FAIRBORN CITY INCOME TAX GENERAL INFORMATION

WHO MUST FILE

UNDER AGE 16 - If you are under the age of sixteen (16), you are not subject to city income tax. If you were employed and had city tax withheld, a return must be filed (with proof of age) to receive a refund.

AGES 16 & 17 - If you are age sixteen (16) or seventeen (17), you must pay city tax. However, you are not required to complete a city income tax return if your employer withheld the correct amount of city income tax. If you receive a tax package, you must complete the front page of the booklet.

AGES 18 & OVER - If you are eighteen (18) years or older and you live in Fairborn, you must file a city income tax return each year, even if you were not employed. There is no maximum age limit on this requirement.

NON-RESIDENTS - If you are 16 years of age or older, you must also file a city tax return if, during the tax year or any part of this tax year, you had income (profit or loss) from within the city limits of Fairborn that did not have the full Fairborn city tax withheld.

MILITARY - If you are active duty military, your military pay is exempt from city tax. You must tell us of your active duty status by completing the front page of this booklet. If you are married, this exemption does not apply to the dependent spouse. For the city tax return, the dependent spouse should be listed first, as the primary taxpayer, with the active duty military person listed as spouse. Please indicate which spouse is military. If both husband and wife are active duty military, please indicate this on the front page of the booklet.

FILING INFORMATION

DUE DATE - For calendar year taxpayers, all tax returns must be filed before midnight April 30, 2004. For fiscal year taxpayers, or filing for periods of less than one (1) year, returns must be filed within four (4) months from the end of the fiscal year.

PARTIAL YEAR RESIDENTS - If you only lived in Fairborn during part of the taxable year, you must file a tax return covering that time. Report the amount of income you earned while you lived in Fairborn. Pay statements with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Fairborn cannot be determined, you may breakdown your earnings by the number of months employed at that job, arriving at a monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If you pro-rate your income, also pro-rate any city tax that was withheld on the same income. Attach a worksheet explaining your calculations.

EXTENSIONS OF TIME TO FILE - The extension must be requested from the City of Fairborn. This request must be postmarked on or before the due date of the return. The request can be made using Form FB-42 or any form stating similar information. An approved extension does not extend the time to pay. Extensions from the Internal Revenue Service or other taxing agencies are not automatically honored by the City of Fairborn.

TAXABLE INCOME

Taxable income includes, but is not limited to: salaries, wages, commissions, and other compensation, lottery winnings, sick and vacation pay, income from wage continuation plans, cost of group term life insurance over $50,000, severance pay, tips, third party sick or disability pay if employer paid premiums, director’s fees, income from jury duty, ordinary income, the net profits of all unincorporated businesses, professions, partnerships, corporations (including S-corporations), and income from any source that the city is not specifically prohibited from taxing. Income deferred for Federal and/or State tax purposes (such as 401(k) and deferred compensation plans) is taxable to Fairborn during the current year.

NON-TAXABLE INCOME

Non-taxable income includes Federal or State unemployment, military pay, reserve pay, income earned while under age 16, alimony, capital gains/losses, interest, dividends, compensation as a precinct election official up to $1,000, social security benefits, welfare payments, annuities at time of distribution, pension income, and income which the city is specifically prohibited from taxing.

BUSINESS EXPENSE

Non-reimbursed business expenses reported on Federal form 2106 can be deducted at 100% for city income tax purposes. Attach an itemized list explaining any business expenses listed on line 4 of the form 2106. If you file a Federal Schedule C, you can deduct 100% of your expenses for Travel, Meals, and Entertainment.

VIOLATIONS

Whoever violates any provisions of the city tax ordinance shall be guilty of a misdemeanor and may be subject to the penalties outlined in section 163.99 of the tax ordinance in addition to the penalties and interest imposed for the late payment of taxes.

D.A.R.E. - IF YOU MAKE A CONTRIBUTION TO D.A.R.E., PLEASE PREPARE A SEPARATE CHECK. DO NOT INCLUDE YOUR CONTRIBUTION AMOUNT IN THE SAME CHECK AS YOUR TAX PAYMENT. SEE D.A.R.E. FORM IN THIS TAX BOOKLET.
INSTRUCTIONS FOR PREPARING FAIRBORN CITY INCOME TAX RETURN

Verify any pre-printed information (make necessary changes) or enter your name, address, and other requested information. Complete the Filing Status and Residency status boxes. If you retired during any part of the year, list retirement date.

