

Filing Instructions - 2023

Due date: The deadline for filing and paying 2023 individual income tax returns with the City of Findlay for the municipalities of Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera is April 15, 2024, in line with changes made by the Internal Revenue Service and the State of Ohio.

Mail to: Mail all income tax returns, payments, estimate payments, and correspondence for Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes to:

INCOME TAX DEPARTMENT
PO BOX 862
FINDLAY OH 45839-0862

A secure, drive-up drop box for submitting municipal income tax payments, forms, and returns without postage is located in the east curbed island of the Findlay Municipal Building's West Crawford Street parking lot {Lot F}, accessible about one-half block west of South Main Street. An additional secure drop box is located in the vestibule of the Municipal Building's Dorney Plaza entrance.

Payable to: For Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes, make all checks and money orders payable to the "**City of Findlay**" and use the mailing address or drop-box locations referenced above.

Please do not attach your check to your income tax return. Please do not send cash or coins.

Checks or money orders that include statements such as *paid in full*, *for payment in full*, *for balance due*, or *pay-off amount* may not be accepted. There may be a fee of \$25 or more for any checks that are returned to the City of Findlay, unless otherwise prohibited by Chapter 718 of the Ohio Revised Code.

Who must pay the tax: Your income is taxable by the City of Findlay, the Village of Arlington, or the Village of Carey, when you reach the age of 16 and you work, earn wages, salaries, or compensation, are employed, conduct business, own rental properties, live, reside, or are domiciled in the municipality. The Villages of Mount Cory, Vanlue, Mount Blanchard and Jenera have an age requirement of 18.

If you are domiciled inside the municipality, your *taxable income*¹ is subject to the municipality's income tax regardless of where you work, earn wages, salaries, or compensation, are employed, conduct business, or own rental properties. ¹(See the list of "Taxable income" below.)

For more information on the definition and significance of *domicile*, see Ohio Revised Code 718.01(J), Ohio Revised Code 718.012, a law dictionary, and relevant court cases.

Please see the line 13 instructions for treatment of business, rental, and farm losses.

Who must file: Resident individuals who are 16 years of age or older are required to file even if they had no taxable income. Any person, business, or entity that conducted business or owned rental property in the municipality must file for the municipality, even if no tax is due. Non-resident individuals who worked in the municipality must file if their employers did not withhold enough municipal income tax for the municipality of employment.

You may still be required to file a municipal income tax return even if you are not required to file a Federal return with the IRS or even if you are claimed as a dependent on someone else's Federal income tax return.

Please file if the Income Tax Department sent you a municipal income tax form or a yellow postcard tax filing notice. Please inform us if your only sources of income are Social Security benefits, pensions, interest, and/or dividends. You still may be required to provide a copy of page 1, or more, of your Federal Form 1040.

If you file your Federal income tax return electronically using a proprietary income tax preparation software program, please be aware that these applications do not provide any information to the Findlay Income Tax Department for any of the six municipalities for which Findlay administers the municipal income tax. Individuals and businesses will need to file directly and expressly with the Findlay Income Tax Department for Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes.

Who does not have to file: Non-resident individuals who work in the municipality do not need to file a municipal income tax return if all their tax has been properly withheld by their employers. However, please file a return if the Findlay Income Tax Department sent you a municipal income tax form or a yellow postcard tax filing notice, even if to inform us that you had no taxable income.

Filing status: Please file a joint municipal income tax return even if you filed separate Federal income tax returns. There is no municipal income tax incentive for a married couple to file separate municipal income tax returns. Please include both full names (first name, middle name, and last name) in the name and address section of the income tax return.

Extensions: If a taxpayer has requested an extension to file the Federal income tax return, we honor the request. We require that a copy of the Federal extension request form be attached to the municipal income tax return when the tax return is filed by the Federally-extended due date. The extension is for filing the return, not for paying the tax. Interest and late-payment penalty may be due on any tax not paid by the original due date or by the estimate payment due dates. See Ohio Revised Code 718.05(G)(2) and (3).

If you moved: In the upper right-side corner of the income tax return, write the date(s) you moved into or out of the municipality. Please write the dates you worked for your employer on each of your W-2s. Please attach *all* W-2s even if for wages you earned while you were not living in the municipality.

Do I pay Ohio city and village income taxes where I work or where I live?

