

# INSTRUCTIONS

**Name and Address:** Complete the name and address information and social security number where requested. If your name and address are not correctly shown, make any necessary changes.

Individuals who are married may use one Individual Return to file their 2007 returns. You, as taxpayer, simply complete the left side of the Return and sign it on the lower left in Part C where indicated and your spouse completes the right side of the Return and signs it on the lower right in Part C where indicated. When filing this way, either the taxpayer or spouse name/address/city account number (if known) information is not shown when the return is mailed to you. Fill in the complete name/address/city account number (if known) information for both individuals.

Check the appropriate box indicating residency. Show the dates that you lived in Springfield if you were a part-year resident.

If you were a part-year resident, only the portion of income earned while a resident is taxable (unless the income was earned in Springfield while a non-resident). On a separate sheet of paper, show the adjustment to income for each taxpayer either through allocation or exact amount earned. Show adjustment in Worksheet C, listing taxpayer and spouse information separately.

## PART A

You may receive a tax return and for various reasons not have to complete Part B. You do not have to complete Part B if you qualify under one of the exemptions listed.

NO TAXABLE INCOME OR NO INCOME

ACTIVE DUTY MILITARY ONLY (NO OTHER NON MILITARY INCOME)

RETIRED WITH ONLY NON TAXABLE INCOME AS OF \_\_\_\_\_

UNDER 18 YEARS OF AGE FOR ALL OF THE YEAR BEING FILED.

## PART B

## INCOME

**Note:** See listing of examples of types of taxable and non-taxable income on page 2.

**Line 1:** Total wage and compensation information is reported for each individual on Line 1. The taxpayer's income is reported on the left side of Return and the spouse's income is reported on the right side.

If you have more than one W-2 or 1099, please complete **Worksheet A** on the reverse side of the return showing the city where the work was performed, wages earned and amount withheld for Springfield. The taxpayer should report wages in the upper half of worksheet and the spouse in the lower half of worksheet. **Worksheet A** totals are transferred to Part B, Line 1.

Attach copies of all W-2's, 1099's and/or appropriate schedules.

**Line 2:** Total other income is reported using **Worksheet B** of the tax return. Fill in the location where the work was performed and the net amount of taxable gain or loss from the Federal schedule. **Worksheet B** total is transferred to Part B, Line 2.

Note: Losses from schedules or businesses, including multiple partnerships, may not offset gains from other schedules or businesses except sole proprietorships, rentals and farms in the name of the same individual. Losses may not offset wages or personal service compensation. Partnership losses may not offset partnership, sole proprietorship, rental or farm gains. Attach copies of all appropriate schedules.

**Line 3:** Adjustments to income should be indicated in **Worksheet C**, of the return.

Employee business expenses, which are reported for Federal purposes on Form 2106, are deductible for city purposes if they are (1) reportable for Federal purposes and (2) deducted for Federal purposes. The total Employee business expense cannot exceed the related W-2 wage income from the same employer.

Other expenses as listed on Schedule A are not deductible for City purposes. Thus the amount that is deducted on Schedule A (after the 2% AGI limitation is subtracted) must be allocated between unreimbursed employee expenses and other expenses, if any.

Additional adjustments to income that may occur are income earned as a non-resident of Springfield, income earned while under 18 years of age, housing allowance, etc. Attach a separate sheet of paper with an explanation of the adjustment, calculations and supporting documentation.

The total employee business expenses and other adjustments for each individual are transferred from **Worksheet C** to Part B, Line 3, of the return. Please indicate any negative amounts with parentheses. For assistance, contact the Income Tax Division.

**Line 4:** Combine Lines 1 through 3 for total taxable income.

**Line 5:** Multiply Line 4 times 2% (.02) to compute Springfield city tax.

## PAYMENTS AND CREDITS

**Line 6:** Show total estimated payments made and prior year overpayment credits on Line 6. Estimated payments and credits must be accounted for separately for the taxpayer and spouse.

**Line 7:** Taxes withheld for Springfield as shown on your W-2(s) are entered on Line 7 of the return.

If you have more than one W-2 with Springfield taxes withheld, you may use **Worksheet A** to combine the amounts, or add all taxes withheld for Springfield from your W-2's and indicate the total on Line 7.

Do not show taxes withheld for other cities on this line. Attach copies of all W-2's showing Springfield taxes withheld.

