

## 2018 Tipp City Individual Income Tax Return Instructions

Please include a copy 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

### Section A

#### 2018 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 total other income (or loss) from worksheet B on page 2 of the return. Attach all appropriate schedules and documentation. Please note: Beginning with this year's return (2018), a taxpayer who reported a loss from other income on their 2017 Tipp City return, may use up to 50% of that loss to reduce their taxable 2018 other income. See Section 718.01 (D) (3) of the Ohio Revised Code for additional information.

**Line 3:** Add the amounts reported on lines 1 and 2 (only add line 2 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.

**Line 4:** Multiply the amount reported on line 3 by 1.5%. This is the total tax due before credits.

**Line 5a:** Enter the total amount of Tipp City tax withheld from W-2s. If you have multiple W-2s, please refer to worksheet A, column D on page 2 of the return.

**Line 5b:** 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 E on page 2 of the return. Tipp City does not allow credit for county taxes paid.

**Line 5c:** Enter the amount of estimated tax payments and/or prior-year credits. You can view your total payments and credits at <https://www.municconnect.com/tippcity/login.aspx>.

**Line 6:** Add the amounts reported on lines 5a, 5b and 5c. This is your total credit.

**Line 7:** Subtract line 6 from the amount reported on line 4. A positive result indicates the amount of tax due. No tax is due if this amount is \$10.00 or less. If the result is negative, enter a zero on line 7 and proceed to line 8.

**Line 8:** If line 6 is greater than line 4, you have an overpayment. If the overpayment amount is \$10.00 or less, no refund or credit will be issued. For amounts greater than \$10.00, please indicate the amount to be refunded and or credited to the next year's taxes directly below line 8.

**Line 9a:** A taxpayer can be subject to underpayment penalty and interest whenever an insufficient amount of income taxes are not paid in by the 15<sup>th</sup> day of January after the close of the year. Estimated tax payments are required whenever the amount of taxes due is expected to be \$200.00 or more. The penalty is 15% of the amount underpaid and interest is 6% per annum or .50% per month (or fraction thereof). Three safe harbors exist for estimated payments. A taxpayer will not be subject to underpaid estimated taxes if they were not domiciled in Tipp City on January 1<sup>st</sup>, have paid in 100% of the prior year's tax liability or have paid at least 90% of the current year's estimated taxes by the due date of the final quarterly payment.

**Line 9b:** If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 7.

**Line 9c:** 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 7.

**Line 9d:** 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 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 7 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.

## **Section B**

### **2019 Declaration of Estimated Tax**

**(Must be completed by taxpayers who anticipate owing \$200 or more in Tipp City income tax in 2019.)**

**Line 12:** Enter the amount of estimated income for 2019 multiplied by the tax rate of 1.5%.

**Line 13:** Enter the total amount of Tipp City and other city tax withheld or paid.

**Line 14:** Line 12 less line 13. If the result is less than \$200, estimated payments are not required.

**Line 15:** Multiply line 14 by 25% to determine the amount of estimated tax due for the first quarter.

**Line 16:** Enter the amount of credit carryforward from 2018.

**Line 17:** Enter the net estimated tax due for the first quarter of 2019 (line 15 minus line 16). Payment is not required at this time if the amount due is less than \$10.00.

**Total due with this return:** Add line 11 and line 17. 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](mailto:incometax@tippcity.net)