

CITY OF EAST LIVERPOOL, OHIO INCOME TAX INSTRUCTIONS

INCOME TAX DEPARTMENT – 126 WEST SIXTH STREET

EAST LIVERPOOL, OHIO 43920 – (330)385-5437

WEB PAGE: www.eastliverpool.com

OFFICE HOURS: MONDAY-FRIDAY 8:15AM TO 11:45PM and 1:00PM-4:15PM

CLOSED FOR LUNCH FROM 11:45 TO 1:00

MANDATORY TAX FILING – was enacted by City Council beginning with the 1989 tax year. **ALL RESIDENTS OF East Liverpool, Ohio** eighteen years of age or older are required to file an Annual Tax Return with the East Liverpool Tax Department. **TAX RATE FOR THE 2013 TAX FILING YEAR IS 1 ½%. THERE IS NO CREDIT GIVEN FOR TAXES PAID TO ANOTHER MUNICIPALITY.**

BEFORE PREPARING YOUR RETURN – Please review the instructions and the following points:

- **ATTACH ALL REQUIRED FORMS** (Federal 1040,1040A or 1040EZ(Page 1),W2(s), 1099M, federal schedules, W2G)
- **SIGN THE RETURN** (Taxpayer and spouse must both sign a joint return)
- **INCLUDE PAYMENT** of any tax due (late payment is subject to penalty and interest charges)
- **FILE YOUR TAX RETURN** or your **FILING EXTENSION REQUEST** by April 15. (The late filing penalty is \$25.00)
- **CONTACT OUR OFFICE** if you need assistance

GENERAL INSTRUCTIONS

WHO MUST FILE: MANDATORY FILING

All East Liverpool Residents and Part-Year Residents, Age 18 or older

All Non Residents working in East Liverpool if East Liverpool local tax is not withheld

All Resident Businesses of East Liverpool

All Non Resident Businesses performing services in East Liverpool

All Non Residents if they own Rental Property in East Liverpool

WHEN AND WHERE TO FILE RETURNS:

The **FILING DUE DATE** is **APRIL 15, 2014.**

Businesses filing on a **FISCAL YEAR**, must file within 105 days following the end of the period.

FILE THE TAX RETURN FORM with:

THE CITY OF EAST LIVERPOOL, INCOME TAX

126 WEST SIXTH STREET

EAST LIVERPOOL, OH 43920

EXTENSION OF TIME TO FILE: You **MUST** have filed an extension with the IRS. A copy of the IRS extension filing must be submitted to the Income Tax Office on or before April 15. If you are delinquent in your tax account with us, the extension will not be granted.

NOT AN EXTENSION TO PAY – Payment of tax is due by the normal filing due date.

PENALTY AND INTEREST- If this return is past due, compute penalty and interest. Late Filing Penalty(even if **NO** tax is due) \$25.00 – Interest ½% per month or 6% annum.

PART YEAR RESIDENT –The tax return is to be filed covering the time you were an East Liverpool resident. Report full year income and subtract out income earned as a non-resident (line 4b). Include a copy of your pay

statement close to the date moved in or out, and a worksheet explaining the calculation.

DECLARATION OF ESTIMATED TAX FOR THE FOLLOWING

YEAR: Complete the **DECLARATION** Section of the Tax Form. If a **QUARTERLY ESTIMATE AMOUNT** is indicated, include the First Quarterly Payment with the Tax Return.

INDIVIDUALS – RETIRED OR WITH NO TAXABLE INCOME

- **COMPLETE NAME, ADDRESS, SOCIAL SECURITY NUMBER AND TELEPHONE NUMBER**
- **INDICATE RESIDENCY STATUS**

If any category applies to you and/or your spouse for the **ENTIRE YEAR**, follow these instructions:

1. Place an X in the Taxpayer box that applies, and explain as required.
2. **JOINT FILERS** – Place an X in the **SPOUSE** box that applies and explain as required. If you or your spouse has earned income, follow the Instructions for Individuals with Taxable Income.
3. Attach a copy of your **1040, 1040A or 1040EZ (Page 1)** If you did not file a Federal Return, you will need to get an **SEQY** report from the Social Security Office. **Retired individuals need only do this once to establish their status.**
4. Sign the tax return and file with the East Liverpool Tax Department. Tax returns filed late are subject to the \$25.00 late filing penalty (even when no tax is due) – line 9b.

