

## GENERAL INFORMATION

### Who must file a return:

All individuals, partnerships, corporations, and other entities having income taxable by Piqua.

All partnerships, corporations, and other entities located in Piqua are required to file a return even if no tax is due to the City of Piqua. Piqua residents who are retired or permanently disabled and who do not anticipate any earned income in current or future years may file a Certification Form and avoid future filing of the City tax return.

### Piqua Income Tax Department:

Office location	-	201 W. Water St.	Email:	<a href="mailto:incometax@piquaoh.org">incometax@piquaoh.org</a>
Mailing address	-	P.O. Box 1223	Web site:	<a href="http://www.piquaoh.org">www.piquaoh.org</a>
		Piqua, OH 45356-1223	Hours	8:00 am – 5:00 pm, Monday through Friday
Telephone	-	(937) 778-2009	Fax:	(937) 778-1130

### FILING INFORMATION

**DUE DATE:** All tax returns must be filed before midnight, April 15<sup>th</sup> (or postmarked no later than April 15<sup>th</sup>) following the close of the calendar year. Fiscal year taxpayers must file by the 15<sup>th</sup> day of the fourth month from the end of the fiscal year.

**DOCUMENTATION:** All income, credits and deductions must be substantiated by copies of W-2's and proper Federal Schedules and local tax returns. Credits and deductions will be disallowed if not properly documented. IF YOUR W-2'S AND EARNINGS SUMMARIES ARE MARKED "VARIOUS" OR "ALL CITIES" IN THE LOCAL TAX WITHHELD BOX, PLEASE REQUEST AN ITEMIZED BREAKDOWN BY CITY FROM YOUR EMPLOYERS AND ATTACH THIS TO YOUR RETURN.

**FILING STATUS:** Joint or separate returns are permissible for married taxpayers. However, the tax due is the same, regardless of the filing status.

**TAXABLE INCOME:** Includes, but is not limited to qualifying wages, commissions, other compensation earned, and other income earned or received. Other compensation would include, but is not limited to: tips, bonuses or gifts of any type, lottery or other prize winnings, covenant not to compete, incentive payments, directors fees, property in lieu of cash, dismissal or severance pay, vacation and sick pay, wage continuation plans and other compensation earned, received or accrued. Also, the net profits from associations, unincorporated business entities, incorporated business entities, professions and other entities, rental and farm income and other ordinary income.

### EXCLUSIONS FROM TAXATION:

1. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the National Guard.
2. Poor relief, pensions, including Social Security benefits, unemployment compensation or similar payments, including disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations.
3. Alimony received.
4. Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations.
5. Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718.01 of the Ohio Revised Code which is exempt from payment of real estate taxes is exempt from payment of the tax imposed by Ordinance 25-08.
  - a. Any association or organization falling in the category listed in the preceding paragraph not exempt from the payment of real estate taxes is required to file declarations and final returns and remit the taxes levied under Ordinance 25-08 on all business activities of a type ordinarily conducted for profit by taxpayers operating for profit.
  - b. Where such non-profit association or organization conducts income-producing business, both within and without the corporate limits, it shall calculate its profits allocable to the City of Piqua under the method or methods provided above.
6. Any association, organization, corporation, club or trust, which is exempt from federal taxes on income by reason of its charitable, religious, educational, literary, scientific, etc., purposes.
7. Gains from involuntary conversion and capital gains, cancellation of indebtedness, interest on federal obligations, items of income already taxed by the State of Ohio, as of the date of enactment of Ordinance 33-66 (being 7/5/66), and income of a decedent's estate during the period of administration (except such income from the operation of a business).
8. Earnings and income of all persons 17 years of age and under. Earnings and income will be taxable for the portion of the year after which they become 18.
9. Parsonage allowance, to the extent of the rental allowance or rental value of a house provided as part of an ordained minister's compensation. The minister must be duly ordained, commissioned or licensed by a religious body constituting a church or church denomination.
10. Compensation paid under Section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct, election official, to the extent that such compensation does not exceed one thousand dollars (\$1,000) annually.
11. Intangible income.
12. The income of a public utility, when that public utility is subject to the tax levied under Section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745 of the Ohio Revised Code:
  - a. The income of an electric company or combined company;
  - b. The income of a telephone company;
  - c. As used in Section 17 (L) of this ordinance, "combined company", "electric company", and "telephone company" have the same meanings as in Section 5727.01 of the Ohio Revised Code.
13. The City of Piqua shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the City of Piqua on twelve (12) or fewer days in a calendar year unless one of the following applies:
  - a. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.
  - b. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the City of Piqua.

**RETIREMENT PLANS:** No deduction is allowed for IRA, Keogh, deferred compensation or similar employee-contributed retirement plans.

**REFUNDS:** Are allowed only when city income tax has actually been paid to or withheld for Piqua. No refund under \$5.00 will be issued. No refund will be issued or overpayment allowed until all provisions of the Tax Ordinance have been compiled with. No refund will be processed that is requested because tax was withheld and paid to another city at a higher rate. Returns so submitted will be adjusted without notification to the taxpayer.

**PENALTY AND INTEREST:** Interest and penalty will be assessed on any tax liability not paid by the due date. Interest will be assessed at the rate of one percent (1%) per month and penalty will be assessed based on 1% per month with a maximum of 25% of the net tax liability or a \$20.00 minimum. There is also a late filing fee of \$25.00 if tax return is not filed by the due date or by the date resulting from an extension.

