

SAMPLE SCENARIOS 1% NON-RECIPROCAL TAX

SCENARIO ONE: A married couple earns \$100,000 in income taxable to Amberley. They work solely in the city of Cincinnati. They pay \$2,100 to the city of Cincinnati through withholding. With a 1% non-reciprocal tax, rather than getting full credit for what is paid to Cincinnati and paying Amberley nothing, they would get credit for 1% and owe Amberley 1%--\$1,000.

Scenario One Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$2,100 2.1% to Cincinnati	\$2,000	\$0	\$1,000

SCENARIO TWO: Someone living in Amberley works out of their home and earns \$100,000 in income taxable to Amberley. He will pay Amberley \$2,000—2% of his earnings. His tax liability for Amberley will not change.

Scenario Two Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$0	n/a	\$2000	\$2,000 No Change

SCENARIO THREE: A couple works in Blue Ash, earning \$100,000 a year. Currently, they pay Blue Ash \$1,250—1.25%--and Amberley \$750--.75%--to get to the total tax of 2% on their income. With a 1% non-reciprocal tax, they would still have \$1,250 withheld for Blue Ash, but rather than getting a credit for the full amount paid, the credit would be limited to 1%. As a result, they would pay Amberley \$1,000—an increase of \$250.

Scenario Three Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$1,250 1.25% to Blue Ash	\$1250	\$750	\$ 1,000 Increase of \$250

SCENARIO FOUR: A couple earns \$100,000. He earns \$40,000 and works in Cincinnati. She earns \$60,000 and works in Blue Ash. Currently he pays \$840—2.1%--to Cincinnati and she pays \$750—1.25%--to Blue Ash. When filing with Amberley they receive an \$800 credit for taxes paid to Cincinnati and a \$750 credit for taxes paid to Blue Ash for total credits of \$1,550. They pay Amberley a total of \$450. With a 1% non-reciprocal tax, his credit would be reduced to \$400 and her credit would be reduced to \$600. They would owe Amberley \$1,000.

Scenario Four Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$1,590 2.1% to Cincinnati 1.25 to Blue Ash	\$1,550	\$450	\$ 1,000 Increase of \$550

SCENARIO FIVE: A family earns \$100,000. Mr. Smith earns \$50,000 working in Wyoming. Mrs. Smith earns \$50,000 and works from home. Mr. Smith pays \$400-- .8%-- to Wyoming. Mrs. Smith makes quarterly payments to Amberley totaling \$1,000. Currently, the Smiths owe Amberley an additional \$600. With a 1% non-reciprocal tax, everything will remain the same. Mr. Smith gets full credit for the tax paid to Wyoming since it is less than 1%.

Scenario Five Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$400 .8% to Wyoming	\$400	\$1,600	\$1,600 No Change

SCENARIO SIX: Ms. Jones works in Mason and earns \$100,000. She pays \$1,000— 1%--to Mason through withholding. She pays an additional 1%--\$1,000-- to Amberley in estimates to reach the 2% tax rate. With a 1% non-reciprocal tax, everything remains the same. Since the Mason tax rate is only 1% and she is allowed credit for 1%, she will continue to pay Amberley \$1,000.

Scenario Six Illustration:

Taxable Income	Amberley Tax Due at 2%	Taxes Paid To Other Municipality	Amberley Current Reciprocal Tax Credit at 2%	Taxes Paid to Amberley Now	Tax Due to Amberley with 1% Non-Reciprocal Tax
\$100,000	\$2,000	\$1,000 1% to Mason	\$1000	\$1,000	\$ 1,000 No Change