CATEGORY DESCRIPTIONS

1. **RETIRED** – For the **ENTIRE** year only: Social Security, Pension, Interest or Dividend Income, taxpayer is **NOT** self-employed and does **NOT** own rental property.
2. **NON-TAXABLE INCOME** – The only income received during the **ENTIRE** year was from

- unemployment, welfare, ADC, SSI, etc. – indicate source.
- 3. **UNDER AGE 18** - East Liverpool tax applies to persons age 18 and over.
- 4. **ACTIVE DUTY MILITARY** - Members of the Armed Forces of the United States and of members of their reserve components, including the Ohio National Guard.
- 5. **DECEASED** – Indicate date.

INDIVIDUALS – WITH TAXABLE INCOME

- **COMPLETE NAME, ADDRESS, SOCIAL SECURITY NUMBER AND TELEPHONE NUMBER.**
- **INDICATE RESIDENCY STATUS**
- **ATTACH A COPY OF YOUR 1040, 1040A OR 1040EZ(PAGE 1)**
- **LIST TOTAL QUALIFIED WAGES (Section 3121(a) of the Internal Revenue Code) on Line 1 – attach all W-2's**
- **OTHER INCOME** – If you have income other than reported on form W-2, complete Page 2 (Schedules C, E, G, and H), and enter on Page 1, line 2 (Attach a copy of any Federal Schedules used).
- **ADD LINE 1 AND LINE 2, ENTER TOTAL ON LINE 3.**
- **EMPLOYEE BUSINESS EXPENSE DEDUCTION(FORM 2106)** – line 4b- Recognized only when the expense incurred applies to gross earnings that are in the jurisdiction of the City of East Liverpool. Attach a copy of Form 2106
- **CREDITS** – Line 8a – Any amount shown on form W-2 that was withheld from your employer for the City of East Liverpool. Line 8b- payments made on a declaration or carryover credit from a prior year.
- **COMPLETE** the Declaration of Estimated Tax section.
- **GRAND TOTAL** – Pay the total amount due.
- **SIGN** the tax return.
- **FILE WITH THE EAST LIVERPOOL TAX DEPARTMENT** –Tax returns filed late are subject to penalty and interest charges (even when no tax is due) line 9b.

BUSINESS – NET PROFITS

Net profits determined on basis of information used for Federal Income Tax purposes, reconciled to City Taxable Income.

- Complete Name, Address, Fed ID, Indicate Residency Status
- Page 1, Line 2 – Enter Adjusted Federal Taxable Income)before NOL and Special Deductions) If Loss – enter 0- Attach copy of Federal Return
- Reconcile income using Schedule X on page 2. Adjustments are reported on page 1 lines 4a and 4b.

- Follow line instructions to calculate the Tax Due on Line 10.
- Complete the Declaration of Estimated Tax section.
- Grand Total – pay the total amount due.

SCHEDULE C – PROFIT/LOSS FROM BUSINESS:

Attach Federal Schedule C. If you operate more than one business, and maintain separate books, a copy of Schedule C should be attached for each business, and the total entered on line 18, page 2.

SCHEDULE E- INCOME FROM RENTS/ROYALTIES

Residents of East Liverpool are subject to the City Income Tax on the net profit of all rental property, regardless of location, when the monthly rental of any real properties aggregate is in excess of \$100.00 per month. Gas and Oil Royalties in excess of \$1,000.00/year are taxable. Non-Residents of East Liverpool are subject to tax on the portion of such net profit earned from property located in East Liverpool.

Attach Federal Schedule E and enter total on line 19, page 2.

Losses cannot be deducted from W-2 wages.

SCHEDULE G – ORDINARY INCOME

Gain on the disposition of certain depreciable property results in ordinary income subject to municipal income tax. Federal Form 4797 sets out these items and depreciation recaptured which is treated as ordinary income.

SCHEDULE H – OTHER INCOME

Taxable income includes: Income from estates, trusts, partnerships (if not paid by the partnership entity), fees, tips, gifts, gaming, wagering, lottery, etc. Enter total on line 21, page 2.

BUSINESS LOSSES

A business loss of a previous tax year shall not be allowed or carried forward to reduce the tax due in any subsequent year. Losses from any business activity or occupation not subject to withholding under the ordinance may not be deducted from income received or tax withheld for services performed for any employer or from income received from the net profits of any other business activity or occupation, in whatsoever form. Losses cannot be deducted from W-2 wages.

SCHEDULE X

This schedule is used to adjust the Federal Net Income to the East Liverpool Taxable Income.

SCHEDULE Y – BUSINESS APPORTIONMENT FORMULA:

For partnerships, corporations, fiduciaries, associations, and nonresident business entities doing business within and outside East Liverpool. If the taxpayer did not have a place of business outside East Liverpool during the filing period, the business allocation percentage in 100%.

SCHEDULE Z – PARTNERS DISTRIBUTIVE SHARE OF NET INCOME:

All partnerships must complete this section.