

ASHLAND MUNICIPAL INCOME TAX
218 LUTHER STREET
ASHLAND, OHIO 44805-3128
Phone (419) 289-0386
Fax (419) 289-9225

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Annual City Income Tax Return

RETURN SERVICE REQUESTED

**CITY TAX
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April 15th**

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- CITY OF ASHLAND, OHIO - INCOME TAX FORMS -

Dear Taxpayer:

This is your Ashland, Ohio City Income Tax Package. To assist you in filing your return, we have included INSTRUCTIONS, THE ANNUAL RETURN IN DUPLICATE, THE DECLARATION OF ESTIMATED TAX AND THE DECLARATION OF EXEMPTION.

MANDATORY TAX FILING has been enacted by City Council beginning with the 1990 Tax Year. All residents of Ashland, Ohio eighteen (18) years of age or older are required to file an annual return with the Ashland City Income Tax Department, except in such cases when a Resident qualifies for an exemption. Refer to the **INDIVIDUAL DECLARATION OF EXEMPTION** form on the back page for all filing exemption categories.

The Individual Declaration of Exemption Form must be filed by Ashland Residents who are retired for the entire tax year receiving only Social Security, pension, interest or dividend income and who are not self-employed or owners of rental property. However, if the Resident's income or employment status changes during any year, the Resident would again be required to file an Ashland City Income Tax Return.

IMPORTANT

BEFORE preparing your return: READ ALL GENERAL INFORMATION AND INSTRUCTIONS CAREFULLY.

AFTER preparing your return – Be sure the following requirements have been completed:

- **FILE YOUR RETURN BY APRIL 15th.** If delinquent, late Filing Penalty and/or Interest Charges will be Assessed.
- **ATTACH ALL REQUIRED FORMS** (W-2, 1099, or FEDERAL SCHEDULES) to verify all reported figures.
- **SIGN THE RETURN,** both Husband and Wife must sign a joint return.
- **INCLUDE PAYMENT OF ANY TAX DUE.** NONPAYMENT WILL INCUR PENALTY AND/OR INTEREST CHARGES.
- **COMPLETE THE DECLARATION OF ESTIMATED TAX** for the following year and include payment of the first installment. This must be done if you anticipate Taxable Income that is not subject to Withholding.

If you have questions, call or visit our office at 218 Luther St. Our telephone number is (419) 289-0386.
Our Fax telephone number is (419) 289-9225.

Web Site www.ashland-ohio.com

Sincerely,

Larry Rose
Income Tax Administrator

TAXABLE INCOME INCLUDES (but is not limited to)

1. Wages, salaries and other compensation.
2. Bonuses and tip income.
3. Commissions, fees and other earned income.
4. Sick pay
5. Employer supplemental unemployment benefits (SUB pay).
6. Employee contributions to retirement plans (Deferred Compensation).
7. Net rental income.
8. Net profits of business or profession, corporation, etc.
9. Income from partnerships, estates or trusts.
10. Ordinary gains and losses as reported on federal forms.
11. Earnings of persons 16 years of age and older.

GENERAL INFORMATION

- 1. WHO MUST FILE:** A return must be filed by all City of Ashland resident individuals, 18 years of age or older. Partnerships, corporations and any other entity having income attributable to the City of Ashland must also file.
 - 2. WHEN AND WHERE TO FILE RETURNS:** Taxpayers who end their year on December 31, must file on or before April 15th. Taxpayers on a fiscal or partial year basis, must file within 120 days following the end of such period. The return is to be filed with: **ASHLAND MUNICIPAL INCOME TAX, 218 LUTHER ST., ASHLAND, OHIO 44805-3128.**
 - 3. DECLARATION OF EXEMPTION RETURN:** To meet mandatory filing requirements, this form must be filed in lieu of the tax return –**ONLY BY THOSE INDIVIDUALS WHO QUALIFY.** (See instructions on page 3 - Back Page.)
 - 4. TAX CREDIT:** Every individual resident taxpayer who has paid a municipal income tax to another Municipality shall be allowed a credit on the tax imposed by that municipality which shall not exceed the declared City of Ashland Income Tax Rate Credit in effect for the tax year. See Line 8(c) on the Income Tax Return for the Tax Credit Limit.
 - 5. EXTENSION OF TIME TO FILE:** May be granted by the administrator for good cause. Make a written request on or before the due date stating the valid reason. An IRS Automatic Extension of Time to File Application will be accepted as long as a copy of the extension is filed with the City Tax Department by the original city filing due date. All granted extensions will be acknowledged. Interest will start to accrue on any Tax balance due from the original Filing Deadline date even though an extension of time to file may or may not have been granted.
 - 6. DECLARATION OF ESTIMATED TAX FOR THE FOLLOWING YEAR:** Every taxpayer who anticipates any taxable income or net profit not subject to total tax withholding shall file a Declaration of Estimated Tax (See Form A-11 on Tax Return). This declaration is to be filed with the Tax Department by April 30, accompanied by payment of no less than one fourth of the total estimated tax. A quarterly statement for any balance due will be mailed. (ord. #62-72)
 - 7. SIGNATURE:** Do not fail to sign and date your return. A tax return is not legally filed until signed by the taxpayer or a legally authorized agent.
 - 8. PENALTY AND INTEREST:** If this return is delinquent, compute penalty and interest. Refer to line 9b on your City Tax Return for applicable reason and rates.
 - 9. CHANGE IN TAX LIABILITY:** An amended Ashland return is required within three months of the determination of any changed tax liability resulting from Federal Audit Judicial Decision or other circumstance.
 - 10. PART YEAR RESIDENT:** Attach the computation of part year allocation, and indicate date of move to or from Ashland.
 - 11. PROPER ATTACHMENTS:** All Income earned must be supported by copies of all applicable federal schedules, W-2's, 1099's or other substantiating documents and must be attached to the return when it is filed. Any return received without all of the applicable schedules and attachments will be marked "INCOMPLETE" and returned to the taxpayer. Completed returns must be received by April 15th (postmarked April 15th) to avoid interest and penalty charges.
- FILE RETURN BY APRIL 15th.
 - FILE DECLARATION BY APRIL 30th.
 - INCLUDE PAYMENT OF TAX DUE.
 - ATTACH W-2's, Federal Schedules of Income, if Ashland Schedules are not completed.

