

### TAXABLE INCOME INCLUDES (but is not limited to)

1. Wages, salaries and other compensation.
2. Bonuses and tip income.
3. Commissions, fees and other earned income.
4. Sick pay
5. Employer supplemental unemployment benefits (SUB pay).
6. Employee contributions to retirement plans (Deferred Compensation).
7. Net rental income.
8. Net profits of business or profession, corporation, etc.
9. Income from partnerships, estates or trusts.
10. Ordinary gains and losses as reported on federal forms.
11. Prizes, awards, gaming, wagering, lotteries, or scheme of chance in excess of \$600.

### INCOME NOT SUBJECT TO VILLAGE INCOME TAX

1. Interest or dividend income.
2. Pension and retirement income.
3. Social Security.
4. Unemployment, Welfare, and Disability Benefits.
5. Alimony.
6. Pay or allowance of active members of the Military.
7. Earnings of persons under 18 years of age.
8. Capital gains and losses
9. Insurance, annuities, workers' compensation insurance,

## GENERAL INFORMATION

### 1) WHO MUST FILE:

- a) **Every Resident:** A return must be filed by all Village of Hartville resident individuals, 18 years of age or older. Whether Or Not a Tax is Due. Partnerships, corporation and any other entity having income attributable to the Village of Hartville must also file.
- b) **Retired Residents:** Individuals who receive only non-taxable income can file the **VILLAGE TAX EXEMPTION FORM** and will not need to file income tax returns in the future-unless you begin receiving taxable income again.
- c) **Partial Year Resident:** If you were a resident of the Village of Hartville for only a portion of the year, you must file and report the income earned during the period of your residency. If your W-2 indicates wages for 12 months, divide the wages by 12 and multiply that amount by the number of months you resided in the Village of Hartville. Use the same formula when figuring Credit Income Tax Paid Other Municipalities.
- d) **Non-Residents:** of the Village of Hartville, who received salaries, wages, commissions, and other earned income for work done or services performed or rendered within the Village of Hartville are required to file a tax return and pay any tax due. The return of an employer or employers that shows the amount of the Village Income tax deducted by the employer or employers from the compensation of a non-resident employee and paid by the employer or employers shall be accepted as the Village Income tax return required of any employee whose sole income subject to Village income tax consists of such compensation.
- e) **Every Business Entity:** (individual, proprietorship, partnership, corporation, professor, etc.) whether a resident or non-resident who conducts a business in the Village of Hartville must file a return and pay any tax on the net profit. If you have a net loss you are still required to file a return. (The portion of a net operating loss sustained in any taxable year allocable to the Village of Hartville may be applied against the portion of the profit of succeeding year(s) allocable to the Village of Hartville, until exhausted but in no event for more than TWO taxable years. No portion of a net operating loss shall be carried back against net profits of any prior year.)

2) **WHEN AND WHERE TO FILE RETURNS:** Taxpayers who end their year on December 31, must file on or before April 15th. Taxpayers on a fiscal or partial year basis, must file within 120 days following the end of such period. The return is to be filed with: **VILLAGE OF HARTVILLE, INCOME TAX DEPT., PO BOX 760, HARTVILLE, OH 44632.** For Questions, call 330-677-9222.

3) **TAX CREDIT:** Every individual resident taxpayer who has paid a municipal income tax to another Municipality shall be allowed a credit of 1% of wages that taxes were imposed upon by that municipality toward the tax imposed by the Village of Hartville for net profits, salaries, qualifying wages, commissions, other compensation or other income for work done, services performed, or business transacted outside of the Village from December 1, 2013 through December 31, 2013. Use either the Schedule W (Simplified Method) on Page 2 of the tax return, or Worksheet C (Monthly Income Method) on page 2 of these instructions.

4) **EXTENSION OF TIME TO FILE:** The Administrator may extend the time for filing of the annual return upon the request of the taxpayer for a period of not to exceed six (6) months, or one (1) month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax Return. A copy of the taxpayer's Federal Extension Request must be sent on or before April 15th (the due date of the Village tax return). Any taxpayer not required to file a federal income tax return may make a written request for an extension to file a Village income tax return. The request must be filed on or before the original due date for the Village income tax return.

5) **LOSS CARRIED FORWARD:** Losses may be carried forward for a maximum of 2 years or until exhausted, whichever is earlier. WORKSHEET A and/or WORKSHEET B on the bottom of Page 1 must be completed to receive credit for losses carried forward. Losses cannot be carried back.

6) **DECLARATION OF ESTIMATED TAX FOR THE FOLLOWING YEAR:** One-fourth of estimated tax must be paid by the 15th of April, one-half by the 31<sup>st</sup> of July, three-fourths by the 31st of October, and the balance by the 31st of January!

7) **AUTHORIZATION CHECKBOX:** When using the services of a tax preparer, our office may need to discuss your tax matters with him or her. If you wish to grant such permission, check the box below WORKSHEET B, on Page 1.

8) **SIGNATURE:** Do not fail to sign and date your return. A tax return is not legally filed until signed by the taxpayer or a legally authorized agent.

