

# City of Springfield, Ohio

## Income Tax Divison

### Frequently Asked Questions (FAQ)

#### **Who is required to file Springfield income tax returns?**

All residents of Springfield that are 18 or older are required to file a return each year. If you became 18 years of age during the year, you must file and pay on the amount of wages you earned after your 18th birthday. All non-residents are required to file if they performed work or services within the city and had earnings which were not withheld upon. Additionally, each business located or performing services within the city is required to file. Returns are required with no regard for the amount of income received or losses incurred.

#### **Do I live within the city limits?**

[Click here](#) to find out.

#### **What schedules or supporting documents should I attach to my return?**

Most taxpayers will have completed their Federal tax return before completing their City return. Any Federal schedules or forms containing any information that relates to the information on the City return should be attached. Examples: W-2, Sch. C, Sch. E, Sch. K, Sch. K-1, Form 1065, Form 1120, Form 2106, Sch. A, page 1 of Form 1040, Sch. F, Form 1099, etc.

#### **Are retired persons required to pay city tax?**

Retirees are not required to pay on their income from Social Security or income from Federally qualified retirement plans. However, retirees are subject to the tax if they have any other types of earned income. If all your income is non-taxable (ie., qualified pension, interest, dividends, etc.) then you need only check the appropriate box in Part A, near the top of the form, sign and return the form to our office. There is no age limit, per the Ohio Revised Code, for paying municipal taxes on otherwise taxable earned income.

#### **Are students exempt from the tax?**

No, being a student has no effect on your city tax liability. All residents of Springfield who are 18 years of age or over are required to file. Additionally, if you are a college student who attends school in another city, and if you maintain Springfield as your legal place of residence, you are required to file a Springfield return even though much of your time may be spent out of the city.

#### **I am under 18 and work part-time. Do I need to file a Springfield income tax return?**

Persons under 18 are not required to file. However, if your employer withheld city taxes on income earned before you turned 18, you are eligible for a refund. If so, you will need to file a return attaching your W-2 and verification of your date of birth (driver's license or copy of your birth certificate) and the amount of income earned prior to your 18th birthday.

#### **Why doesn't the city tax interest income?**

Per the Ohio Revised Code, municipalities in Ohio are prevented from taxing most types of intangible income including interest, dividends and capital gains.

**I am a resident of the city, but my only income was from wages that were fully withheld upon. Do I still have to file a return since I don't think I will owe any money?**

Yes, all residents of Springfield, 18 or over, are required to file an annual tax return regardless of the amount of tax due.

**I have a rental property that shows a loss each year after expenses. Should I include that in my return?**

Yes, anyone having a rental property located in Springfield is required to file a return and include a copy of their Schedule E or applicable schedule of income and expenses for the rental. A return is required each year even though losses may have been incurred. Also, any Springfield residents having rental properties are required to file on those properties no matter where the properties are located.

**My W-2 has differing amounts in the federal income box, the local income box and the medicare box. Which amount should I show as taxable wages for my city income tax return?**

Assuming that your employer has withheld correctly, you should use the amount in the local income box. It should mirror the Medicare wages as shown in Box 5 of your W2. If these figures differ, you should contact our office or your tax preparer for assistance. Because of various federal deferral programs available, taxable wages may not always be the same for federal tax purposes, medicare purposes, and city tax purposes. Taxable gross wages, for city purposes, is any income not expressly excluded by the Springfield Income Tax Ordinance and includes any income earned, received, accrued or in any other way set apart unto Springfield residents or unto any non-residents performing services in Springfield.

**I live in Springfield but work in another city and have tax withheld for that city. Do I get credit for that against my Springfield tax liability?**

Yes, credit is allowed for taxes paid to another city. The allowable credit is one half (1/2) of the amount of tax paid to the other city but can be no more than 1% of the income earned in that city. Any refund received from that city reduces your credit commensurately.

**How are my taxes used?**

Ninety (90) percent of tax money collected goes into the General Fund and the other ten (10) percent goes into the Permanent Improvement Fund. The General Fund is used to pay for the day-to-day operations of the City, the majority of which is used to provide police and fire protection. The Permanent Improvement Fund is used to buy capital assets, land, and buildings.

**Is my 2106 expenses deductible?**

They are deductible to the extent they were deducted through your Federal Schedule A, and are subject to the 2% AGI limitations. A copy of your Schedule A must be included with your return.

**Does the City of Springfield allow a carryover of net operating expenses?**

No, carrying forward net operating losses from one year to the next is prohibited.

**Can my spouse and I file together?**

You may share the same form as it has space on each side for individual income. You cannot under any circumstances combine your incomes.