In Ohio, an individual's first municipal income tax obligation is to the city or village where he or she works, earns taxable income, conducts business, or owns rental properties. The individual's next municipal income tax obligation is to the city or village where he or she is domiciled. The community of residence (or domicile), by local ordinance, may then allow a credit for some or all of the tax that is paid to the communities where the income is earned. Findlay, Mount Cory, Vanlue, Mount Blanchard and Jenera do not offer a credit. Arlington and Carey offer a credit of the amount of tax paid to the community where the income is earned, not to exceed one percent.

Taxable income:

Taxable income includes, but is not necessarily limited to:

- Fees earned to care for others
- Babysitting fees
- Difficulty-of-care payments
- W-2 box 5 Medicare wages and salaries [IRC 3121(a) without regard to wage limitations or exclusions]
- Bonuses
- Sick pay
- Strike pay
- Vacation pay
- Commissions
- Incentive pay
- Severance pay
- Tip income [ORC 718.03(J)]
- Employment-related debt cancellation, prizes, awards, and gifts
- Stock options, even if not reported in the W-2 box 5 Medicare wages
- Supplemental unemployment compensation described in IRC 3402(o)(2)(A)
- Contributions to deferred compensation plans such as IRC 401(k), 403(b), or 457
- Cost of group term life insurance for employees for protection in excess of the amount in IRC 79
- Salaries, wages, or stipends earned or received through college or university work-study programs, internships, and grant-funded programs even if not reported in the W-2 box 5 Medicare wages
- Partnership guaranteed payments not already taxed at the entity level
- Resident partner's or member's untaxed distributive share from a partnership, LLC, LLP, or LP, etc.
- Findlay resident shareholder's untaxed distributive share from an S corporation to the extent the S corporation's income is apportioned within Ohio
- Lottery winnings
- Gambling winnings
- Net housing allowance
- Business net income
- Farm net income
- Rental net income
- Residents' covenants not to compete
- Income reported on Form 1099-MISC
- Oil and gas royalties (because they are derived from land)
- Fees received by jurors, union stewards, directors, executors
- Individuals' gains on sales of real estate and tangible personal property used in business to the extent of depreciation allowable [194(14)(F) of the Income Tax Ordinance and ORC 718.01(E)]

There is no municipal income tax exemption or exclusion for wages earned by a foreign national who is employed within the municipality, even if the wages are not subject to the Medicare tax and even if no wages are reported in box 5 (Medicare wages) of the W-2.

The foreign income exclusion does not necessarily apply to resident individuals who are still domiciled within the municipality. See Ohio Revised Code 718.01(R)(2)(f) below.

There is no exclusion or exemption in Chapter 718 of the Ohio Revised Code for difficulty-of-care payments.

See Ohio Revised Code 718.01(R) "Qualifying Wages" below.

Non-taxable income:

- Interest
- Dividends
- Social Security benefits
- Workers' compensation benefits
- Government-paid unemployment benefits
- Government aid and CARES Act Economic Impact Payments
- Pensions and qualified retirement benefits (1099-R)
- Non-qualified pension income reported on a W-2
- Income reported on Federal Forms 1099-R, 1099-DIV, and 1099-INT
- IRC 125 cafeteria plan contributions
- Third-party sick pay [ORC 718.01(R)(1)(b)] See W-2 box 13
- Long-term third-party sick pay described in IRC 3402(o)(2)(C), not reported in W-2 box 5
- Active and reserve military pay
- Child support
- Alimony (alimony payments are not deductible)
- Patent and copyright income
- Royalties derived from intangible property
- First \$1,000 of annual income for serving as a precinct election official
- Value of a home or parsonage furnished by a church to its designated minister
- Life insurance proceeds
- Proceeds from inheritance
- Gains on sales of stocks and securities
- Intangible income (e. g., interest and dividends) [ORC 718.01(C)(2)(a)]
- Capital gains except see 194(14)(F) of the Income Tax Ordinance and ORC 718.01(E) for business and rental property transactions (capital losses are not deductible)
- The value of health insurance benefits for S corporation employees who own more than two percent of an S corporation. (These benefits are not deductible at the entity level.)
- Income earned through age 15

There is no municipal income tax exemption or exclusion for wages earned by a foreign national who is employed within the municipality, even if the wages are not subject to the Medicare tax and even if no wages are reported in box 5 (Medicare wages) of the W-2.

The foreign income exclusion does not necessarily apply to resident individuals who are still domiciled within the municipality. See Ohio Revised Code 718.01(R)(2)(f) below.