9) **PENALTY AND INTEREST:** If this return is delinquent, compute penalty and interest. Penalty is due at the rate of ten percent (10%) per annum, but not less than twenty-five dollars (\$25.00). Interest is due at the rate of one and one-quarter percent (1.25%) per month or fraction thereof of the unpaid balance.

10) **LATE FILING PENALTY:** Returns filed after April 15<sup>th</sup> enter a twenty-five dollar (\$25.00) fine on Page 1 Line 8B.

11) **PART YEAR RESIDENT:** Attach the computation of part year allocation, and indicate date of move to or from Hartville.

12) **PROPER ATTACHMENTS:** Tax returns will be considered incomplete if W-2's, Business Profit Federal Forms or Rental Income Federal Forms are not attached.

## RETURN INSTRUCTIONS

### INDIVIDUALS

Taxable income means wages, salaries and other compensation paid by an employer BEFORE ANY DEDUCTIONS.

PAGE 1. COMPLETE NAME, ADDRESS, SOCIAL SECURITY #, AND STATUS BOX. Follow remaining Line Instructions.

Line 1 - Wages. List your HIGHEST gross wages listed on the W-2 form. See above for taxable income and income not subject to Village income tax.

Line 2. IF YOU HAVE OTHER INCOME (income other than reported on form W-2) complete page 2, per line instructions, return to page 1, line 5 to compute tax due. Attach a copy of any Federal Schedules used, or 1099's.

NOTE: Business or rental losses may not be used to offset wages.

Line 3 - Deduct Employee Business Expense (Attach Federal form 2106 and Federal schedule A). The only federal adjustment to income allowed is the employee business expense (Form 2106), not payments to IRA, Keogh, any tax sheltered annuities. Note: Hartville recognizes this deduction only when the expense incurred applies to gross earnings that are in the jurisdiction of the village. Example of Hartville Jurisdiction: If your village income tax withheld was paid to the Village of Hartville by your employer, or if the village tax on your earnings is due to be paid to the Village of Hartville.

Line 4 - Taxable income (Line 1 plus Line 2C less Line 3)

Line 5 - Village Tax Due 1.0% of Line 4

Line 6 - Credits

A. Hartville Income Tax Withheld by employer.

B. Income Tax Paid Other Municipalities (Not To Exceed 1.0% on Each W-2 Separately)

NOTE: WITHHOLDING IN EXCESS OF 1.0% FROM ONE W-2 MAY NOT BE USED AS CREDIT TOWARDS ANOTHER W-2 FOR EARNINGS WITHHELD AT LESS THAN 1.0%.

To Calculate the Income Tax Paid to Other Municipalities, use either Schedule W or Monthly Income Method Worksheet.

SCHEDULE W-SIMPLIFIED METHOD OF CALCULATION OF INCOME TAX PAID TO OTHER MUNICIPALITIES-USE THIS SCHEDULE TO CALCULATE 1/12 OF THE ANNUAL PROFIT, INCOME, AND/OR WAGES (PAGE 2 OF THE TAX RETURN):

STEP 1 - Enter total wages, salaries, & other compensation from all W-2s combined in Column (C) Multiply Column (C) by 1/12.

Enter in Column (D). Column (E)-Enter total taxes paid to other municipalities on the amount in Column (D), not to exceed 1% for each W-2 separately.

STEP 2 - STEP 3 See instructions for Schedule W under Net Profits-Business below.

STEP 4 - Column (E)-Enter the total of Steps 1-3 Column E. Carry the total to Page 1, Line 6B.

**MONTHLY INCOME METHOD WORKSHEET C (BELOW)-USE THIS WORKSHEET IF PROFIT, INCOME AND/OR WAGES FLUCTUATE THROUGHOUT THE YEAR: IF THE WORKSHEET IS USED-IT MUST BE FILED WITH THE TAX RETURN.**

Column (A) – List each City where work was performed or business located by each type of income (i.e. wages, business income, rental income) for December 1, 2013 – December 31, 2013.  
 Column (B) – Taxable income by type for December 1, 2013 – December 31, 2013.  
**ATTACH SUPPORTING DOCUMENTATION FOR TAXABLE INCOME (DECEMBER PAYSTUBS, DECEMBER P&L, ETC).**

Column (C) – List each City's tax rate.  
 Column (D) – The amount of taxes paid December 1, 2013 – December 31, 2013 to each City listed. Should match supporting documentation above.  
 Column (E) – The portion of Column (D) that is an allowable credit for Income Taxes paid to other Municipalities. **NOT TO EXCEED 1% OF COLUMN (B).**

- C. Overpayment From Prior Year.
- D. Estimated Tax Payments
- E. Total Credits (Add Lines A,B,C,D)

Line 7 - Balance Tax Due, if Line 5 is Greater Than Line 6E (Payment in full must accompany return)

Line 8 – A. Interest is due at the rate of one and one-quarter percent (1.25%) per month or fraction thereof times the unpaid tax. Penalty is due at the rate of ten percent per annum, but not less than twenty-five dollars (\$25.00).

