2017 GENERAL INFORMATION

1. WHO MUST FILE

ALL RESIDENTS – All City of Springfield residents eighteen (18) years of age or older regardless of where and how much income is earned.

NON-RESIDENTS – Non-residents of the City of Springfield who receive income within the City when tax is not fully withheld, or who have business, professional, or rental income (or loss) within the City.

PART-YEAR RESIDENTS – Persons who have resided in the City of Springfield for any portion of the tax year must file a return for income earned during that portion of the year. Indicate new address, date of move, attach verification (i.e., copy of rental agreement, real estate settlement, etc.), and show computation of part year income on Part B Worksheet.

ANYONE WHO RECEIVES A PREPRINTED RETURN PACKET.

OTHER ENTITIES – Including, but not limited to: all corporations, partnerships, trusts, estates, LLC's or other entities conducting business in, performing services in, or deriving income (or loss) from activities in the City of Springfield. Please use the business return form located on our website.

2. DUE DATE

Returns are due within 3½ months after the end of the fiscal year.

3. EXTENSIONS

Any taxpayer that has duly requested an automatic six month Federal extension shall automatically receive the same extension for filing the Springfield return. A copy of the Federal extension form **must** be attached to the Springfield return when it is filed. An extension of time to file is not an extension of time to pay. Penalty and interest will be assessed on any tax balance remaining due after the **original** due date.

4. JOINT RETURNS

Changes to the Ohio Revised Code now allow joint filing on the Springfield return. Spouses' income and payment amounts can be combined on one form. Please mark the "joint" filing status on the front of the return. Returns can also still be filed individually, if desired.

5. ROUNDING OFF TO WHOLE DOLLARS

Rounding off to whole dollars is permitted for **total** income and **total** tax amounts. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

6. TAXABLE INCOME

Taxable income means gross wages, salaries, and other compensation paid by an employer or employers before any deductions or deferrals, other than ordinary and necessary business expenses in the same manner as provided by the Internal Revenue Code, and/or net profits as herein defined. An annual tax shall be imposed upon all salaries, wages, commissions, and other compensation received including, but not limited to:

> Bonuses, sick pay, vacation pay, strike pay, SUB pay, severance pay, tips, lottery and gaming winnings, income from wage continuation plans, contributions to tax deferred plans (401K plans and similar plans), fringe benefits such as car allowances, disability pay if received as a benefit from employment, stock options as indicated by amount on W-2, profitsharing, trusts, estates, director fees, executor fees, and net profits from the operation of a business, profession, enterprise, or rentals.

7. NON-TAXABLE INCOME

Includes, but is not limited to:

> Interest, dividends, military pay and allowances, Social Security benefits, welfare benefits, unemployment insurance benefits, workers' compensation, personal earnings of persons under 18 years of age, capital gains, alimony, housing allowances for clergy to the extent that the allowance is used to provide a home, compensation not exceeding $1,000.00 paid to poll workers, and proceeds from qualified retirement plans as defined by the IRS.

8. 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. Non Springfield residents must file on all rental properties located within the City of Springfield. Losses carried over from prior years are not allowed. An annual return is required even though a loss may have been incurred. Losses cannot offset wages.

9. PARTNERSHIPS

If you are a partner, and the partnership is located within the city, and/or conducts business in the city, the partnership must file as a separate entity. You, then, as a partner, are not required to include that income on your Individual Return.

If you are a partner of a partnership located in another city, and the partnership does not file a Springfield Return, you must include your partnership income on your Individual Return. You may claim credit for your share of tax paid to another city by the partnership with proper verification.

Shareholders in an S Corp are NOT required to report that income on their individual return.

10. SCHEDULE LOSSES

Schedule losses are those losses which are the result of allowable expenses incurred in the acquisition of such gross income earned during the year. Schedule losses may NOT offset wages, but may offset other schedules (with the exception of S Corp K-1). Beginning in tax year 2017, Net Operating Losses (NOL) may be carried forward and 50% of such NOL may be deducted from net income beginning in tax year 2018 and forward, to not more than 5 consecutive taxable years.