There is no exclusion or exemption in Chapter 718 of the Ohio Revised Code for difficulty-of-care payments.

See Ohio Revised Code Section 718.01(C) "Exempt Income" below.

Please include your first name(s), middle name(s), and last name(s) in the name and address section of the income tax return.

Please include your Social Security number(s) in the designated area of the upper right-side corner of the income tax return.

The Federal employer identification number, shown as "Fed. ID No." on the tax form, and the "Fiscal period" are to be completed by businesses only—not by individual filers.

How to Prepare Your Municipal Income Tax Return(s)

Line 01: Enter the amount of municipal income tax withheld from your wages from box 19 of each W-2 for the specific municipality for which you are filing as identified in box 20 of each W-2.

For example, if you are filing a Findlay Income Tax Return, only Findlay (box 20) income tax withheld (box 19) can be reported on line 1 and income taxes withheld for other municipalities cannot be included on line 1.

In W-2 box 20, some employers may have used the five-digit Federal Information Processing Standard (FIPS) code shown below to identify the municipality for which they have withheld the income tax.

Findlay: 27048

Carey: 12112

Jenera: 38948

Arlington: 02400

Vanlue: 79534

Mount Cory: 52668

Mount Blanchard: 52598

Do not report Ohio School District Income Tax on this line. The Ohio School Districts are generally identified in box 20 of W-2s by four-digit numbers in which the first two digits range from 01 through 88. These first two digits are Ohio's counties numbered in alphabetical order. School districts in Hancock County are numbered 32##. School districts in Wyandot County are numbered 88##.

Line 02: For the City of Findlay, the Village of Mount Cory, the Village of Vanlue, the Village of Mount Blanchard and the Village of Jenera this amount must be zero. These communities do not offer a credit. Findlay rescinded the credit for tax paid to other communities as of the end of 2008. The Villages of Mount Cory, Vanlue, Mount Blanchard and Jenera have not adopted a credit for paying income tax to other municipalities.

The Village of Arlington and the Village of Carey offer a credit to their residents for the amount of municipal income tax paid to or withheld for the Ohio community where the income is earned, not to exceed one percent.

A credit is not permitted by the Village of Arlington or by the Village of Carey for municipal income tax that has been, will be, or can be refunded to you; unless otherwise required by Chapter 718 of the Ohio Revised Code.

Line 03: Total and enter any and all estimate payments you issued directly for the municipality, specifically for this tax year for which you are filing.

We request that you do not round this figure.

Line 04: Enter your overpayment transferred to this tax year from another tax year (typically the previous year) unless it is \$10.00 or less.

We request that you do not round this figure.

Line 05: Add lines 1 through 4.

Line 06: Enter your taxable wages. Residents should include all wages regardless of where the wages were earned. Indicate the number of W-2s you have attached to your municipal income tax return. Do **not** include government-paid unemployment benefits or Federal economic impact payments on this line.

Generally, the W-2 box 5 Medicare wages and tips is the taxable municipal wage base for each W-2, even if you were not subject to the Medicare tax. See ORC 718.01(R) "Qualifying Wages" below.

If you are a public employee or an employee of a public school, college, or university and you were hired before April 1986, use box 1 of your W-2 and *add* your tax-deferred contributions to retirement plans (e. g. PERS, STRS) and deferred compensation plans (box 12), such as a 401(k), 403(b), 408(k), or 457.

If your income is from a college or university work-study, internship, or grant program and box 5 of your W-2 is zero, blank, or less than box 1, use the wage amount reported in box 1 of your W-2.

Do not use box 1 of your W-2 unless it is the highest amount on the W-2 and you are not participating in a non-qualified deferred compensation plan or a third-party sick-pay plan. Stock options are taxable.

Your contributions to deferred compensation plans, such as a 401(k), 403(b), 408(k), or 457, are taxable. The distributions from these plans are not taxable. The distributions are typically reported on a 1099-R.

Line 6a: This line may be used by a non-resident who had tax withheld, but may have performed duties outside the municipality during the tax year. This line may also be used by a part-year resident who may have had municipal income tax withheld even during the time period in which he/she was not a resident of the municipality and worked outside of the community. You must provide a signed statement from your immediate supervisor or your employer. See the "Non-resident Employee Refund" form at the applicable municipality's forms button at findlayohio.gov/incometax.