INCOME NOT SUBJECT TO CITY INCOME TAX

1. Interest or dividend income.
2. Pension and retirement income.
3. Social Security or poor relief.
4. State unemployment benefits (Not including SUB Pay).
5. Alimony.
6. Military pay allowances (by members of the Armed Forces of the United States).
7. Earnings of persons under 16 years of age.
8. Capital gains and losses.

TAX RETURN INSTRUCTIONS

INDIVIDUALS

PAGE 1. COMPLETE NAME, ADDRESS, SOCIAL SECURITY #, AND STATUS BOX. List total wages on line 1 (attach W-2's). Include Deferred Compensation. Employee Contributions to Retirement Plans are Taxable. Follow remaining Line Instructions.

PAGE 2. IF YOU HAVE OTHER INCOME (income other than reported on form W-2) complete page 2, per line instructions, return to page 1, line 2 to compute tax due. Attach a copy of any Federal Schedules used, or 1099's.

Contact the Income Tax Department if you have questions.

NET PROFITS – BUSINESS

CORPORATIONS, PARTNERSHIPS, S-CORPS, PROPRIETORSHIP, ESTATE & TRUSTS, ASSOCIATIONS, OTHER BUSINESS ENTITIES. Net profits determined on basis of information used for Federal Income Tax purposes, reconciled to city taxable income.

PAGE 1. COMPLETE NAME, ADDRESS, FED. ID #.

PAGE 2. FOLLOW LINE INSTRUCTIONS, THEN RETURN TO PAGE 1, LINE 2 TO COMPUTE TAX DUE. ATTACH COPIES OF APPLICABLE SCHEDULES.

SCHEDULE C – PROFIT/LOSS FROM BUSINESS/PROFESSION:

Use Ashland form or 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. A Tax Return must be filed if a Net Loss has been incurred for the tax year. Loss carryovers are not permitted.

SCHEDULE E – INCOME FROM RENTS:

(A City Income Tax Return must be Filed even if a Net Loss has been incurred.)

RESIDENTS of Ashland are subject to the City Income Tax on the net profit of all rental property, regardless of location.

NONRESIDENTS of Ashland are subject to tax on the portion of such net profit earned from property located in Ashland.

Attach Federal Schedule E, or complete Ashland Schedule E and enter total on line 19.

SCHEDULE H – OTHER INCOME:

Taxable income includes: income from estates, trusts and partnerships (if not paid by partnership entity), fees, tips, gifts, gaming, wagering, and employee business expenses not included on form W-2. Enter total on line 20.

BUSINESS LOSSES:

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 an employer.

SCHEDULE X:

This Schedule is used to adjust the Federal Net Income to the Ashland Taxable Income.

SCHEDULE Y – BUSINESS ALLOCATION FORMULA:

For partnerships, corporations, fiduciaries, associations and nonresident business entities doing business within and outside Ashland, if actual records of their Ashland business are not maintained separately. If the taxpayer did not have a place of business outside Ashland during the filing period, the business allocation percentage is 100%.

SCHEDULE Z– PARTNERS DISTRIBUTIVE SHARE OF NET INCOME:

All partnerships and S-corporations must complete this section.