

TAXABLE INCOME INCLUDES (but is not limited to)

Wages, salaries, and other compensation
 Bonuses and tip income
 Commissions, fees and other earned income
 Employer supplemental unemployment benefits (SUB pay)
 Net rental income
 Net profits of business, profession, or corporation, etc
 Income from partnerships, estates or trusts
 Ordinary gains and losses as reported on federal forms
 Prizes, awards, gaming, wagering, lotteries, or games of chance

INCOME NOT SUBJECT TO VILLAGE INCOME TAX (INTANGIBLE INCOME)

Interest or dividend income
 Pension and retirement benefits
 Social Security, Railroad Retirement
 Unemployment, Welfare, and Disability Benefits
 Child support, alimony
 Pay or allowance of active members of the Military
 Earnings of persons under 18 years of age
 Capital gains
 Proceeds from insurance, annuities, workers' compensation insurance

GENERAL INFORMATION

- 1) **WHO MUST FILE:**
 - a) **Residents:** all resident individual taxpayers, 18 years of age and older as of the end of the tax year, must file an annual municipal income tax return with the Municipality, for any taxable year for which the taxpayer is subject to the tax, regardless of whether or not income tax is due.
 - b) **Retired Residents:** retirees having no Municipal Taxable Income for this municipality income tax purposes may file with the Tax Administrator a written exemption from these filing requirements on a form prescribed by the Tax Administrator. The written exemption shall indicate the date of retirement and the entity from which retired. The exemption shall be in effect until such time as the retiree receives Municipal Taxable Income to this municipality, at which time the retiree shall be required to comply with all applicable provisions of the ordinance.
 - 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:** the Tax Administrator shall accept on behalf of all nonresident individual taxpayers a return filed by an employer, agent of an employer, or other payer located in the Municipality when the nonresident individual taxpayer's sole income subject to the tax is the qualifying wages reported by the employer, agent of an employer, or other payer, and no additional tax is due to the Municipality.
 - e) **Every Business Entity:** (individual, proprietorship, partnership, corporation, profession, 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. 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 18th. Taxpayers on a fiscal or partial year basis must file on or before the fifteenth day of the fourth month 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 330-877-9222.
- 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.
- 4) **EXTENSION OF TIME TO FILE:** Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's Federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates. Any taxpayer that qualifies for an automatic Federal extension for a period other than six months for filing the taxpayer's Federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the same as that of the extended Federal income tax return. A taxpayer that has not requested or received a six-month extension for filing the taxpayer's Federal income tax return may request that the Tax Administrator grant the taxpayer a six-month extension of the date for filing the taxpayer's municipal income tax return. If the request is received by the Tax Administrator on or before the date the municipal income tax return is due, the Tax Administrator shall grant the taxpayer's requested extension. An extension of time to file under Ordinance 1-15.28 is not an extension of the time to pay any tax due unless the Tax Administrator grants an extension of that date.
- 5) **LOSS CARRIED FORWARD:** Business losses may be carried forward for a maximum of 2 years or until exhausted, whichever is earlier. A completed worksheet must be done to receive credit for losses carried forward. Losses cannot be carried back. See worksheet on Public Forms and Permits page of our website, www.hartvilleoh.com. Also, see ORC 718.01.
- 6) **DECLARATION OF ESTIMATED TAX FOR THE FOLLOWING YEAR:**
 - a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year.
 - b) On or before the fifteenth day of the sixth month after the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year.
 - c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year.
 - d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year.
 - e) On or before the fifteenth day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return.
- 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 located above the signature line 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:**
 - a) **Penalty:** Fifteen per cent (15%) of the amount not timely paid. Enter on Line 8A.
 - b) **Interest:** Five percent (5%), per annum, on all unpaid income tax shall be assessed per month or fraction of a month. Enter on Line 8B.
 - c) **Late Filing Penalty:** Returns filed after April 18th will have assessed twenty-five dollars (\$25.00) for each month, or any fraction thereof, during which the return remains unfiled. (Not to exceed \$150.00) Enter on Line 8C.
- 10) **PART YEAR RESIDENT:** Attach the computation of part year allocation, and indicate the date of move into or out of Hartville.
- 11) **PROPER ATTACHMENTS:** Tax returns will be considered incomplete if W-2's and IRS form 1040 are not attached.