Line 6a may also be used to report any wages included on line 6 that, for a legitimate reason, are not subject to the municipality's income tax. Please provide additional information as to why these wages are not taxable. You may attach a detailed supplemental worksheet to address or summarize any situations or scenarios that are not specifically or easily reportable on the municipal income tax return. See the chart toward the end of these instructions or use and attach relevant pay-period statements.

For example, if you worked the entire calendar year in a rural non-taxing jurisdiction (i.e., outside of any city or village) and then moved into or out of the municipality for which you are filing this return, you would use line 6 to report your total wages (generally W-2 box 5). Then, use line 6a to report the portion of your wages that you earned while you lived outside of the municipality—the portion earned either prior to the move into the municipality or the portion earned after the move out of the municipality.

You may use line 10 to report wages from other W-2s that are not impacted by a move into or a move out of the municipality. For example, your spouse worked inside the municipality for the entire year.

Do not consider vacation, holiday and sick leave as wages earned outside of the community. Compensation for these hours are fully taxable for the post-of-duty principal-place-of-work community.

In 2020, Ohio enacted legislation under Section 29 of House Bill 197 that changed Ohio municipal income tax rules temporarily, effective March 9, 2020 and for thirty days after the conclusion of the State's emergency declaration. This rule stipulates that work performed from a remote location, including an employee's home, would be recognized as the employee performing the job at their principal place of work

prior to the COVID-19 state-of-emergency. The Governor's Executive Order 2020-01D ended as of June 18, 2021.

As a part of the State's biennial budget bill, HB 110 also included language adjusting the treatment of Section 29 of HB 197. This language extends the temporary withholding policy that was set in place on March 9, 2020 until December 30, 2021. It also allows taxpayers to file refund requests for the 2021 tax year if they have been working from a remote location instead of their principal place of work.

Line 07: Record your profits or (losses) from business activities. Residents must include all profits regardless of where the businesses are or were located or operated. See 194(14)(F) of the Income Tax Ordinance regarding sales of business and rental property. Include Federal Forms 1040 and 4797 and Federal Schedules 1, C, and K-1 with your filing.

Federal self-employment tax is not deductible. [ORC 718.01(E)(10) third paragraph, and (D)(1)] The Federal Qualified Business Income Deduction (Form 8995-A) does not apply to the municipal income tax return. [ORC 718.01(D)(1)] See the line 13 instructions for treatment of business losses.

Line 08: Record your profits or (losses) from rental properties. Residents must include all profits regardless of where the rental properties are or were located. Non-residents should include only profits and/or losses from rental properties that are within the municipality's corporation limits. See 194(14)(F) of the Income Tax Ordinance for treatment of sales of rental properties and for capital gains and losses. Please include Federal Forms 1040 and 4797 and Federal Schedules 1 and D if you sold any rental property during the year. See the line 13 instructions for treatment of business and rental losses. Include Federal Form 1040 and Federal Schedule E with your filing.

Line 09: Enter farm profits or (losses) from Federal Schedule F or from Federal Schedule E line 40 and include these forms. Federal self-employment tax is not deductible. [ORC 718.01(E)(10)] See the line 13 instructions for treatment of business and farm losses.

Line 10: Include other miscellaneous taxable income such as babysitting, difficulty-of-care payments, lottery and gambling winnings, lawn mowing, and any Federal Form 1099-MISC income, etc. Please attach a short explanation of the sources of income you reported. See "Taxable Income" above.

Do **not** include government-paid unemployment benefits, interest, dividends, Form 1099-R income, pensions, annuities, Social Security benefits, IRA distributions, child support, or alimony.

Government-paid unemployment benefits, interest, dividends, Form 1099-R income, pensions, annuities, Social Security benefits, IRA distributions, child support, and alimony are **not** taxable.

You may attach a detailed supplemental worksheet to address or summarize any situations or scenarios that are not specifically or easily reportable on the municipal income tax return.

Line 11: The carry-forward loss is limited to five years. A loss incurred in 2016 cannot be carried forward to any tax year. Through tax year 2015, the Village of Carey had no carry-forward loss provisions. See the line 13 instructions.

Line 12: Due to the impact recent Federal income tax provisions have on Ohio municipal income tax, the line 12 amount is very likely zero, beginning with tax year 2018. See Ohio Revised Code 718.01(A)(2).

Expenses may be deductible for Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses. However, see Federal Form 2106 and any Federal instructions that complement this Federal form.

