

# 2016 Tipp City Individual Income Tax Return Instructions

Please include a copy of page one of your federal income tax return with the Tipp City return. The following documents (when applicable) should also be attached to the return. Deductions and credits not supported by the proper documentation may be disallowed.

- W-2 forms
- Federal Schedules C, E & F
- Form 2106 and Schedule A

## Section A 2016 Tax Calculations

**Line 1:** Enter total amount of qualifying wages, which generally includes amounts reported in the Medicare wage base (box 5 of the W-2 form). Exceptions include compensation of Medicare-exempt employees hired before April 1, 1986 and income from disqualifying disposition of stock options. If you have multiple W-2s, complete worksheet A on page 2 of the return. Attach all W-2 forms.

**Line 2:** Enter the amount of unreimbursed employee business expenses. You must include a copy of Form 2106 and Federal Schedule A to support the deduction. The deduction shall be limited to the amount deducted on your federal income tax return. If wages are allocated between cities, Form 2106 expenses should likewise be allocated and tax credit reduced accordingly.

**Line 3:** Enter total other income (or loss) from worksheet B on page 2 of the return. Attach all appropriate schedules and documentation. Net profits and losses are no longer subject to limitation, even if reportable to another municipality.

**Line 4:** Add the amounts reported on line 1, 2 & 3 (only add line 3 if it is positive). This is your total taxable income. As of January 1, 2016, Tipp City residents can no longer deduct losses incurred from other income from their Tipp City W-2 income. Tipp City does not currently permit a net operating loss (NOL) carry forward.

**Line 5:** Multiply the amount reported on line 4 by 1.5%. This is the total tax due before credits.

**Line 6a:** Enter the total amount of Tipp City tax withheld from W-2s. If you have multiple W-2s, please refer to worksheet A, column E on page 2 of the return.

**Line 6b:** Enter the allowable amount of income tax withheld or paid to another municipality. Tipp City residents may claim a non-refundable credit for city income taxes paid to the work city. The amount of credit shall not exceed the tax due to Tipp City on the same income. Attach supporting documentation in the form of W-2s or tax returns submitted to the other municipalities. If you have multiple W-2s, please refer to worksheet A, column F on page 2 of the return. Tipp City does not allow credit for county taxes paid.

**Line 6c:** Enter the amount of estimated tax payments and/or prior-year credits. You can now view your total payments and credits at <https://www.municconnect.com/tippcity/login.aspx>.

**Line 7:** Add the amounts reported on lines 6a, 6b and 6c. This is your total credit.

**Line 8:** Subtract line 7 from the amount reported on line 5. This is the amount of tax due before penalties. A positive amount represents the amount of Tipp City tax due. A negative amount represents an overpayment (show all overpayments in parenthesis).

**Line 9a:** Penalty & interest for underpayment of estimated income tax. Taxpayers are to have 90% of their estimated tax liability paid on or before December 15th of the tax year. When a taxpayer does not meet this requirement, they may be subject to penalty and interest on the amount underpaid. The penalty is 15% of the amount underpaid and interest is 5% per annum or .42% per month (or fraction thereof).

**Line 9b:** If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 8.

**Line 9c:** If filed after the due date, enter the amount of interest. The interest rate is 5% per annum or .42 per month (or fraction thereof) of the amount due on line 8.

**Line 9d:** If filed after the due date, a late filing penalty is imposed at the rate of \$25 per month (or fraction thereof) not to exceed \$150. This penalty is due in addition to all other penalty and interest and is imposed even if no tax is due. Enter the applicable amount.

**Line 10:** Add the amounts reported on lines 9a, 9b, 9c and 9d. This is your total penalty, interest and late filing fee.

**Line 11:** Add the amounts reported on lines 8 and 10. This is the balance of tax, penalty, interest and late filing fees due. No payment is due if this balance is \$10 or less. If this total reflects an overpayment, enter the amounts to be refunded and/or credited on line 12. No refund or credit will be issued if the amount overpaid is \$10 or less.

**Line 12:** Enter the amount of overpayment from line 11 to be refunded and/or credited to 2017.

**Section B 2017 Declaration of Estimated Tax (Must be completed by taxpayers who anticipate owing \$200 or more in Tipp City income tax in 2017.)**

**Line 13:** Enter the amount of estimated income for 2017 multiplied by the tax rate of 1.5%.

**Line 14:** Enter the total amount of Tipp City and other allowable municipal taxes estimated to be withheld from wages.

**Line 15:** Line 13 less line 14. If the result is less than \$200, estimated payments are not required.

**Line 16:** Multiply line 15 by 22.5% to determine the amount of estimated tax due for the first quarter.

**Line 17:** Enter the amount of credit from line 12.

**Line 18:** Enter the net estimated tax due if line 16 less line 17 is greater than zero.

**Total due with this return:** Add line 11 and line 18. Make checks payable to Tipp City Tax. Online payments can be made on our website via electronic check, credit card or debit card. A convenience fee will be added to all online payments.

**Sign and date your return.** Your Tipp City return is not considered a complete return unless you sign it and attach all applicable W-2 forms and federal tax documents. If you are filing a joint return, your spouse must also sign.

Mail completed return, payment and attachments (W-2s, page 1 of federal and applicable federal schedules) to:

Tipp City Tax Department  
260 S. Garber Dr.  
Tipp City, OH 45371

Questions can be directed to the tax department anytime Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. using the contact information below:

Phone: (937) 667-8426  
Fax: (937) 667-6734  
Email: [incometax@tippcity.net](mailto:incometax@tippcity.net)

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