List the W-2's you received as an employee. For each W-2 enter the employer's name, the city where you actually performed your work, the amount of Fairborn city tax withheld or a CREDIT for tax paid to another city (read the instructions for box 5B, below), and the gross compensation. (Please note: Gross compensation on a W-2 includes such items as deferred compensation, stock options, IRC Sec. 125 amounts. If you need assistance identifying your gross compensation, please contact the Tax Department.) Be sure to attach all W-2's.

LINE 1 - Total the gross compensation from W-2's and enter the total in the appropriate box. Do the same for the Fairborn Tax Withheld and the Credit for Other City Tax.

LINE 2 - Enter the total other income, brought forward from the reverse side of your tax form. Be sure to attach all Federal Schedules, Federal Forms, or other documents to support the profit or loss you show. Do not include interest or dividend income.

LINE 3 - Add the total gross compensation from W-2's (box 1) and other income (box 2). Enter this total in box 3. This is the amount of income subject to city tax.

LINE 4 - Multiply the amount in box 3 by 1% (.01). This is your tax.

LINE 5 - Tax Credits (DO NOT INCLUDE SCHOOL DISTRICT TAX).

5A - Enter the total Fairborn city tax that was withheld by your employer.

5B - Enter a credit for the total taxes you are required to pay to other cities on the income you have reported on this return. Do not enter the actual amount of tax you paid. You must figure the credit by using the following steps:

   STEP 1 - If all gross compensation from a W-2 was earned in a city with a tax rate of less than 1%, your credit is the amount of tax that was withheld (provided the amount withheld was correct).

   STEP 2 - If all gross compensation from a W-2 was earned in a city with a tax rate that is 1% or greater (local examples: Dayton, Kettering, Springfield, Oakwood, Miamisburg, Xenia, Centerville), first determine what part of your total W-2 gross compensation had city tax withheld at the 1% or greater rate. Then multiply that part of your W-2 gross compensation by 1% (.01) to find your credit. This step must be repeated for each W-2.

   STEP 3 - If you have income included in box 2 that you paid city tax to another city, figure your credit by using either Step 1 or Step 2, depending on the rate you paid. Attach proof of payment to the other city.

Note: If tax for another municipality was withheld in error, we recommend you file early for a refund of the tax withheld in error. You are still required to pay any city tax owed to Fairborn by the April 30, 2004 deadline (even if you have not yet received a refund of the tax erroneously paid to another municipality.)

5C - From your records, add up the total amount you paid by quarterly estimated statements (FQ-1) and enter the total in box 5C.

5D - Enter any overpayment (credit) of taxes from a prior year on this line. In addition, add any amount paid with an extension request (FB-42).

5E - Add box 5A, 5B, 5C, and 5D and enter the total in box 5E.

LINE 6 - If the amount in box 4 is greater than the amount in box 5E, you have a balance due. Remittance in this amount, made payable to the City of Fairborn Division of Taxation, must accompany this return when filed. If the balance due is $0.99 or less, you do not have to pay, but the return must still be sent to the Tax Office by the due date.

LINE 7 - If the amount in box 5E is greater than the amount in box 4, you have overpaid your taxes. Enter the total amount you overpaid on line 7. Then list the amount you want refunded or credited by entering the amount on the proper line. No refund will be issued or overpayment allowed until you have complied with all provisions of the Tax Ordinance. Refunds of less than $1.00 are not made. No refund request or overpayment will be allowed on a tax return that claims as a credit in box 5B the full amount of money that was paid to a city with a higher rate than Fairborn's 1%. A return so submitted will be adjusted without notification to the taxpayer.

LINE 8 - If you pay your taxes late, you will be charged penalty and interest at the following rates:

   PENALTY - $25.00 or 1/2% per month, whichever is greater. However, except in the case of fraud, the penalty cannot exceed 1/2 the tax due shown in box 6.

   INTEREST - 1/2% per month of the amount in box 6.

LINE 9 - Add boxes 6 and 8. Enter the amount in box 9. Remittance, made payable to the City of Fairborn, Division of Taxation, must accompany the return.

Signature line - The taxpayer, and spouse if filing a joint return, and the preparer, if other than the taxpayer, should sign and date the return.

If you have any questions or need assistance - please call our office at (937) 754-3006 or visit the office in the Government Center at 44 W. Hebble Ave., Fairborn. Our office hours are Monday - Friday, 8 am to 5 pm.