

## 2018 General Information – Individual Filers

### The following documents should be attached to your Tipp City return (when applicable):

1. W-2 forms that show qualifying wages and all local income taxes withheld.
2. Copies of other Ohio city/village returns when a credit is claimed for taxes paid.
3. A copy of your federal return.

### Who must file a Tipp City individual income tax return?

- All residents:** Tipp City has a mandatory filing requirement. This means that **every** resident 18 years of age and older who is or was domiciled within the corporation limits of Tipp City at any time during the tax year must file an annual city tax return. This would include active duty military personnel, college students, unemployed persons, or persons with no reportable income or loss for the tax 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.
- Nonresidents:** Nonresidents of Tipp City (those domiciled outside the corporation limits the entire year) who had income or loss from activities conducted within the city (Schedule C – sole proprietorship, Schedule E – rental properties) and 1099-MISC income) shall file a Tipp City return and report the income or loss from such activities. This would also include non-residents that earned W-2 wages within Tipp City and did not have any or an incorrect amount of Tipp City taxes withheld from their income.
- Part-year residents:** If you only lived within the corporation limits of Tipp City during part of the taxable year, you must file a Tipp City return and report the income received during the time of residency. Taxable income and credits can be calculated using a daily or monthly proration. You may also use a pay statement dated on or about the time you moved. Income earned in Tipp City should not be prorated as it is 100 % taxable to Tipp City since it was earned in Tipp City. Please attach a copy of the pay statement (if used) or provide a worksheet explaining how you calculated your Tipp City taxable income and credits.
- 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). Individuals may apply for an exemption by submitting an Exemption Form. These forms are available in the Tipp City tax office or on the city's website.

### Taxable and nontaxable income.

- Taxable income:** Taxable income includes but is not limited to the following: salaries, wages, business income (Schedule C), rent income, (Schedule E), farm income (Schedule F), partnership income, K-1, 1099-miscellaneous, 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, child support, alimony, retirement distributions (reported on Form 1099-R), income from an S-Corp, active duty and reserve military pay, insurance proceeds and income from which Tipp City is specifically prohibited from taxing.

## Adjustments to Tipp City taxable income.

- Netting of income: All other income (except W-2 income) should be netted together to arrive at an overall net profit or loss for the current tax year.
- Net operating loss: Beginning with the 2018 Tipp City return, a taxpayer may deduct up to 50% of the net operating loss incurred on their 2017 Tipp City income tax return. Said loss can only be used to reduce any 2018 other income and under no circumstances can be used to offset W-2 income.
- S-Corps: Tipp City residents should not include any gain or loss from an S-Corporation on their Tipp City individual income tax return.
- 2106 expenses: Beginning with the 2018 return, Unreimbursed Employee Business Expenses (Federal Form 2106) are no longer deductible.

## Filing your Tipp City income tax return.

- Due date: Individual returns are due every year on or before April 15th. Returns must be received or postmarked on or before this date in order to be exempt from late fees. If April 15th falls on a weekend or on a federal holiday, the due date will be extended until midnight of the next business day.
- Extensions: Taxpayers who have requested an automatic six month extension for filing their federal income tax return shall automatically receive a six month extension for the filing of their Tipp City income tax return. Taxpayers who have not requested a federal extension 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 underpayment penalty and interest if estimated taxes were not paid in accordance with the Tipp City tax code.
- Payments: Checks and money orders should be made payable to Tipp City Tax. Online payments can be made on our website at [www.tippcityohio.gov](http://www.tippcityohio.gov) via electronic check, credit card or debit card. A convenience fee will be added to all online payments. No payment is 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 your Federal return and supporting documents to verify each income, credit, loss or deduction reported on your Tipp City return. Examples include Federal Schedule(s) C, E, F, Form K-1, 1099-Misc., W-2 and W-2G. Copies will be accepted.
- Estimated taxes: Individual 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 for individual taxpayers are due on April 15th, June 15th, September 15th and January 15th of the next year.
- Penalty & interest: A late filing penalty will be imposed for failure to timely file a return (regardless of liability shown) at the rate of \$25 per month (or fraction thereof) not to exceed \$150 per return. If the return indicates a balance due, the taxpayer will also be subject to a 15% penalty on the amount due and will be subject to interest at the rate of **6%** per annum or **.50%** per month (or fraction thereof) for each month the return is past due.

## Disclaimer

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