11. 2106 EXPENSES

Employee business expenses which are included on Federal Form 2106 may be included as an adjustment in Part B Worksheet, Column C, 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. 2106 expenses are subject to the 2% Federal Adjusted Gross Income limitation on Schedule A. If your work location was in a city or cities other than Springfield, 2106 expenses will be allocated to those cities according to wage ratio.

12. OTHER CITY TAX OR JEDD CREDIT

Credit for taxes paid to other cities or Joint Economic Development Districts by City of Springfield residents is allowed to be taken against the City of Springfield tax liability. With proper documentation credit will be given for one half of the taxes correctly paid to another city up to a maximum of one half of the Springfield tax rate. When the tax is not correctly withheld for the city of employment, an adjustment of credit may be necessary. Proration of income, or allocation of 2106 expenses, will result in an equal proration or adjustment of other city credit.

13. ESTIMATED PAYMENTS

Every taxpayer who anticipates receipt of taxable income which will not be fully withheld upon, or who engages in a business, profession, enterprise, or other activity subject to the income tax must file a declaration of estimated tax and make quarterly estimated payments if the total estimated payments will be at least $200.00. The declaration must be received on or before the due date of the return and must include the first quarter payment of at least 22.5% of the estimated tax liability. The remaining quarterly due dates are: June 15th (at least 45% paid), September 15th (at least 67.5% paid) and January 15th (at least 90% paid). Failure to file and pay estimated taxes may result in penalty and interest charges for each quarter. Penalty and interest will not be charged when the total tax payments, including withholdings and credits, are at least 90% of the current year tax liability, or 100% of the prior full year tax liability, and are paid by **January 15th** (for tax year 2018). You can remit your payments using the enclosed forms which can also be found on the City website.

14. REFUNDS OF MORE THAN $10.00

Refunds are processed in order of receipt of a complete return. A refund request must include all proper documentation such as: W-2s, verification of date of birth (if under age 18), verification of date of move from the City of Springfield, verification of part-year resident wages, travel log (if applicable), employer verification (if applicable). Refund Request forms, available on the city website or in the tax office must be accompanied by a signed return form.

15. PENALTIES AND INTEREST

Assessed on unpaid income tax, including unpaid estimated income tax.

a) Late Payment Penalty – Fifteen percent (15%) of unpaid tax liability.
b) Late Payment Interest – assessed each month, or part thereof, on unpaid tax liability at the Federal short term rate plus 5% per annum. See City website for applicable rates.
c) Late Filing Penalty – $25.00 will be assessed each month, or part thereof, that a return goes unfiled. The penalty shall not exceed $150.00.
d) Estimated Tax – if at least 90% of the current year tax liability, or 100% of the prior year's tax liability, is not paid by December 15th (for tax year 2017), the above penalty and interest will be assessed. The assessment will be made on the difference between 90% of the tax liability and the total withholdings and payments made on or before December 15th (for tax year 2017) or January 15, 2019 for tax year 2018.

INSTRUCTIONS

ELECTRONIC FILING AND PAYMENTS:
Manage your Tax Account with TAX CONNECT at www.springfieldohio.gov. You can:

- View account balances and estimated payment credits.
- File your Springfield Return (W2 income only).
- Pay balances and estimated tax payments.

If this is your first year to file a joint return, you must first obtain a joint account number from the tax office before filing online.

NAME AND ADDRESS:
Complete the name, address, telephone and social security number. If your preprinted name and address are not correctly shown, make any necessary changes. Indicate if filing individually or jointly.

If you were a part-year resident, indicate the residency dates and former address. Only the portion of income earned while a resident is taxable (unless the income was earned in the City of Springfield while a non-resident). You must attach verification of move in/move out date, (i.e., copy of rental agreement, real estate settlement, etc.) and show computation of part year income.

PART A:
If you qualify under one of the exemptions listed, you do not have to complete Part B. Check the appropriate box and proceed to Part D for your signature.