Line 13: Wages, business profits, rental profits, farm profits, and other income subject to the municipal income tax. Total lines 6 through 12, with the following exception: Effective January 1, 2016, business losses (Schedules C, F, K-1 and Form 4797) and rental losses (Schedule E and Form 4835) are not permitted to be netted against wages or against other income (e.g., Form 1099-MISC) to reduce taxable income.

All business, rental, and farm profits and business, rental, and farm losses can be netted together, but if the net result is a loss, it must be carried forward to future years and only in accordance with the carry-forward loss provisions of Section 718.01 of the Ohio Revised Code. A net loss incurred in tax year 2016 cannot be carried forward to any tax year. [ORC 718.01(B)(1)(b)(i)] See the Substitute House Bill 5 (130th Ohio General Assembly) link at findlayohio.com/incometax.

Line 14: Multiply your taxable income reported on line 13 by the applicable municipal income tax rate shown below to determine your municipal income tax liability for the year.

Findlay: 1.00%

Carey: 1.50%

Jenera: 1.00%

Arlington: 1.00%

Vanlue: 1.00%

Mount Cory: 1.00%

Mount Blanchard: 1.00%

Line 15: If the income tax return is filed after the original due date and is not covered by a timely-filed Federal extension request, a \$25 late-filing penalty will apply for a return that is late. See Ohio Revised Code 718.27.

Line 16: The late-payment penalty is 15 percent of the past-due income tax or of the past-due estimate payment(s). See Ohio Revised Code 718.08 and 718.27.

Line 17: Add lines 15 and 16.

Line 18: The interest charge is .833 percent (.00833) of the unpaid tax for each month the payment is late. Simple-interest equation: (interest = unpaid tax x .00833 x number of months late).

The definition of a late payment also applies to estimate payments that should have been made, but were not. On April 15, 2024, your first period 2023 estimate payment that was due April 15, 2023 will be twelve months late. The second period estimate payment will be ten months late. The third period estimate payment will be seven months late. The fourth period estimate payment will be three months late.

See Ohio Revised Code 718.08 and 718.27.

Line 19: Add lines 14, 17, and 18.

Line 20: If your total on line 19 is more than the amount you paid (line 5), calculate the difference and enter the result here. This is the amount you owe. If this amount due is \$10 or less, no payment is needed. [ORC 718.05(G)(1); ORC 718.05(H)(1); ORC 718.12(E)]

Make checks payable to the "City of Findlay" for any of the six municipalities.

Line 20a: Indicate the amount of the payment you have included with your filing.

Please do not send cash or coins.

Please do not attach your check to your form.

Make checks payable to the "City of Findlay" for any of the six municipalities.

Line 21: If the amount you paid (line 5) is greater than your total on line 19, calculate the difference and enter the result here. This is the amount you have overpaid. If this amount is \$10 or less, a refund will not be issued and a transfer of the overpayment will not be permitted.

You may attach a detailed supplemental worksheet to address or summarize any situations or scenarios that are not specifically or easily reportable on the municipal income tax return.

Please include your first name(s), middle name(s), and last name(s) in the name and address section of the income tax return. Please include your Social Security number(s) in the designated area of the upper right-side corner of the income tax return.

The Federal employer identification number, shown as "Fed. ID No." on the tax form, and the "Fiscal period" are to be completed by businesses only—not by individual filers.

How to Pay

Make all checks and money orders for Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes payable to the "City of Findlay" and use the mailing address or drop-box locations referenced below.

You may pay taxes with ®Visa, ®MasterCard, ®American Express, or ®Discover at acipayonline.com. Start with the "LOCAL PAYMENTS" action button. The payment entity is "Findlay, City of (Income Tax)" and select "Income Tax" for the payment type. You may enter the 4553 jurisdiction code to expedite some of the selection process.

You may also call ACI Payments, Inc. at 1-800-272-9829. For Findlay or for any of the six villages, use Findlay's Jurisdiction Code of 4553 and choose "1" for Income Tax.

Where to Mail Your Municipal Income Tax Returns and Payments

Mail all income tax returns, payments, estimate payments, and correspondence for Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes to:

INCOME TAX DEPARTMENT
PO BOX 862
FINDLAY OH 45839-0862

A secure, drive-up drop box for submitting municipal income tax payments, forms, and returns without postage is located in the east curbed island of the Findlay Municipal Building's West Crawford Street parking lot {Lot F}, accessible about one-half block west of South Main Street. An additional secure drop box is located in the vestibule of the Municipal Building's Dorney Plaza entrance.