**Line 8:** Joint Economic Development District (J.E.D.D.) and other city tax credit is computed using **Worksheet D** of the return. The maximum credit allowed for taxes paid to another city is 50% (1/2) of the tax correctly paid to another city or J.E.D.D., not to exceed 1% (.01) of the income earned and tax correctly withheld for the other city. When the tax is not correctly withheld for city of employment, an adjustment of credit may be necessary. Proration of income results in proration of credit. There is no carry forward or carry backward of tax credit to any other tax year. You must attach verification such as W-2's, other cities' returns, etc.

Before you complete **Worksheet D**, look at your W-2's and separate those having a tax rate up to and including 2% from those which have a tax rate over 2%. (Most area cities except Dayton, Trotwood, Oakwood & Cincinnati are 2% or less.)

**Worksheet D-1:** On **Worksheet D-1** start with the W-2's that show cities that have rates up to 2%. Fill in the boxes indicating where the work was performed, the income earned while working there and the tax paid. Multiply the total of other taxes by .5 (or divide it by 2). The result is the allowable credit, which should be transferred to Part B, Line 8.

**Worksheet D-2:** W-2's that show other city tax withheld for cities whose rate is over 2% (Dayton, Oakwood, Trotwood, Cincinnati, Toledo, etc.) must be listed in **Worksheet D-2**. Since the maximum credit allowed is 1% of income earned in the other city, an additional step is needed to compute the credit. List the city where the work was performed, the income earned while working there and the other city tax correctly paid. In Column D, compute 2% (.02) of taxable income in Column B. Compare Column C and Column D and write the lesser amount in Column E. Multiply the total of Column E by .5 (or divide it by 2). The result is the allowable credit, which should be transferred to Part B, Line 8.

For assistance, contact the Income Tax Division at (937) 324-7357.

**Line 9:** Add Line 6 through Line 8 for a total of payments and credits.

**Line 10:** Subtract Line 9 from Line 5 to compute the balance of your tax liability. If Line 9 is more than Line 5, proceed to Line 16.

**Lines** For office use only. This section will be completed by the Division

**11-14:** of Taxation if charges are applicable. Refer to line 14 in the General Information for specifics.

**Line 15:** Add line 10 and line 14.

**Line 11:** If Line 9 is more than Line 15 then an overpayment exists. Enter the overpayment amount on Line 16.

If the amount is \$1.00 or more, you may have the overpayment applied to next year, or refunded to you. Indicate under Line 16 your choice. No indication will result in an overpayment credit to next year. Refunds will be processed in order of date received.

## 2008 DECLARATION OF ESTIMATED TAX

Every person who anticipates receipt of taxable income not subject to employer withholding or persons who engage in a business, profession, enterprise, or other activity subject to the tax shall file a declaration. A declaration of estimated tax must be received on or before April 15th of the current year and must be accompanied by at least 25% of the total estimated tax due. The remaining quarterly payment due dates are July 31, October 31, and January 31. Remit your payment along with the appropriate Estimated Tax Vouchers. Payment vouchers are available online or at the Springfield Tax Office. Failure to file and pay estimated taxes may result in an assessment of penalty charges. Penalty will not be assessed when the total tax payments, including withholdings, are at least 90% of the current year tax liability or 100% of the prior year tax liability, and paid by January 31.

## METHODS OF PAYMENT

You may pay the balance due on Line 10 by check, money order, VISA/MasterCard/Discover.

Make your check payable to Commissioner of Taxation, if the amount is \$1.00 or more. You may write one check for amounts due for both taxpayer and spouse.

If you choose to pay the balance due by VISA/MasterCard/Discover, complete this section of the return. Check which card you are using and indicate the complete account number as shown on your card.

You may combine the total due for taxpayer and spouse, authorize one payment amount and use one charge card. Please show your home and/or work telephone numbers in case we need to contact you with questions regarding your method of payment. The authorized cardholder must sign where indicated.

## PART C

The taxpayer must sign the tax return on the lower left side where indicated, and if applicable, the spouse on the lower right side.

If someone other than the taxpayer or spouse completes this return, sign as preparer and show address and Federal Identification Number or Social Security Number. Indicate by checking "yes" or "no" if we may contact your tax preparer regarding this return.

## ASSISTANCE

For assistance in completing this return, or if you have any questions, please contact the Income Tax Division, City Hall, 76 E. High St., Springfield, Ohio. Office hours are 8:00 A.M. to 5:00 P.M. Monday through Friday. Phone: (937) 324-7357.