- B. Late Filing Penalty – All returns filed after April 15th enter \$25.00 fine.

Line 9 - Total Amount Due Payable To Village of Hartville (Line 7 Plus &A and &B)

Line 10- Overpayment to Be Refunded or Credited to Next Year Estimate.

Contact the Hartville Income Tax Department at 330-677-9222 if you have questions.

**NET PROFITS - BUSINESS**

**CORPORATIONS, PARTNERSHIPS, S-CORPS, PROPRIETORSHIP, ESTATE & TRUSTS, ASSOCIATIONS, OTHER BUSINESS ENTITIES.** Net profits determined on basis of information used for Federal Income Tax purposes, reconciled to village taxable income.

PAGE 1. COMPLETE NAME, ADDRESS, FED. ID #.

PAGE 2. FOLLOW LINE INSTRUCTIONS, THEN RETURN TO PAGE 1, LINE 5 TO COMPUTE TAX DUE. ATTACH COPIES OF APPLICABLE SCHEDULES.

**SECTION A -** For partnerships, corporations, fiduciaries, associations, and nonresident business entities doing business within and outside Hartville. List each business separately. If more space is needed, attach a schedule.

**SECTION B - INCOME FROM RENTS:**

(A) Hartville Income Tax Return must be filed even if a Net Loss has been incurred.)

RESIDENTS of Hartville are subject to the Village Income Tax on the net profit of all rental property, regardless of location, NON-RESIDENTS of Hartville are subject to tax on the portion of such net profit earned from property located in Hartville.

Attach Federal Schedule E and enter total on line 2B.

To Calculate the Income Tax Paid to Other Municipalities, use either Schedule W or Monthly Income Method Worksheet. **SCHEDULE W-SIMPLIFIED METHOD OF CALCULATION OF INCOME TAX PAID TO OTHER MUNICIPALITIES:**

STEP 1 – See instructions for Schedule W under Individuals above.

STEP 2 – Enter business profits in Column (A)

STEP 3 – Enter rental income in Column (A). Add Step 2 & Step 3 Column (A) enter total in Column (B), but not less than zero.

Multiply the amount in Column (B) by 1/12. Enter the result in Column (D). Column (E)-Enter total taxes paid to other municipalities on the amount in Column (D), not to exceed 1%.

STEP 4 – Column (E)-Enter the total of Steps 1-3 Column E. Carry the total to Page 1, Line 6B.

**MONTHLY INCOME METHOD WORKSHEET C-USE THIS WORKSHEET IF PROFIT, INCOME AND/OR WAGES FLUCTUATE THROUGHOUT THE YEAR: IF THE WORKSHEET IS USED-IT MUST BE FILED WITH THE TAX RETURN.**

Column (A) – List each City where work was performed or business located by each type of income (i.e. wages, business income, rental income) for December 1, 2013 – December 31, 2013.

Column (B) – Taxable income by type for December 1, 2013 – December 31, 2013.

**ATTACH SUPPORTING DOCUMENTATION FOR TAXABLE INCOME (DECEMBER PAYSTUBS, DECEMBER P&L, ETC).**

Column (C) – List each City's tax rate.

Column (D) – The amount of taxes paid December 1, 2013 – December 31, 2013 to each City listed. Should match supporting documentation above.

Column (E) – The portion of Column (D) that is an allowable credit for Income Taxes paid to other Municipalities. **NOT TO EXCEED 1% OF COLUMN (B).** Carry the total to Page 1, Line 6B.

**SCHEDULE X – RECONCILIATION WITH FEDERAL INCOME TAX RETURN**

This Schedule is used to adjust the Federal Net Income to the Hartville Taxable Income.

**SCHEDULE Y - BUSINESS ALLOCATION FORMULA:**

For partnerships, corporations, fiduciaries, associations and nonresident business entities doing business within and outside Hartville, if actual records of their Hartville business are not maintained separately. If the taxpayer did not have a place of business outside Hartville during the filing period, the business allocation percentage is 100%.

**SCHEDULE Z- CALCULATION OF TAXABLE BUSINESS INCOME**

Go to instruction for Line 4 above.

**WORKSHEET C FOR INDIVIDUALS AND NET PROFITS - BUSINESSES**

Worksheet C --Monthly Income Method Worksheet				
(A)	(B)	(C)	(D)	(E)
List All Cities Where Work Was Performed or Business Located	Individual, Business, or Rental Income	City's Tax Rate	Tax Paid December 1, 2013 - December 31, 2013	Allowable Credit - Income Tax Paid Other Municipalities December 1, 2013 - December 31, 2013 - Not To Exceed 1%
December 1, 2013 - December 31, 2013				
Total Income Tax Paid Other Municipalities to Page 1 Line 6B				

Note: File this worksheet with the tax return only if this worksheet is used to calculate the income tax paid other municipalities credit. Attach supporting documentation for Individual, Business, or Rental Income December 1, 2013 - December 31, 2013.