RETURN INSTRUCTIONS

INDIVIDUALS

Taxable Income means wages, salaries, tips, commissions, net profits and any other compensation as defined in Ordinance 1-15.28

PAGE 1. Complete Name, Address and Social Security Number. Follow remaining Line Instructions.

Line 1 Wages: Enter your **HIGHEST** gross wages listed on the W-2(s). Attach copies. See above for taxable income and income not subject to Village income tax.

Line 2 Other Taxable Income: (Income other than reported on form W-2)

A Business Profit: Complete Page 2 Section A or Schedule Z (Attach Federal Forms)

B Rental Income: Complete Page 2 Section B (Attach Federal Forms)

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

Line 3 Deduct Employee Business Expense: 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%.

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 enter amount due. (Payment in full must accompany return)

Line 8 Penalty, Interest and Late Filing Penalty:

A Penalty - Fifteen per cent (15%) of the amount not timely paid. Enter on Line 8A.

B Interest - Five percent (5%) per annum, on all unpaid income tax shall be assessed per month or fraction of a month. Enter on Line 8B.

C Late Filing Penalty - Twenty-five dollars (\$25.00) for each month, or any fraction thereof, during which the return remains unfiled. (Not to exceed \$150.00) Enter on Line 8C.

Line 9 Total Amount Due and Payable To The Village of Hartville (Line 7 plus 8A, 8B and 8C)

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

**NOTE: NO REFUND WILL BE MADE UNLESS 2017 TAX YEAR DECLARATION IS MADE
NOTE: NO TAXES OR REFUNDS OF \$10.00 OR LESS SHALL BE COLLECTED OR REFUNDED**

Contact the Hartville Income Tax Department at 330-877-9222 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, FEDERAL 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.

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

Line 1. Enter business income section A.

Line 2 A. Enter items not deductible from Schedule X line J.

Line 2 B. Enter item not taxable from Schedule X line S.

Line 3 A. Adjusted Net Income (line 1 +/- line 2c).

Line 3 B. Amount allocable to Village of Hartville. From Schedule Y step 6.

Line 4. Total business income prior to net loss carry forward.

Line 5. Net loss carry forward used cannot be more than line 4 (from worksheet: see www.hartvilleoh.com Public Forms and Permits).

Line 6. Taxable business income/(loss) (Enter on page 1 line 2A)

NOTE: THE 2-YEAR LOSS CARRY FORWARD SCHEDULE(S) MUST BE COMPLETED, OR A SIMILAR SCHEDULE ATTACHED TO THIS RETURN THAT INCLUDES ALL REQUIRED INFORMATION--SEE INSTRUCTIONS.

| WORKSHEET A | LOSS CARRY FORWARD CALCULATION BUSINESS INCOME - (TWO YEAR LIMIT) | | | |
|---|--|------------|------------------|-------|
| (SEE INSTRUCTIONS) | 2 YRS PRIOR | 1 YR PRIOR | TAX YR OF FILING | TOTAL |
| Unused Loss Carry forward | | | | |
| Loss Used THIS YEAR (Enter Total on Schedule Z Line 5) | | | | |
| Loss Carried Forward to NEXT TAX YEAR | | | | |

| WORKSHEET B | LOSS CARRY FORWARD CALCULATION RENTAL INCOME - (TWO YEAR LIMIT) | | | |
|--|--|------------|------------------|-------|
| (SEE INSTRUCTIONS) | 2 YRS PRIOR | 1 YR PRIOR | TAX YR OF FILING | TOTAL |
| Unused Loss Carry forward | | | | |
| Loss Used THIS YEAR (Enter Total on Section B Line 2) | | | | |
| Loss Carried Forward to NEXT TAX YEAR | | | | |

Method of Accounting and Allocation Used to Determine the Portion of Net Operatin Loss Allocable to Hartville:

Cash Accrual Other (Explain) _____

Method of Accounting and Allocation Used to Determine the Portion of Net Operatin Loss Allocable to Hartville:

Cash Accrual Other (Explain) _____