

General Information – Individual Filers

The State of Ohio made significant changes to the Ohio municipal income tax laws (Chapter 718 of the Ohio Revised Code) effective January 1, 2016. Please read below to learn how these changes may impact you.

Who must file a Tipp City individual income tax return?

- All residents: Tipp City has a mandatory filing requirement. This means that all residents 18 years of age and older domiciled within the corporation limits of Tipp City must file an annual city tax return unless they are exempted by the income tax department. This includes active duty military personnel, college students, unemployed persons, or persons with no reportable income or loss for the current year. Residents who are 16 or 17 years of age are subject to the city income tax, but only need to file if tax is due.
- Non-residents: Non-residents of Tipp City who have taxable income or loss that is earned or derived from within the city from which Tipp City tax was not correctly withheld must file a return.
- Part-year residents: If you only lived in Tipp City during part of the taxable year, you must file a return covering that time. You must calculate both your tax liability and tax credit only on the portion of your income earned as a Tipp City resident. Income earned in Tipp City may not be prorated. Pay statements with YTD figures must be used if available. If actual records are not available, you may break down your earnings by the number of months employed at the job to determine your monthly earnings. This figure may then be multiplied by the number of months you lived in Tipp City to determine your Tipp City taxable income. If you prorate your taxable income, you must also prorate your city tax that was withheld on the same income. Please attach the pay statement or provide a worksheet explaining your calculations.
- Exemptions: Exemptions to the mandatory filing requirement include permanently retired or permanently disabled persons with only nontaxable sources of income (such as social security, pensions, interest and dividends) may file for a permanent exemption from the mandatory filing requirement by submitting an Exemption Form. Forms are available on our website.

Taxable and nontaxable income and calculations.

- Taxable income: Taxable income includes but is not limited to: salaries, wages, business income (Schedule C), rent income, (Schedule E), farm income (Schedule F), 1099-miscellaneous income, tips, commissions, bonuses, stock options, incentive payments, directors fees, property in lieu of cash, dismissal or severance pay, vacation and sick pay, holiday pay, wage continuation plans, gambling and lottery winnings and other compensation earned, received or accrued.
- Nontaxable income: Interest, dividends, capital gains, unemployment compensation, worker's compensation, ADC (aid to dependent children), child support, alimony, retirement distributions – reported on Form 1099-R, active duty military pay, insurance proceeds and income from which Tipp City is specifically prohibited from taxing.
- If you have income from a source not listed above, please contact the Tipp City tax department by calling (937) 667-8426 or by email at incometax@tippcity.net.**
- Other income calculation: **(New)** All other income (other than wage income) including income or loss from self-employment, rentals, partnerships, fees, ordinary gains and losses reported on Form 4797, gambling winnings and any other activity must be netted together to arrive at an overall net profit or loss for the current year. Please note the method for computing overall net profit or loss has changed effective January 1, 2016 as a result of changes made to Chapter 718 of the Ohio Revised Code. Please refer to the instructions found on page 2 of the individual return under worksheet B.

Allowable and non-allowable adjustments to Tipp City taxable income.

Other Losses:	(New) Business losses of Tipp City residents cannot offset Tipp City taxable W-2 income.
Net operating loss:	Tipp City does not currently permit a net operating loss (NOL) carryforward
Non-deductible expenses:	The following expenses are not deductible on your Tipp City return: <ul style="list-style-type: none">• ½ self-employment tax;• Self-employed health insurance premiums;• Greater than 2% S-Corp owner health insurance premiums;• The federal non-deductible portion of meals and entertainment.
S-Corps:	Individual shareholders should not include any gain or loss from an S-Corporation on their individual return. S-Corporations doing business in Tipp City must file a Tipp City business income tax return. Business tax returns are available on our website.
Form 2106 expenses:	Business expenses reported on Federal Form 2106 are deductible on your Tipp City income tax return but shall be limited to the amount deducted on your federal income tax return as shown on Federal Schedule A. If wages are allocated between cities, Form 2106 expenses should likewise be allocated and tax credit reduced accordingly. Please attach a copy of your Form 2106 and Federal Schedule A to your return.

Filing your Tipp City income tax return.

Due date:	Individual returns are due every year on or before April 15 th (unless on extension). Returns must be received or postmarked by this date in order to be exempt from late fees.
Extensions:	(New) Taxpayers who have requested an automatic 6 month extension for filing their federal income tax return shall automatically receive a 6 month extension for the filing of their city tax return. Taxpayers who have not requested a 6 month extension for their federal income tax return may be granted a 6 month extension by submitting a request to the tax department by the original due date of the return (extension request forms are available on the city website). An extension of time to file is not an extension to pay taxes due. Extended returns filed with balances due may be subject to penalty and interest if estimated taxes were not paid in accordance with the Tipp City Tax Code.
Payments:	(New) Checks and money orders should be made payable to Tipp City Tax. Online payments can be made on our website at www.tippcityohio.gov via electronic check, credit card or debit card. A convenience fee will be added to all online payments. No payment required if the amount due is \$10 or less and likewise no refund or credit will be issued if the amount is \$10 or less.
Attachments:	Attach page 1 of your Federal 1040 and a supporting document to verify each income, loss or deduction item reported on your city return. Examples include Federal Schedule(s) A, C, E, F or K-1 Form(s), 1099-Misc., Form(s) W-2 and W-2G.
Estimated payments:	(New) Taxpayers who anticipate a net tax liability to the city of \$200 or more for the next tax year are required under the Ohio Revised Code to make estimated tax payments. Quarterly estimated tax payments are due on April 15, June 15, September 15 and December 15.
Penalty and interest:	(New) A late filing penalty will be imposed for the failure to timely file a return (regardless of liability shown) at the rate of \$25 per month (or fraction thereof) not to exceed \$150. If the return indicates a balance due, the taxpayer will also be subject to a 15% penalty imposed on all tax remaining unpaid after becoming due and interest at the rate of 5% per annum or .42% per month (or fraction thereof) for each month the return is past due.

Disclaimer

Directions are instructional only. The Tipp City Income Tax Code and the Ohio Revised Code supersede any interpretation presented.