2017 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

2017 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 lines 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 view your total payments and credits at https://www.municonnect.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 (total credits) from line 5 (tax due) to arrive at the amount due. If the amount due is $10 or less, no payment is required. If you have overpaid and the amount of overpayment is in excess of $10, enter zero on line 8 and continue to line 9.

Line 9: If the total credits reported on line 7 are greater than the tax due reported on line 5, enter the amount of overpayment. If the amount of overpayment is $10 or less, no refund or credit will be issued. Overpayment amounts greater than $10.01 may be refunded and/or credited.

Line 10a: Taxpayers are required to have 90% of their tax liability remitted by December 15th. This includes Tipp City tax withheld, other city tax withheld, other city tax withheld/paid (limited to 1.5% of each local wage) and estimated tax

payments. When this requirement is not met, a taxpayer may be subject to underpayment penalty and interest. The penalty is 15% of the amount underpaid and interest is .50% per month (or fraction thereof).

Line 10b: If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 8.

Line 10c: If filed after the due date, enter the amount of interest. The interest rate is 6% per annum or .50 per month (or fraction thereof) of the amount due on line 8.

Line 10d: If filed after the due date without a valid extension, a late filing penalty may be 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.

Line 11: Add the amounts reported on lines 10a, 10b, 10c and 10d. This is your total penalty, interest and late filing fee.

Line 12: Add the amounts reported on lines 8 and 11. This is the balance of tax, penalty, interest and late filing fees due. No payment is due if this balance is $10 or less. Make check payable to Tipp City Tax.

Section B

2018 Declaration of Estimated Tax

(Must be completed by taxpayers who anticipate owing $200 or more in Tipp City income tax in 2018.)

Line 13: Enter the amount of estimated income for 2018 multiplied by the tax rate of 1.5%.

Line 14: Enter the total amount of Tipp City and other city tax withheld or paid.

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 25% to determine the amount of estimated tax due for the first quarter.

Line 17: Enter the amount of credit from 2017.

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 12 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.

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

Mail completed returns with attachments 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