

INSTRUCTIONS

GENERAL

WHO MUST FILE?

- 1) Every Ashland, Ohio resident who is **18 years** or older who is either employed within the City, or who is employed outside the City, whether or not a City income tax is withheld.
- 2) Every Ashland, Ohio resident who is **18 years** or older even if they are unemployed.
- 3) Every Ashland, Ohio resident who conducts a business operation within the City or outside the City.
- 4) Every non-resident business who has business operations within the City.
- 5) Every resident or non-resident **16 years** or older who received compensation where no City income tax is withheld.

WHAT IS EARNED INCOME?

Earned income is defined as salaries, wages and earnings designated for deferred compensation, 401K plans, commissions, and other compensation and would include but not be limited to: bonuses, incentive payments, directors fees, property in lieu of cash, tips, dismissal or severance pay, tax shelter plans, vacation and sick pay, wage continuation plans, SUB pay, strike pay, income from partnerships, estates or trusts, net rental income, net profits of business profession, corporation, etc..

WHAT INCOME IS NOT TAXABLE?

Income not taxable includes dividends, interest, military pay and allowances, insurance proceeds, annuities, alimony, social security, medicare, poor relief, unemployment insurance benefits, gifts, inheritances, scholarships, involuntary conversions, disability income, child support and pension withdrawal.

WHEN TO FILE?

File as early as possible but no later than April 15th following the close of the calendar year. Fiscal year taxpayers file within four months from the end of the fiscal year.

WHERE TO FILE?

MAIL RETURNS: City of Ashland
Income Tax Department
218 Luther St
Ashland, Ohio 44805-3128

OFFICE HOURS: Monday-Friday 7:30 a.m. to 4:00 p.m.

PHONE: (419) 289-0386

WHAT ATTACHMENTS ARE NEEDED WITH THE RETURN?

- 1) All W-2's – NO EXCEPTIONS.
- 2) Federal schedules of income or reduction of income.
- 3) Landlords with rental property within the City must include list of tenants who rented throughout the tax year.

WHAT DO I DO TO OBTAIN AN EXTENSION?

A calendar year extension will be granted if a hand written request or a copy of the Federal Extension must be filed by the City dead line date of April 15. Fiscal year filers must file their extension by the last day of the month following the month their return is due to the City. An extension is only granted for the filing of the return, **NOT** for the payment of any tax that is due.

WHAT DO I DO TO AMEND MY RETURN?

Amended returns are completed on the same form as provided within this package. Mark across the return AMENDED. Federal Amendment Schedules must be attached along with the amendment justification.

TAX FORM INSTRUCTIONS

PAGE ONE

FILING YEAR – You must complete the calendar year or fiscal year ending information.

NAME AND ADDRESS – Please make any changes to your address directly on the form.

IDENTIFICATION NUMBERS - Enter social security number of taxpayer and spouse (if applicable). If you use a federal employer number, enter in space provided.

LINE 1 - WAGES

Enter Medicare Wages located in Box 5 of W-2,* salaries, tips, other income, etc. If no wages appear in box 5 use the highest wages that appear on the W-2.*

*** All copies of W-2's must be attached to return.**

LINE 2 – OTHER INCOME

From federal schedules C, E, F, K-1, 1099 misc.**

INDIVIDUALS - You cannot offset W-2 income with losses from business or rental losses.

CORPORATIONS AND PARTNERSHIPS - Enter the amount of profit or loss from Page 2 Line 18, 19, or 20 (whichever is applicable).

LOSS CARRYOVERS ARE NOT ALLOWED

**** All copies of schedules must be attached to return.**

LINE 3 - FEDERAL FORM 2106

Employee Business Expense

COPIES OF FORM 2106 AND SCHEDULE "A" MUST BE ATTACHED.

Enter amount of expense that is applicable to Ashland Taxable Income. If Schedule A is not used complete documentation must be provided.

LINE 4 – TOTAL TAXABLE INCOME - The sum of lines 1, 2 AND 3.

LINE 5 – ASHLAND INCOME TAX – Multiply Line 4 by 1.5 %.
If Line 4 is a loss, enter -0-.

LINE 6 - CREDITS

- A. Enter the amount of city of Ashland income tax withheld.
- B. Enter the amount of city income tax withheld from cities other than Ashland. Credit must be computed on a W-2 by W-2 basis. Tax credit cannot exceed 1% of gross earnings in other city(s).
- C. Enter the amount of Estimate Declaration paid for the tax year.
- D. If you had an overpayment on a prior year tax return that was not Refunded, enter the amount.
- E. Total lines 6(A) through 6(D). This is the total amount of available credits.

LINE 7 – TAX DUE

If line 5 (Ashland Income Tax) is greater than line 6(E) (Total Credits), enter the difference. This is the Amount of Tax Due. Amounts under \$5.00 are not payable.

LINE 8 – OVERPAYMENT CLAIMED

- (A) If line 5 (Ashland Income Tax) is less than line 6(E) (Total Credits), enter the difference. This is the Amount of Overpayment.
- (B) Enter the portion of Line 8(B) that you would like applied to next year's return.
- (C) Enter the portion of Line 8(C) that you would like refunded. Amounts under \$5.00 will not be refunded.

