

Village of Smithville, Ohio, Income Tax General Information

WHAT IS NEW FOR 2016:

The Individual Income Tax Return will be mailed to all active taxpayers. Once you have completed your return, attach all W-2 forms and other necessary schedules. Sign the return, include payment and mail or drop off at the SMITHVILLE INCOME TAX DEPARTMENT.

RETIREES:

Retirees who earn wages, operate a business or own rental property, are required to file annual tax returns. If your ONLY income source is retirement income (i.e.: SSI, pension, interest, dividends, IRA and 401 K distributions), you may file a "one time" only return, indicating that you are fully retired and your account will be inactivated. If you return to work, it will be your responsibility to notify the tax office so that your account can be re-activated.

DECLARATION OF ESTIMATED TAX:

With the recent passage of Ohio House Bill 5, municipalities must require all residents, who anticipate a tax liability for the next taxable year of \$200 or more, to file a "declaration" and make quarterly estimated tax payments. The declaration is located on the individual return. The first payment is due with the return on April 15. The second payment is due on June 15, the third payment on September 15 and the fourth is due on December 15. The estimated tax payment coupons (Q1) are also available on the Village's website.

WHO IS REQUIRED TO FILE:

1. Every resident, 18 years of age or older, must file a tax return whether or not taxes are due, unless that resident is retired. See RETIREE section, above.
2. College students whose parents claim as dependents on their federal income tax return are considered residents of Smithville for municipal tax purposes and must file a return.
3. Nonresident individuals with income earned from work or services performed in the Village of Smithville and not covered by an employer withholding plan.
4. Non-residents who own rental property located within the Village of Smithville.
5. Businesses, contractors, and sub-contractors located or doing business within the Village of Smithville.

W2 TAXABLE INCOME:

Smithville' tax is a "gross earnings" tax. The wages subject to Smithville Village tax are those shown in box #5, (Medicare Wages) of the Federal W2 form, or box #18, (Local Wages), whichever is larger.

UNDER AGE 18:

If you were under the age of 18, and your Smithville employer withheld Smithville tax from your earnings, advise the employer that you are not subject to Smithville tax until your 18th birthday, and ask that the over withheld tax be reimbursed directly to you.

PARTIAL YEAR RESIDENTS:

If you were a resident of Smithville for a portion of the year, you are subject to tax on the income earned during the period of your residency. You may break down your earnings by the number of months employed to calculate a monthly earnings figure. Use the monthly earnings figure, multiplied by the number of months of residency in Smithville. If you pro-rate your income you must also pro-rate your village/city tax that was withheld on the same income when taking the credit on line #5C of the return form.

EXTENSIONS:

To receive an extension of time to file a Village of Smithville income tax return, a copy of the taxpayer's Federal Extension form must be filed with the tax office on or before April 15th for calendar year filers and on or before 105 days following the close of a fiscal year. **An extension request is not an extension of time to pay the due tax.**

WHEN TO FILE:

Taxpayers who end their year on December 31, must file on or before April 15th. Taxpayers on a fiscal year must file on or before the 15th day of the fourth month after the close of that fiscal year.

NET OPERATING LOSS:

Taxpayers with self-employment or rental losses cannot deduct loss from W2 wages reported on line #1 of the return form.

FILING STATUS:

Joint or separate tax returns are permissible for married taxpayers. The amount of tax is generally the same regardless of filing status.

REFUNDS:

Per Section 40.096(A1) of the Village of Smithville Tax Ordinance, refunds of less than ten dollars (\$10.00) shall not be made.

TAX CREDITS:

Residents of Smithville are allowed a credit for taxes paid to another city. This credit is limited to 1% of the wages earned within another city, when at least 1.0% of that city's tax has been withheld. When computing this credit, calculate the earnings and credit for each city separately.

PENALTY AND INTEREST:

Postmark dates are used to determine interest and late penalties. The late filing penalty is \$25 per month, to a maximum of \$150. (Example: if the tax return is due April 15 and is postmarked April 20, there is a \$25 penalty. If the return is postmarked May 20, the penalty is \$50.). The non/late payment penalty is 15% of the tax due and is applied only once per year. (Example: if the tax return is due April 15 and is postmarked April 20, and \$100 of tax is due with the return, the penalty is \$15 (15%). Interest charges per the Ohio Revised Code, section 718.27, calculated at the federal short term rate plus 5%.

ATTACHMENTS:

Documentation supporting all income shown on your return must accompany the return. This includes all W2 forms, 1099's, copies of Federal Schedules C, E, F, etc. Worksheets used to calculate earnings for partial year residents and calculations of credits for tax paid to their cities must be attached to the return.

TAXABLE INCOME:

Smithville Tax Ordinance, Section 40.03 (14)

NON-TAXABLE INCOME:

Smithville Tax Ordinance, Section 40.03 (11)