GENERAL INSTRUCTIONS 2022

This is your City of Upper Sandusky Annual Income Tax Return and Declaration of Estimated Income Tax Form. This return must be filed by individuals, partnerships, corporations and any other entity having income taxable by the City of Upper Sandusky from which the full tax was not withheld for the City of Upper Sandusky. If you received a return and have no income or loss to report, please notify the tax department promptly.

FILING DATES: Taxpayers who end their year on December 31 must file on or before the following **April 15.** Taxpayers on a fiscal year basis must file on or before the 15th day of the fourth month following their year end.

The total amount due must be paid when the return is filed. Make checks or money orders payable to UPPER SANDUSKY INCOME TAX. Amounts of $10.00 or less should not be remitted.

EXTENSIONS: An extension of time to file is not an extension of time to pay. A copy of a Federal Extension must be attached to your return when filed. Extended due date is the due date of the extended Federal Return.

TAXABLE INCOME: (1) All salaries, wages, commissions, sub pay, vacation pay, tips and other compensation including but not limited to bonuses, incentive payments, directors fees, property in lieu of cash, dismissal or severance pay, wage continuation plans and other compensation earned, received or accrued by residents of Upper Sandusky or by non-residents for work done or services performed or rendered in Upper Sandusky, **(2)** Net profits of all unincorporated businesses, partnerships, rental income, farm income, or other activities conducted by residents of Upper Sandusky or by non-residents in Upper Sandusky. **(3)** Net profits of all corporations derived from work done or services performed or rendered and business or other activities conducted in Upper Sandusky, whether or not such corporations have an office or place of business in Upper Sandusky.

INCOME NOT TAXABLE: (1) Welfare payments, unemployment benefits, retirement pensions or similar payments received from local, state or federal government, or charitable or religious organizations. **(2)** Proceeds of insurance except third party sick pay, annuities, worker s compensation insurance, Social Security benefits, pensions, compensation for damages for personal or property injuries and like reimbursement, not including damages for loss of profits. **(3)** Interest and dividends from intangible property. **(4)** Military pay and allowances, including reserve. **(5)** Earnings and income of all persons under 18 years of age. If you are under 18 years of age and Upper Sandusky income tax has been withheld from your pay, please see your employer for a refund. Do not file a refund request with our office.

NET PROFITS: Net Profits are determined on the basis of the information used for federal income tax purposes, using the same accounting system, adjusted to the requirements of the Upper Sandusky Income Tax Ordinance. Expenses attributable to non-taxable income are not deductible. The following are not deductible in determining net profits: municipal, state or federal income taxes, other taxes based on income, and taxes on property producing income not taxable by the City of Upper Sandusky. Corporations should enter "Taxable income before net operating loss and special deductions" per form 1120. Partnerships should enter "Ordinary business income" per form 1065. Fiduciary should enter "Taxable income" per form 1041.

LOSSES: Up to 50% (fifty percent) of a business net operating loss incurred in taxable years beginning on or after January 1, 2017 may be carried forward for the 5 years, beginning on or after January 1, 2018 per Section 718.01 of the Ohio Revised Code. Taxpayers with multiple sources of income other than W-2 wages may aggregate all profits and losses subject to the tax. Losses may not be deducted from W-2 wages.

DECLARATION OF ESTIMATED TAX: Estimated tax payments are required if you anticipate owing more than $200 for the next taxable year. If you are unsure of the amount, estimates should be made for at least as much as the previous year s tax. The estimated tax may be paid in full with the declaration, or in quarterly payments due April 18, June 15, September 15 and January 15 of the following year for Individuals, and for all others with the declaration, and on or before the fifteenth day of the sixth, ninth and twelfth month of their fiscal year. Notices will be mailed to you for the second, third and fourth payment due, if your return is not extended. Returns extended beyond April 15 should include payment for all quarters due at the time of filing. The estimate may be amended at the time of making quarterly payments by completing the appropriate box on the statement, or at any time by contacting our office.