**CREDITS:** Credit is allowed for taxes paid to another city for income earned in another city (residents only). The credit may not be the actual amount of tax you paid.

# INSTRUCTIONS FOR PREPARING PIQUA CITY INCOME TAX RETURN

## SECTION A INSTRUCTIONS

List W-2s received as an employee. For each W-2 enter employer's name, city where you actually performed work (box B2), amount of Piqua tax withheld (box B3), credit for tax paid to another city (box B4) and qualifying wages (box B5).

Line 1 Add Piqua city tax (B3) credit for taxes paid to other cities (B4) and total wages (B5) and enter totals in the appropriate boxes.

IF TAXPAYER(S) ONLY INCOME IS FROM W-2 WAGES PROCEED TO LINE 4.

Line 2A Enter total business income from Section D and/or E page 2 and attach copy of Federal Schedules C & E, and front page of 1040.

Line 2B Enter total rental income from Federal Schedule E and attach copy of Federal Schedule E and front page of 1040.

Line 2C Enter total farm income from Federal Schedule F and attach copy of Federal Schedule F and front page of 1040.

Line 2D Total lines 2A, 2B, & 2C. Do not enter any amount less than -0-.

Line 3 Enter adjustment from Schedule X page 2.

Line 4 Enter total other income or 2106 expenses and attach the front page of 1040, Form 2106, and Federal Schedule A.

Line 5 Enter total of lines 1, 2D, 3 & 4.

Line 5A Enter amount allocable to Piqua if Business Allocation Formula is used (Schedule Y page 2).

Line 6 Multiply line 5 or 5A by 1.75%.

Line 7 TAX CREDITS (See page 1 Credits).

Line 7a Enter total Piqua Tax withheld by employer (Section A, Column B3 total).

Line 7b Enter credit for tax paid to another city (Section A, Column B4 total). Cannot exceed 1.75%.

Line 7c Enter total of estimate payments plus any credit from prior year overpayment.

Line 7d Enter total of lines 7a, 7b, & 7c.

Line 8 Line 6 minus Line 7d. If line 6 is greater than 7d, a balance is due. A check must accompany this return. If the balance is less than \$5.00 you do not have to pay but you must still file a return. Make all checks payable to Piqua Income Tax Department.

Line 9 If the return is filed after April 15<sup>th</sup> add penalty and interest and \$25.00 for late filing.

Line 10 Enter total of Line 8 plus Line 9.

Line 11 If Line 7d is greater than Line 6, the difference should be entered here. Indicate if amount should be refunded or credited to next year's tax liability.

NOTE: No refund will be issued or overpayment allowed until all provisions of the Tax Ordinance have been fulfilled. No refund or credit will be given if under \$5.00.

## SECTION B DECLARATION OF ESTIMATED TAX - WHO MUST FILE

(a) EVERY RESIDENT of Piqua who expects to receive taxable income, not subject to withholding, wherever earned from which the city income tax is not fully withheld.

(b) EVERY NON-RESIDENT of Piqua who expects to receive taxable income, earned or derived from work or services performed within Piqua, from which Piqua city tax will not be withheld.

(c) EVERY BUSINESS ENTITY, such as corporations, proprietorships, partnerships, fiduciary or active trust, unincorporated business or professional entities conducting activities or producing income within Piqua.

Estimates must be filed on or before April 15<sup>th</sup> of the tax year. Fiscal year taxpayers shall file on or before the 15<sup>th</sup> day of the fourth month following the beginning of their fiscal year.

If the preceding year's tax liability is used for estimating the current year, there shall be no additional assessments if payments are made prior to or on the prescribed due dates. If the current year's tax liability is estimated on a basis other than prior year's income, 80% must be paid by January 31 or penalty and interest will be assessed on the portion between 80% of the actual tax liability minus the amount paid to date (see PENALTY AND INTEREST, page 1).

PAYMENT OF ESTIMATED TAX: The estimated tax may be paid in full at any time or in equal quarterly payments on or before April 15, June 15, September 15, and January 15. The estimate may be amended at the time of making any quarterly payment. Fiscal year taxpayers shall substitute the months which correspond to the months shown above. No amended declaration is required for taxpayers using prior year income estimates for current quarterly payments.

For taxpayers estimating income on a basis other than prior year's earnings, an amended declaration must be filed on or before January 31 of the following year, or in the case of a fiscal year on or before the last day of the 13<sup>th</sup> month following the beginning of such fiscal year, if it appears that the original declaration not based on the current year income made for such taxable year underestimated the taxpayer's income by twenty percent (20%) or more.

## SECTION B INSTRUCTIONS

Line 12A Multiply total estimated income for 2012 by 1.75%. Include all income subject to Piqua tax such as qualifying wages, commissions, net income from business and professional and rental activities. Subtract the tax withheld by employer.

Line 12B Enter amount you are paying, must be at least ¼ of Line 12A.

Line 13 Total of amount paid with estimate.

## SECTION C INSTRUCTIONS

The taxpayer and spouse if filing a joint return must sign and date the return. Tax preparers, if other than the taxpayer, should sign and date return.

## SECTION D & E

These sections need only be filled out by those taxpayers who are reporting on income other than W-2 wages.

## SCHEDULE X

Reconciliation with federal income tax return.

## SCHEDULE Y

Business allocation formula.