W-2 Copy to Use for and Send with Your Municipal Income Tax Return

We will accept an original or a photocopy of any Copy of your W-2 (1, 2, A, B, C, or D) provided it includes the box 1 Federal wages, tips, and other compensation, the box 5 Medicare wages and tips, and if your employer withheld municipal income tax, the box 18 local wages and tips, the box 19 local income tax withheld, and the box 20 locality name. Typically, Copy 2 will contain all the necessary information. However, if Copy 2 includes only the box 18, 19, and 20 local information, we will need an additional Copy that includes the box 1 Federal wages and the box 5 Medicare wages.

Federal Forms and Schedules Required to be Included with Your Filing

All Federal income tax forms and Federal income tax schedules that relate to or support your municipal income tax return must be included before your municipal filing will be acknowledged, unless otherwise prohibited by Chapter 718 of the Ohio Revised Code. For individuals, this includes, but is not limited to:

- Form 1040, pages 1 and 2, or their equivalents
- Form 1040, Schedule 1, if completed or required to be completed for Federal income tax purposes
- Form W-2 Wage and Tax Statements (Copy 1 or Copy 2. See W-2 information above.)
- Schedule C, pages 1 and 2
- Schedule E, page 1 and, if completed for Federal income tax purposes, page 2
- Schedule K-1 from Form 1120-S
- Schedule K-1 from Form 1065
- Form 4797, page 1 and, if completed for Federal income tax purposes, page 2
- Schedule F
- Form 4835
- Form 8582, if Schedule E rental losses are limited or suspended for Federal income tax purposes
- Schedule D, if you sold rental properties during the year
- Form 4868, or its equivalent when your Federal income tax return was also extended
- Schedule A and Form 2106, if you are claiming allowable 2106 expenses...generally, through 2017

Partnerships, LLCs, S Corporations, and Their Individual Owners

If a partnership, limited partnership, S corporation, LLC, or association owns rental properties, conducts business, performs services, solicits sales, operates, or maintains an office in the municipality, the tax is imposed first on the entity based on the income that is apportioned to the municipality (Schedule Y). Resident individual partners, resident individual members, and Findlay resident individual S corporation shareholders (to the extent apportioned within Ohio), must then report their untaxed distributive shares. Losses are treated identically. The Villages of Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera impose income tax on S corporations only at the entity level.

For example, 78 percent of a pass-through entity's \$30,000 loss is apportioned to Findlay. The pass-through entity has five individual owners who share losses equally. The entity is required to file a return and report a loss apportioned to Findlay of \$23,400 ($\$30,000 \times 78$ percent). Each resident individual partner, member, or Findlay resident S corporation shareholder is permitted to report a loss of \$1,320 [$\$30,000 \times 20$ percent share $\times (1 - .78)$].

The value of health insurance benefits should be excluded from the municipal wages of S corporation employees who own more than two percent of an S corporation. This expense is not deductible at the entity level and should be added back on the entity's Schedule X Reconciliation. [ORC 718.01(E)(10)]

A grantor trust, living trust, family trust, revocable trust, or intervivos trust, for which the IRS does not require a Federal identification number, is not considered a separate entity distinguishable from the individual or the beneficiary, unless otherwise prohibited by Chapter 718 of the Ohio Revised Code.

Estimate Payment Requirements and Due Dates

Municipal income tax that is not withheld from your wages by an employer and income tax on business, farm, rental, and other taxable income is due on four estimate payment due dates as you earn the income. April 15 of each year is the due date for filing the municipal income tax return and comparing your entire annual tax liability with what has already been paid or withheld. If the difference for 2024 is expected to be \$200 or more, you are required to make estimate payments.

New residents are not required to make estimate payments for the initial year of residency if they moved into the municipality after January 1st of the year. If at least 90 percent of your entire annual income tax liability is withheld by your employer(s), you are not required to make estimate payments.

Generally, estimate payments are viewed as calendar-quarter payments even though the second and third period state-prescribed due dates occur before these two quarters are over. Each period payment should be 22.5 percent to 25 percent of your estimated annual municipal income tax liability. Your goal by the final payment for 2024 should be to pay 90 percent of your 2024 tax due. This "safe-harbor" goal will prevent penalty and interest charges.