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SPECIFIC INSTRUCTIONS

HEADING: Print your name and address, or make necessary corrections if preprinted. Answer the questions in the section beside name and address.

NOTE: IF YOU ARE FILING ON W-2 WAGES ONLY, proceed to Line 6.

LINE 1: Enter the total amount of other income subject to the tax from the completed schedules on Page 2. You may attach copies of appropriate federal schedules instead of completing the schedules on Page 2.

LINE 2: Enter the total amount of items not deductible from Line M of Scehdule X.

LINE 3: Enter the total amount of items not taxable from Line Z of Schedule X.

LINE 4: Enter the result of adding Line 1 to Line 2, and subtracting Line 3.

LINE 5(a): Enter the amount allocable to Upper Sandusky if Schedule Y is used.

LINE 5(b): Enter 50% of Allocable Net Operating Loss from years beginning on or after Jan. 1, 2017.

LINE 5(c): Enter Net Other Income Allocable to Upper Sandusky.

LINE 6: Enter the total of gross wages (usually Box 5: Medicare Wages) from all W-2 forms.

LINE 7: Enter the total of Line 4 or Line 5, whichever is applicable and Line 6. Do not subtract business losses from W-2 Wages.

LINE 8: Multiply the amount of Line 7 by 1%. This is the amount of tax.

LINE 9: (a) Enter the amount of tax withheld for Upper Sandusky. Do not include tax withheld for school districts or other municipalities. **(b)** Total of credits carried over from prior years and the amount of estimated payments made for this taxable year as of the date printed. **(c)** Enter any declaration payments made after the above date. **(x)** Enter the total of Lines (9a, 9b, and 9c).

LINE 10: If Line 8 is greater than Line 9x the difference should be entered here. This is the balance of tax due. Amounts of $10.00 or less should not be remitted.

LINE 11: LATE FILING FEES, PENALTIES, INTEREST. For failure to file a timely return, make scehduled estimated payments or understatement of estimated tax, late fees are: penalty of $25 per late month (maximum $150) plus late payment penalty of 15% of the unpaid tax balance plus interest of 0.5% per late month or portion of month.

LINE 12: If Line 9x is greater than Line 8, enter the overpayment here. No refund will be made to any taxpayer until he has complied with all provisions of the ordinance and furnished all information required by the tax office. Refunds of $10.00 or less will not be made. The IRS must, by law, be notified by the Tax Department of all refunds or credits of $10 or more.

LINE 13: Netting tax, late fees and credits will result in a balance due, nothing due, a credit carryforward or a refund. If money is due, it must accompany your Return. Your check or money order should be written to Upper Sandusky Income Tax.

SCHEDULE INSTRUCTIONS

SCHEDULE E - RENTAL INCOME: Information on this schedule corresponds to Schedule E as filed with the Internal Revenue Service. If more space is needed, you may attach another page. Copies of Federal Schedules may be submitted instead of completing this schedule.

SCHEDULE C - PROFIT OR LOSS FROM BUSINESS OR PROFESSION: Information on this schedule corresponds to Schedule C as filed with the Internal Revenue Service. If you operate more than one business, a separate copy of Schedule C should be attached for each. Copies of Federal Schedules may be submitted instead of completing this schedule.

SCHEDULE H - OTHER INCOME: This schedule is used to list all taxable income not reported elsewhere on this return. Types of income to be reported here are farm income, partnership, fees, tips, bonuses, 1099 income, commissions, property in lieu of cash, taxable income from all other sources.

SCHEDULE X - RECONCILIATION WITH FEDERAL RETURN: This schedule is to be used to adjust the Federal net income to the City of Upper Sandusky taxable income. The total of items listed in the left hand column are added to the Federal net income. The total of items in the right hand column are deducted from the Federal net income.

SCHEDULE Y - ALLOCATION FORMULA: The business allocation percentage formula (determined by obtaining the average of property, gross receipts and wages paid), **MUST** be used by corporations and non-resident business entities doing business within and without the City of Upper Sandusky. For further information see the Ohio Revised Code 718.02