PART B: INCOME AND PAYMENTS AND CREDITS

LINE 1: Enter the total of Column E from the "W-2 Income" portion of Worksheet shown on the reverse side of the tax return. **Attach all applicable W-2s to the reverse side of the tax return.**

LINE 2: Enter the total of Column 7 from the "Other Income" worksheet. See General Information #10. **Attach 1099s, and all applicable schedules to the reverse side of the tax return.**

LINE 3: Add Lines 1 and 2. A net loss of "other income" cannot offset wages

LINE 4: Multiply Line 3 by the City of Springfield income tax rate. Due to a mid year rate increase, the 2017 blended rate is 2.2%.

LINE 5: Enter the total of the quarterly estimated payments that you have made and any overpayment credits from the prior year.

LINE 6: Enter the total of Column F on the "W-2 Income" portion of Worksheet shown on the reverse side of the tax return.

LINE 7: Enter the total of Column G on the "W-2 Income" portion of Worksheet shown on the reverse side of the tax return. Credit will be given for one half of the correct amount of taxes paid to another city but will not exceed one half of the Springfield tax rate. **Enter the amount of credit only.** Also include credit for tax paid to another city on "other income." You must attach copies of other city returns in order to receive the credit for tax paid on "other income".

LINE 8: Add Lines 5, 6, and 7 for the total credit allowed.

LINE 9: Subtract Line 8 from Line 4. If Line 8 is less than Line 4, this is your balance due for the current tax year. If you owe $10.00 or less, there is no need for payment. If Line 8 is greater than Line 4 by $10.01 or more, enter the amount of your overpayment on Line 15.

LINES 10 THROUGH 13: This section will be completed by the Division of Taxation if penalty and interest charges are applicable. You may refer to the penalty and interest section in the General Information for specifics.

LINE 14: Add lines 9 through 13. This is the amount due for the current year. This must be paid by the due date of the return. You will not receive any additional notification.

LINE 15: If overpayment is more than $10.00, you may have the overpayment applied to the following year, or refunded to you. If you have a prior year balance, any overpayment will be applied there. Indicate your choice under Line 15. Proceed to Part C, Line 16 .

PART C: DECLARATION OF ESTIMATED TAX
NOTE: You are required to file and pay a Declaration of Estimated Tax if your local tax withholdings do not equal at least 90% of your total tax liability and you will owe an additional $200.00 or more tax liability.

LINE 16: Enter the amount of estimated tax for the current year. You may base the estimate on:

1) Prior year tax liability (Line 4); or,
2) Income tax estimate for current year (gross income multiplied by 2.4%).

LINE 17: Enter the amount of estimated withholding *credits*. Credit for tax paid to other cities is limited to one half of the Springfield tax rate.

LINE 18: Subtract Line 17 from Line 16.

LINE 19: Multiply Line 18 x 22.5%. This is the amount required to be paid each quarter.

LINE 20: If you have an overpayment from Line 15 and have requested the credit to be transferred to the following tax year, show that amount here.

LINE 21: Subtract Line 20 from Line 19. A current year overpayment will be applied to the first quarter of the declaration. If the overpayment is more than the first quarter, the difference will be applied to the second quarter.

LINE 22: Add Lines 14 and 21. This is your total amount due. Use the enclosed Estimated Tax forms to pay the remaining quarterly payments on or before the due dates shown. **You will not receive any additional notification in the mail.**

PAYMENTS: Make check or money order payable to: City of Springfield. To pay by credit card, you must come to our office or pay online with TAX CONNECT on our website.

PART D:
The taxpayer (or authorized person) and spouse must sign and date the return on the appropriate lines. If someone other than the taxpayer or spouse completes the return, they should sign as tax preparer and show phone number. Indicate by checking yes or no if we may contact your tax preparer regarding the preparation of the return. By checking yes, you are authorizing your tax preparer to correspond with the tax office regarding the processing of the return, missing information, status of refunds or payments, and to respond to tax office notices.

ASSISTANCE
For assistance in completing this return, or if you have any questions, please contact the Income Tax Division at (937) 324-7357 or visit our office at 76 E. High Street, Springfield. Office hours are 8:00 a.m. to 5:00 p.m. Monday through Friday. E-mail: tax@springfieldohio.gov