INSTRUCTIONS

PAGE ONE (continued)

LINE 9– LATE FILING PENALTY

If your return is filed after April 15th or for fiscal filers, after the fourth month after the close of the fiscal year, you are subject to a penalty of \$25.00.

LINE 10 INTEREST

Interest will be assessed on any unpaid tax balance after original due date. The interest is 1.5% per month.

LINE 11 – TOTAL TAX DUE BY APRIL 15th

Add Line 7, Line 9, and Line 10, REMIT TO:
CITY OF ASHLAND
INCOME TAX DEPARTMENT
218 LUTHER ST.
ASHLAND OHIO 44805-3128

INSTRUCTIONS FOR DECLARATION OF ESTIMATED TAX

**YOU MUST ESTIMATE IF YOU OWED MORE THAN
\$100.00 in a previous year.**

ENTER THE YEAR OF TAX DECLARATION

LINE 12 – INCOME SUBJECT TO ASHLAND TAX

- (A) Enter the amount of estimated income that will be subject to Ashland Tax.
- (B) Multiply Line 12A by 1.5%. This will be the Estimated Tax.

LINE 13 – ESTIMATED CREDITS

- (A) Enter Estimated amount of Ashland tax withheld.
- (B) Enter 1% of estimated amount of tax to be withheld for other cities.
- (C) Total of Line (13A) and (13B).
- (D) Total of estimated income tax (13C) subtracted from (12B).

LINE 14 – CALCULATION OF 1ST QUARTER ESTIMATE

- (A) Multiply Line (13D) x .225
- (B) Less: Overpayment from Line (8B)
- (C) First Quarter estimate due paid with return. Subtract (14B) from (14A)

LINE 15 – BALANCE OF TOTAL AMOUNT DUE APRIL 15TH

The taxpayer is responsible for the contents of the return.

PAGE TWO INSTRUCTIONS

LINE 16 – BUSINESS PROFIT OR LOSS

Enter profit (loss) from Federal Schedule C or Federal Form 1120.

LINE 17 – RENTAL PROPERTY

Enter profit (loss) from Federal Schedule E. Supplemental Income Schedule. [A list of all tenants who rented during the tax year must be attached to the return.](#) Rental loss [Can Not](#) be carried over from prior years.

LINE 18 – ALL OTHER INCOME

1. **Partnership** - If a partnership principal offices are within the City of Ashland, enter the amount of profit (loss) from the Federal Schedule 1065.
2. **Partners** - If a citizen of Ashland is in partnerships located outside the City enter partner share of profit (loss) from Federal Form 1065 K-1.
3. **Other Income** - Income from fees, tips, commission, gambling and miscellaneous income earned within the City of Ashland.

PAGE TWO (continued)

LINE 19 – TOTAL OF LINES 16 THRU 18

1. The sum of lines 16, 17 and 18.
2. Individuals carry forward to page 1, line 2. Corporations go to lines 20 and/or 21, if applicable
3. Individuals cannot offset W-2 income by a loss from business and/or rentals.

INDIVIDUAL TAXPAYERS STOP HERE

LINE 20 - ADJUSTMENTS TO FEDERAL INCOME (LOSS) ADDITIONS

- A. Enter the amount of capital losses that are included in income (loss) in Federal schedules.
- B. If you deducted expenses on federal return in production Income Non-Taxable in Ashland, you must enter that amount here.
- C. If you deducted State, Federal and Local income taxes on your Federal schedule, you must enter the amount here.
- D. Plans that defer income (e.g. retirement) to future years are taxable.
- E. Total lines 20(A) through 20(D).

DEDUCTIONS

- F. Capital gain as a result of investment portfolio transaction are not taxable. Ordinary capital gain as defined by the Internal Revenue Service are taxable.
- G. Interest income from investments are not taxable.
- H. Dividends earned on Stock ownership are not taxable.
- I. Any other income ruled not taxable by the Chapter 191 of the Codified Ordinances. See General Instructions.
- J. Total Lines 20(F) through 20(I).
- K. Combine Line 20(E) and Line 20(J). Then add or subtract line 20(K) from your Federal Income (Loss) on(19) and enter on line 20.

LINE 21 – BUSINESS ALLOCATIONS FORMULA

The Business Allocation formula is to be only used for business that did not keep separate accounting records for each location of business.

STEP 1A – Enter the average value of real and tangible rental property as filed with the County Auditor.

STEP 1B – Multiply Gross Annual Rents Paid by 8 (Add Step 1A to Step 1B)

STEP 2 – Enter the Gross Receipts as stated on your Federal Tax return.

STEP 3 – Enter wages, salaries and other compensation paid to employees for the tax year.

STEP 4 – TOTAL all percentages.

STEP 5 – AVERAGE PERCENTAGE – Divide the amount on Step 4 by the number of percentages used.

STEP 6 – Multiply your income (loss) from your Federal Return by the percentage on Step 5 and enter on line 21.