Income

Income derived from a profession, sole proprietorship, joint venture, partnership or similar business endeavor is taxable to Springfield residents no matter where that income is earned.

Non-residents who receive income derived from a profession, sole proprietorship, joint venture, partnership or similar business venture located within the city are taxable without regard to their place of residence.

An annual return is required even though a loss may have been incurred.

8. Operating Losses

Losses from schedules or businesses, including multiple partnerships, may not offset gains from other schedules or businesses except sole proprietorships, rentals and farms in the name of the same individual. Net losses may not offset personal service compensation, wages or W-2 income.

Partnership losses may not offset partnership, sole proprietorship, rental or farm gains. Jointly owned rental property gains/losses are allocated equally among owners of record, unless otherwise declared. There is no carry forward or backward of losses to any other year.

9. Other City Tax Credit – J.E.D.D. Tax Credit

Credit for taxes paid to other cities or Joint Economic Development Districts by Springfield residents is allowed to be taken as a credit against the Springfield tax liability with proper documentation. The allowable credit is 50% (one-half) of the tax correctly paid to the other city up to a maximum of 1% of the income earned in the other city. When the tax is not correctly withheld for city of employment, an adjustment of credit may be necessary. Proration of income results in proration of credit.

Attach verification such as W-2's, other city tax credits or returns, etc.

10. 18 Years of Age

If you turned 18 years of age during this tax year, only the income earned after your eighteenth birthday is subject to city income tax. Attach verification of your date of birth and verification/computation of your taxable earnings. You may be eligible for a refund of city taxes withheld prior to your 18th birthday.

11. 2106 Expenses

Employee business expenses which are included on Federal Form 2106 may be included as an adjustment to income in **Worksheet C**. Unreimbursed employee expenses are deductible for city purposes only to the extent that they are deducted for Federal purposes per Federal Schedule A. Other expenses as listed on Schedule A are not deductible for city purposes. Miscellaneous deductions subject to 2% Federal Adjusted Gross Income limitation on Schedule A must be allocated between other expenses and unreimbursed employee business expenses. Attach copies of Federal Form 1040 page 1, Form 2106, Schedule A and itemized miscellaneous business expenses, if any. There is no carry forward or backward of expenses to any other year. The total of such expenses cannot exceed the related income from the same employer.

12. Part Year Resident

Use Worksheet C. Show computation of part year allocation of taxable income. Indicate date of move to or from Springfield, with applicable addresses. Attach verification.

13. Rounding Off To Whole Dollars

Rounding off to whole dollars is permitted if you so choose. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

14. Penalties and Interest

(1) **LATE PAYMENT PENALTY:** 10% of unpaid tax liability.

(2) **LATE FILING PENALTY:**

\$25.00 if postmarked or received April 16 thru May 15.

\$50.00 if postmarked or received May 16 thru August 15.

\$100.00 if postmarked or received August 16 or later.

(3) **LATE PAYMENT INTEREST:** 1% per month of unpaid tax liability remaining unpaid after the due date.

15. Estimated Tax Liability

Taxpayers anticipating a current year tax liability are required to make payments on estimated income on a quarterly basis beginning April 15th. When tax liability for tax year is over fifty dollars (\$50), payment of at least one-quarter (1/4) of the tax liability is due by April 15th. The remaining installments are due on July 31st, October 31st, and January 31st. You will not be mailed quarterly statements. Income taxes are due when the money is earned. If you have income that is not fully withheld upon for Springfield, you must file an estimate and pay the tax due on a quarterly basis to avoid an interest assessment.

Failure to file and pay estimated taxes in timely quarterly installments may result in an assessment of interest charges. Interest assessments will not be made when the total estimated tax payments, received in timely quarterly installments, are within 90% of the final tax liability or are at least 100% of the previous year final tax liability.

16. Supporting Documents

Documentation is necessary to verify all amounts of taxable or non-taxable incomes, expenses and deductions, as applicable. The following are some examples of types of forms and schedules necessary: Additional forms, schedules or computations may also be needed to support your city return in certain circumstances.

W-2's and Form 1099's	Form 2106	Schedule C	Schedule K-1
Page 1 of Form 1040	Schedule A	Schedule E	Schedule F

17. Retirees

Retirees are not required to pay tax on their income from Social Security or from Federally Qualified Retirement Plans; however income from any other sources may be subject to taxation. See listing of taxable and non-taxable income included. If all your income is non-taxable, only Part A needs be completed. See instructions.

18. Payment

Any tax due must be paid when filed. Checks or money orders should be made payable to Commissioner of Taxation, Springfield, Ohio and should accompany this return. Incomplete returns or returns received without signatures or without proper supporting information may not be accepted; thereby creating potential penalty or interest assessments or delays in refund processing.

19. Payment by Credit Card

City taxes may be paid with your Visa, Mastercard or Discover. In the Method of Payment section of the return; check which card you are using, write in the account number and expiration date and sign where indicated.

20. Refunds

Refunds are processed in order of receipt of the complete return. Normally, refund checks are mailed within a maximum of ninety days. For a faster refund, file your completed return as early as possible while making sure that all supporting documents are attached. Per Federal law, a Form 1099-G will be mailed to all recipients of refunds of \$10.00 or more.

21. Amended Returns

An amended return is needed for any year in which an Amended Federal Return is filed or in which your Federal Tax liability has changed. An amended return must be filed within ninety days of the filing date of any amended Federal return.

22. Assistance

Should you have any questions concerning Springfield Income Tax, or need assistance in filing your return, please contact our office. The City of Springfield Income Tax Division is located on the 1st Floor of City Hall, 76 E. High St. Office hours are 8:00 A.M. to 5:00 P.M. Monday through Friday. Phone (937) 324-7357.