# GENERAL INFORMATION

## 1. Who Must File

All Springfield residents, 18 years of age and over.

Anyone who receives a pre-printed Return. All accounts remain on active status until a "final" return is filed.

Any non-residents of Springfield who receive income within the city that is not fully withheld upon, or who have business, professional or rental income (or loss) within the city.

Persons under 18 are not required to file; however, if city taxes were withheld a return will be needed in order to process a refund.

This form is for use by Individual taxpayers only. Partnerships, corporations, s-corporations, etc. are required to file on an entity basis and must obtain "Business Return" from the Income Tax Division.

## 2. Status Changes

Taxpayers with name, address or other status changes must file those changes with the Income Tax Division within 30 days of the change.

## 3. Extensions

Extensions are not granted on an automatic basis.

The Springfield Income Tax Ordinance authorizes the Commissioner of Taxation, upon good cause shown, to grant extensions on year-end returns where he deems it within the city's best interest to do so.

All extensions shall be conditioned upon the taxpayer filing a tentative return, accompanied by payment of the amount of tax shown to be due thereon, by the due date.

An extension of time to file does not give you an extension of time to pay. Interest will be assessed on any tax balance remaining unpaid after April 15th.

The Ordinance makes no provision for extensions on the current year's estimate, which must be filed and any amount due paid by April 15th.

Make written request for extensions on or before April 15th, stating reason, and include a copy of the Federal request, if applicable. Form ITB-42 may be obtained from the Income Tax Division.

## 4. Joint Returns

While the Springfield Income Tax Ordinance makes no provision for the combining of incomes, this form can be used by both taxpayers and their spouses if they wish to file using only one tax return. See instructions.

## 5. Compensation

Income subject to taxation includes gross salaries, commissions, bonuses, disability and sick pay, incentive payments, and other compensation received, accrued or in any other way set apart (see more complete listing of examples of taxable & non-taxable income included).

All gross wages are taxable for city purposes. Amounts appearing on your W-2, Box 1 (wages, tips and other compensation) as used for Federal tax purposes may not always include some types of city taxable income (for example: 401(k) plans, 403(b) plans, tax sheltered annuities, deferred compensation, miscellaneous allowances, etc).

## 6. Rentals

Net Rental Earnings from all types of real estate or other property are taxable for Springfield residents no matter where the rental is located.

Net Rental earnings derived within the city are taxable to the property owners without regard to their place of residence.

Where a rental property is jointly owned by two or more persons but no partnership, association or other business entity exists, each co-owner shall declare and pay the tax on his own share of the net income.

An annual return is required even though a loss may have been incurred.

## 7. Business Income

Income derived from a profession, sole proprietorship, joint venture, partnership or similar business endeavor is taxable to Springfield residents no matter where that income is earned.

Non-residents who receive income derived from a profession, sole proprietorship, joint venture, partnership or similar business venture located within the city are taxable without regard to their place of residence.

An annual return is required even though a loss may have been incurred.

## 8. Operating Losses

Losses from schedules or businesses, including multiple partnerships, may not offset gains from other schedules or businesses except sole proprietorships, rentals and farms in the name of the same individual. Net losses may not offset personal service compensation, wages or W-2 income.

Partnership losses may not offset partnership, sole proprietorship, rental or farm gains. Jointly owned rental property gains/losses are allocated equally among owners of record.

## 9. Other City Tax Credit – J.E.D.D. Tax Credit

Credit for taxes paid to other cities or Joint Economic Development Districts by Springfield residents is allowed to be taken as a credit against the Springfield tax liability with proper documentation. The allowable credit is 50% (one-half) of the tax correctly paid to the other city up to a maximum of 1% of the income earned in the other city. When the tax is not correctly withheld for city of employment, an adjustment of credit may be necessary. Proration of income results in proration of credit.

There is no carry forward or backward of tax credits to any other year.

Attach verification such as W-2's, other city tax returns, etc. See instructions for Line 8.

## 10. 18 Years of Age

If you turned 18 years of age during this tax year, only the income earned after your eighteenth birthday is subject to city income tax. Attach verification of your date of birth and verification/computation of your taxable earnings.

You may be eligible for a refund of city taxes withheld prior to your 18th birthday.

