

# CITY OF CRESTLINE INCOME TAX INSTRUCTIONS

**WHO MUST FILE:** Crestline has a mandatory filing ordinance - any resident over the age of 18 is required to file a tax return, regardless of whether they have taxable income. If a person is retired or permanently disabled with no income other than pension or disability (no rentals, part-time job, etc.) mark the box in the upper right hand corner of the tax form, sign, date and return the form. **NO JOINT RETURNS ALLOWED.** All resident businesses must file a return on net profits attributed to Crestline.

Non-resident individuals who have derived income within the Municipality, including rental properties, not otherwise subject to Crestline withholding tax must file a return.

Non-resident businesses must file a return on the net profits attributable to Crestline.

**EXTENSIONS:** Extensions are not granted on an automatic basis. You must have a Federal Extension on file, with a copy submitted to Crestline Income Tax Dept. by the filing deadline of April 15. **This is only for FILING – payments are still due by April 15.**

**SUPPORTING DOCUMENTS:** Documentation is necessary to verify all amounts of taxable income - W-2's, 1099's, Federal schedules. If you have claimed a form 2106 deduction, copy of Federal return, 2106, and Schedule A must accompany. A net loss may not be used to offset other taxable income.

**TAX RATE:** Crestline's tax rate is 2%, with a credit allowed up to 1-1/2% for taxes paid to another municipality. If there is more than one W-2, the 1-1/2% is figured on each W-2 amount.

**DUE DATE:** Crestline Income Tax returns are due by April 15 (or following Monday if the 15<sup>th</sup> falls on a weekend). There is a \$40 for individuals, \$100 for businesses, late penalty for returns not filed or paid by the due date, along with 1% per month penalty and 1% per month interest for balances not paid by the April 15 deadline.

**EXAMPLES OF TAXABLE INCOME:** Wages, salaries and other compensation; Bonuses, stipends and tip income; Commissions, fees and other earned income; Sick pay (including third party sick pay); Employer SUB pay; Strike pay; Vacation pay; Any pre-tax contributions to retirement plans, tax deferred annuities; Income from wage continuation plans (including retirement incentive plans and severance pay); Income from Jury duty; Income from partnerships, estates or trusts; Net profits of businesses, professions, sole proprietorships, etc.; Rental income; Farm net income; Lottery winnings over \$10,000.

**EXAMPLES OF NON-TAXABLE INCOME:** Earnings of a person under age 18 or earnings of a part-year resident college student earned while living at an out-of-town college; Interest or dividend income; Welfare benefits; Social Security; Income from qualified pension plans; Federal or State unemployment benefits; Disability benefits, SSI; Worker's Compensation; Proceeds of Life Insurance; Alimony, child support; Active duty Military pay; Lottery winnings under \$10,000, prizes, gifts; Annuity distributions; Insurance proceeds derived from property damage or personal injury settlements; Income from election day poll work under \$500; Capital gains.

## FILLING OUT RETURN:

**IF YOU ARE EXEMPT,** check the box in the upper right hand corner of the return as to why you are exempt, sign, date and file your return.

Enter the name of your current employer and your social security or Fed. ID number. If you have moved during the last year, enter the date you moved and your former address.

**LINE 1:** Enter gross wages (generally found in box 18 of your W-2) salaries, tips, bonuses and other employee compensation. (Be sure to attach copies of all W-2's, etc.)

**LINE 2:** Enter amount of other income other than wages (rentals, business income, etc.) from worksheet on back of tax form or from Federal schedules. (Be sure to attach all documentation.)

**LINE 3:** Total of lines 1 and 2. Do not deduct losses from line 2.

**LINE 4:** Multiply amount on line 3 by 2% (.02).

**LINE 5:** (a) Enter amount of estimated payments made on current year tax. (b) Enter amount of Crestline tax withheld by your employer. (c) Enter amount of credit for taxes paid to other Municipalities up to 1-1/2%. To figure this credit, multiply the amount in box 18 on your W-2 by 1-1/2% (.015). If you have multiple W-2's, you must do this for each W-2 to properly figure your credit. If you worked in different Municipalities for the same employer, your employer must furnish you with a breakdown of earnings for each city, with the amount of tax withheld for each city, and the credit must be figured on each city's earnings and withholdings.

**LINE 6:** Total of all credits from line 5.

**LINE 7:** Subtract line 6 from line 4.

**LINE 8:** If line 6 is more than line 4, enter amount that has been overpaid, and check whether you want this amount refunded or carried over to the next year's liability. Refunds will not be issued for less than \$1.

**LINE 9:** If return is not filed or paid by the deadline of April 15, there is a one-time \$40 for individuals, \$100 for businesses, late penalty, plus 1% per month penalty and 1% per month interest for each month that it is late. Penalty is based on amount on line 7.

**LINE 10:** Add lines 7 and 9. Balances under \$1 need not be paid.

## DECLARATION INSTRUCTIONS

**1. PURPOSE OF DECLARATION** - A declaration for Crestline Income Tax purposes must be made by every business or individual receiving or expecting to receive income subject to Crestline, Ohio, Income Tax. Local taxes withheld from salary and wages need not be reported. The purpose of the declaration is to enable such taxpayers to estimate their taxable income, and to provide a basis for paying currently any Crestline Income Taxes due. Such taxpayers must also file a FINAL Crestline Income Tax RETURN after the close of the year, based on ACTUAL taxable income, and pay any balance of tax due, or claim credit (or refund) of any overestimated tax paid.

**2. RECIPROCITY PROVISION, CREDIT FOR TAX PAID TO OTHER MUNICIPALITIES** - Every individual taxpayer who resides in the Crestline Corp. limits but who receives net profits, salaries, wages, commissions or other personal service compensation for work done, or service performed or rendered outside of said Corp. limits, if it be made to appear that he has paid a municipal income tax on such net profits, salary, wages, commission, or other compensation to another municipality, shall be allowed credit on the tax imposed by this Ordinance of the amount so paid by him or in his behalf to such other municipality. The credit shall not exceed one and one-half percent on such net profit, salary, wages, commissions or compensation earned in such other municipalities where such tax is paid. Income earned WITHIN the Crestline Corp. limits by NON-RESIDENTS is subject to the Crestline Tax.

**3. WHEN AND WHERE TO FILE DECLARATIONS** - The Declaration must be filed on or before April 15, if taxpayer is on a CALENDAR year basis; or within 105 days after the beginning of the taxpayer's fiscal year beginning after January 18, with the Income Tax Office, Administration Building, 100 N. Seltzer St., Crestline, OH 44827. Check or money order should be made payable to CRESTLINE INCOME TAX. Do not remit cash by mail. Postage stamps not accepted as payment.

**4. RATE OF TAX** - The rate of tax is two percent on taxable net income.

Declaration payment vouchers are attached to this form - 1<sup>st</sup> quarter payments are due by April 15 and should be reported on bottom of Tax return. 2nd quarter payments are due June 15, 3<sup>rd</sup> quarter payments are due September 15, and 4<sup>th</sup> quarter payments are due January 15<sup>th</sup>.

**MAKE ALL CHECKS PAYABLE TO: CRESTLINE INCOME TAX DEPT.**