The 2024 calendar-year estimate payment due dates for individuals are April 15, June 15, and September 15, 2024 and January 15, 2025. The 2024 estimate payment due dates for calendar-year businesses are April 15, June 15, September 15, and December 15, 2024. Each due date for fiscal-year businesses is the fifteenth day of the fourth, sixth, ninth, and twelfth months of the fiscal year, or the next business day.

If you do not make timely or sufficient estimate payments, you may be charged a 15 percent late-payment penalty and you may be charged interest at a rate specified in Ohio Revised Code 718.27.

See Section 718.08 of the Ohio Revised Code.

Where and How to Get Assistance

For assistance with your Findlay, Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera municipal income taxes, call 419-424-7133 or visit the Income Tax Department in room 115 on the first floor of the Findlay Municipal Building located at 318 Dorney Plaza.

The Municipal Building parking lot {Lot F} is accessible from West Crawford Street about one-half block west of South Main Street. Office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. During the income tax filing season, the Income Tax Department will be closed Monday, January 17th and Monday, February 21st.

To expedite your visit and as a courtesy to your fellow patrons, please provide Copy 1 or Copy 2 of each of your W-2 Wage and Tax Statements and copies of page 1, page 2, and, if prepared for Federal income tax purposes, Schedule 1 of your Federal Income Tax Form 1040 that our office can keep.

Compliance Chart

	Tax Rate	Enacted	Credit	Age Subject to the Tax	Age Required to File	Years of C/F Loss thru 2015
Findlay	1.0%	1/1/1967	0	18	18	5
Arlington	1.0%	7/1/1989	1.0%	18	18	5
Mount Cory	1.0%	1/1/2016	0	18	18	0
Vanlue	1.0%	1/1/2016	0	18	18	0
Carey	1.5%	9/1/1987	1.0%	18	18	0
Mount Blanchard	1.0%	1/1/2019	0	18	18	0
Jenera	1.0%	1/1/2022	0	18	18	0

Findlay resident individual S corporation shareholders' untaxed distributive shares are subject to the tax to the extent apportioned within Ohio. S corporations are subject to the tax only at the entity level in the villages of Arlington, Mount Cory, Vanlue, Carey, Mount Blanchard and Jenera.

Ohio municipal income tax is governed, in part, through Chapter 718 of the Ohio Revised Code, Article XVIII of the Ohio Constitution, and relevant Ohio Supreme Court Rulings, including, but not limited to:

Thompson v. Cincinnati 2 Ohio St. 2d 292 (1965) 208 N.E.2d 747

Angell v. Toledo, 153 Ohio St. 179 (1950) 91 N.E.2d 250

The information contained in these instructions is not intended to discuss all provisions of each applicable municipal income tax ordinance or Chapter 718 of the Ohio Revised Code.

Line 6a Percentage of Time Chart

		You moved <u>out</u> this day. Line 6a percent not taxable is:	You moved <u>in</u> this day. Line 6a percent not taxable is:
Jan	8	98	2
	16	96	4
	24	93	7
	31	92	8
Feb	7	90	10
	14	88	12
	21	86	14
	28	84	16
Mar	8	82	18
	16	79	21
	24	77	23
	31	75	25
Apr	8	73	27
	16	71	29
	23	69	31
	30	67	33
May	8	65	35
	16	63	37
	24	61	39
	31	59	41
Jun	8	56	44
	16	54	46
	23	52	48
	30	50	50
Jul	8	48	52
	16	46	54
	24	44	56
	31	42	58
Aug	8	40	60
	16	38	62
	24	35	65
	31	33	67
Sep	8	31	69
	16	29	71
	23	27	73
	30	25	75
Oct	8	23	77
	16	21	79
	24	19	81
	31	17	83
Nov	8	15	85
	16	12	88
	23	10	90
	30	8	92
Dec	8	6	94
	16	4	96
	24	2	98

The chart above assumes that you worked for the employer for the entire calendar year. Use line 10 to report any other wages that are not impacted by a move into or a move out of the municipality. You may also attach a supplemental sheet to show other calculations and explanations.

Ohio Revised Code Section 718.01(R) "Qualifying Wages"

(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(1) Deduct the following amounts:

(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.

(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.

(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.

(e) Any amount included in wages that is exempt income.

(2) Add the following amounts:

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2016. Division (R)(2)(b) of this section applies only to those amounts constituting ordinary income.

(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R)(2)(c) of this section applies only to employee contributions and employee deferrals.