## 11. 2106 Expenses

Employee business expenses which are included on Federal Form 2106 may be included as an adjustment to income in Worksheet C. See instructions.

There is no carry forward or backward of expenses to any other year.

Unreimbursed employee expenses are deductible for city purposes only to the extent that they are deducted for Federal purposes per Federal Schedule A. Other expenses as listed on Schedule A are not deductible for city purposes. Miscellaneous deductions subject to 2% Federal Adjusted Gross Income limitation on Schedule A must be allocated between other expenses and unreimbursed employee business expenses.

Attach copies of Federal Form 1040 page 1, Form 2106, Schedule A and itemized miscellaneous business expenses, if any.

## 12. Part Year Resident

Use Worksheet C. Show computation of part year allocation of taxable income. Indicate date of move to or from Springfield, with applicable addresses. Attach verification.

## 13. Rounding Off To Whole Dollars

Rounding off to whole dollars is permitted if you so choose. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

## 14. Penalties and Interest

Penalties are assessed as follows:

- (1) For failure to file a return when due (with no regard for the amount of tax due),  
\$25 if the complete tax return is filed not more than 30 days late;  
\$50 if the complete tax return is filed more than 30 days but less than 120 days late;  
\$100 if the complete tax return is filed more than 120 days late.
- (2) For failure to pay the tax when due, 10% of the unpaid tax liability.

Interest of 1% per month is assessed on any tax liability (including estimated taxes) remaining unpaid after the due date.

## 15. Declaration of Estimated Tax

An annual declaration of estimated tax must be filed by every individual. The declaration must be filed by April 15th and, when over fifty dollars, must be accompanied by at least one-fourth of the estimated tax due. See instructions. The remaining installments are due on July 31st, October 31, and December 31st. You will not be mailed quarterly statements. Income taxes are due when the money is earned. If you have income that is not fully withheld upon for Springfield, you must file an estimate and pay the tax due on a quarterly basis to avoid an interest assessment.

Failure to file and pay estimated taxes in timely quarterly installments may result in an assessment of interest charges.

Interest assessments will not be made when the total estimated tax payments, received in timely quarterly installments, are within 90% of the final tax liability or are at least 100% of the previous year final tax liability.

The only employee expenses which can be deducted against wage income are those that are properly reportable on Federal Form 2106 and which have been deducted for Federal tax purposes. The total of such expenses cannot exceed the related income from the same employer.

## 16. Supporting Documents

Documentation is necessary to verify all amounts of taxable or non-taxable incomes, expenses and deductions, as applicable.

The following are some examples of types of forms and schedules necessary:

W-2's and Form 1099's	Schedule C	Schedule A
Page 1 of Form 1040	Schedule E	Schedule F
Form 2106	Schedule K-1	

Additional forms, schedules or computations may also be needed to support your city return in certain circumstances.

## 17. Retirees

Retirees are not required to pay tax on their income from Social Security or from Federally Qualified Retirement Plans; however income from any other sources may be subject to taxation. See listing of taxable and non-taxable income included.

If all your income is non-taxable, only Part A needs to be completed. See instructions.

## 18. Visa/Mastercard/Discover

City taxes may be paid with your Visa, Mastercard or Discover. In the Method of Payment section of the return, check which card you are using, write in the account number and expiration date and sign where indicated.

## 19. Payment

Any tax due must be paid when filed. Checks or money orders should be made payable to Commissioner of Taxation, Springfield, Ohio and should accompany this return.

Incomplete returns or returns received without signatures or without proper supporting information may not be accepted; thereby creating potential penalty or interest assessments or delays in refund processing.

## 20. Refunds

Refunds are processed in order of receipt of the complete return. Normally refund checks are mailed within a maximum of ninety days. For a faster refund, file your completed return as early as possible while making sure that all supporting documents are attached. Per Federal law, a Form 1099-G will be mailed to all recipients of refunds of \$10.00 or more.

## 21. Amended Returns

An amended return is needed for any year in which an Amended Federal Return is filed or in which your Federal Tax liability has changed. An amended return must be filed within ninety days of the filing date of any amended Federal return.

Should you have any questions concerning Springfield Income Tax, or need assistance in filing your return, please contact our office. The City of Springfield Income Tax Division is located on the 1st Floor of City Hall, 76 E. High St. Office hours are 8:00 A.M. to 5:00 P.M. Monday through Friday. Phone (937) 324-7357.