(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.

(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code.

(f) Any amount not included in wages if all of the following apply:

(i) For the taxable year the amount is employee compensation that is earned outside of the United States and that either is included in the taxpayer's gross income for federal income tax purposes or

would have been included in the taxpayer's gross income for such purposes if the taxpayer did not elect to exclude the income under section 911 of the Internal Revenue Code;

(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;

(iii) For no succeeding taxable year will the amount constitute wages; and

(iv) For any taxable year the amount has not otherwise been added to wages pursuant to either division (R)(2) of this section or section 718.03 of the Revised Code, as that section existed before the effective date of H.B. 5 of the 130th general assembly, March 23, 2015.

Ohio Revised Code Section 718.01(C) "Exempt Income"

(C) "Exempt income" means all of the following:

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2)

(a) Except as provided in division (C)(2)(b) of this section, intangible income;

(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

(3) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C)(3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code.

(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.

(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(7) Alimony and child support received;

(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;

(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.

(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;

(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;

(12) Employee compensation that is not qualifying wages as defined in division (R) of this section;

(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.

(14)

(a) Except as provided in division (C)(14)(b) or (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.

(b) If, pursuant to division (H) of former section 718.01 of the Revised Code as it existed before March 11, 2004, a majority of the electors of a municipal corporation voted in favor of the question at an election held on November 4, 2003, the municipal corporation may continue after 2002 to tax an S corporation shareholder's distributive share of net profits of an S corporation.

(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733. of the Revised Code, the municipal corporation may continue to impose the tax on such distributive shares to the extent such shares would be so allocated or apportioned to this state only until December 31, 2004, unless a majority of the electors of the municipal corporation voting on the question of continuing to tax such shares after that date voted in favor of that question at an election held November 2, 2004. If a majority of those electors voted in favor of the question, the municipal corporation may continue after December 31, 2004, to impose the tax on such distributive shares only to the extent such shares would be so allocated or apportioned to this state.

(d) A municipal corporation shall be deemed to have elected to tax S corporation shareholders' distributive shares of net profits of the S corporation in the hands of the shareholders if a majority of the electors of a municipal corporation voted in favor of a question at an election held under division (C)(14)(b) or (c) of this section. The municipal corporation shall specify by resolution or ordinance that

the tax applies to the distributive share of a shareholder of an S corporation in the hands of the shareholder of the S corporation.

(15) To the extent authorized under a resolution or ordinance adopted by a municipal corporation before January 1, 2016, all or a portion of the income of individuals or a class of individuals under eighteen years of age.

(16)

(a) Except as provided in divisions (C)(16)(b), (c), and (d) of this section, qualifying wages described in division (B)(1) or (E) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding for the municipal corporation under either of those divisions.

(b) The exemption provided in division (C)(16)(a) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.

(c) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D)(2) of section 718.011 of the Revised Code.

(d) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages if both of the following conditions apply:

(i) For qualifying wages described in division (B)(1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(ii) The employee receives a refund of the tax described in division (C)(16)(d)(i) of this section on the basis of the employee not performing services in that municipal corporation.

(17)

(a) Except as provided in division (C)(17)(b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year.

(b) The exemption provided in division (C)(17)(a) of this section does not apply under either of the following circumstances:

(i) The individual's base of operation is located in the municipal corporation.

(ii) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (C)(17)(b)(ii) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in section 718.011 of the Revised Code.

(c) Compensation to which division (C)(17) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(d) For purposes of division (C)(17) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(18) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Revised Code on or after March 27, 2013, unless the person is subject to such taxation because of residence. If the compensation is subject to taxation because of residence, municipal income tax shall be payable only to the municipal corporation of residence.

(19) In the case of a tax administered, collected, and enforced by a municipal corporation pursuant to an agreement with the board of directors of a joint economic development district under section 715.72 of the Revised Code, the net profits of a business, and the income of the employees of that business, exempted from the tax under division (Q) of that section.

(20) All of the following:

(a) Income derived from disaster work conducted in this state by an out-of-state disaster business during a disaster response period pursuant to a qualifying solicitation received by the business;

(b) Income of a qualifying employee described in division (A)(14)(a) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(c) Income of a qualifying employee described in division (A)(14)(b) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period on critical infrastructure owned or used by the employee's employer.

(21) Income the taxation of which is prohibited by the constitution or laws of the United States.

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income.