IMPORTANT PLEASE READ

Following are instructions for filling out your City of Tiffin Income Tax Return. The tax return form includes your annual income tax return and declaration of estimated tax.

Estimated tax, when applicable, must be paid in 4 equal installments on all earned income in which city tax is not withheld. First payment must be included with the initial filing of a Declaration of Estimated Tax. Remaining payments will be billed when due. Taxpayers on a fiscal year basis should substitute appropriate dates.

Make sure your remittance for tax due is enclosed with your return along with copies of all appropriate schedules and W-2 forms. Make checks payable to the City of Tiffin – Income Tax. There will be a $15.00 charge for returned checks. Payment by credit card is offered as a convenience; therefore a convenience fee of $3.50 will be applied if paying by credit card.

Assistance with the preparation of your tax return is available from the tax office by calling 419-448-5405 or by stopping in the City Hall Annex Building, 53 East Market Street between the hours of 8:30 a.m. and 4:30 p.m.

GENERAL INFORMATION

WHO IS REQUIRED TO FILE A RETURN:

In accordance with City Ordinance 68-24, the following individuals and entities are required to file a city tax return:
Resident individuals, 18 years of age and older, who resided within the City of Tiffin for the full or partial year.
Resident businesses within the city limits of Tiffin for the full or partial year.
Non-resident individuals, 18 years of age and older, on income earned within the city limits of Tiffin on which city tax is not withheld and any other Tiffin source income.
Non-resident businesses or professions, on the portion of income attributable to Tiffin for work performed and/or services rendered within the city limits.
Retired residents without taxable income need only to complete the upper portion, check the retired box and sign the tax return.

PARTIAL YEAR RESIDENCY TAX LIABILITY:

If you moved into or outside of the city limits of Tiffin during the year and you have income earned from a non-resident employer, you only need to report the portion of your income earned while you actually resided in Tiffin. The wage amount on your W-2 form may not reflect a breakdown of what portion of income was earned before or after you became a resident. Choose one of the three options listed below to establish the amount of your income taxable to Tiffin.

1. Get a year-to-date gross wage figure from the paycheck stub with a date closest to the date you moved into or outside of Tiffin. (Attach copy of paycheck stub to tax return). See below for Special Instructions.
2. From your employer, get a breakdown of your year-to-date earnings and tax withheld closest to the date you moved into or outside Tiffin. (Attach documentation from employer with this information). See below for Special Instructions.
3. Divide the gross Medicare wage figure from your W-2 form by the number of months actually worked for the non-resident employer. Multiply this amount by the number of months you lived inside the city limits of Tiffin. Tax withheld will need to be prorated using the same formula. (Attach worksheet of your calculations.)

IF USING OPTION 1 OR 2 PLEASE NOTE:

If you moved out of Tiffin, use the year-to-date amount as shown on the pay stub or employer breakdown.
If you moved into Tiffin, subtract the year-to-date amount from your W-2 Gross Medicare Wage figure. This will establish the portion of your income that is taxable to Tiffin. Enter this pro-rated amount in Column 5. Tax withheld credit amounts will also need to be pro-rated using the same formula. Also please attach some piece of mail correspondence showing your out of city address for purposes of verification.

FILING STATUS: You do not have to maintain the same filing status on your Tiffin Tax Return as you claim on your Federal Tax Return. Since there is no financial benefit to married couples to file separately, joint filing is strongly recommended.

WHEN AND WHERE TO FILE RETURNS: Taxpayers who have their taxable year ending on December 31 must file on or before the following April 15. Taxpayers on a fiscal year basis must file within 4 months following the end of their fiscal year. Your return is to be filed with the City of Tiffin Income Tax Department, City Hall Annex, 53 East Market Street, P.O. Box 518, Tiffin, Ohio 44883. Total amount due must be paid when the return is filed. If deadline cannot be met, a request for extension to file must be filed and approved by the tax commissioner. If no request for extension is filed, a late filing penalty of $25.00 will be applied.

EXTENSION POLICY: Taxpayers will be granted extensions if a written request or a copy of the Federal Extension (i.e. 4868 or 7004) is received by the Tiffin City Income Tax Department on or before the due date of the return. Failure to provide such a request may result in the assessment of a late filing penalty.

PENALTY AND INTEREST: Except in those cases where an extension was filed, a penalty of $25.00 shall be due on returns filed after the due date, even when no tax is due. Interest at the rate of 1 ½% per month will be charged from the original due date of the return until date of actual payment, whether or not an extension was filed.

TAXABLE INCOME: Income from wages, tips, salaries, commissions, third party sick pay, severance pay, wage continuation, sheltered annuities, incentive payments, strike pay, jury duty, bonuses, directors' fees, union steward fees, gambling (W-2G) winnings, profit from rental property and profit from a business or profession. This list is not intended to be all inclusive. If you have any questions regarding what may or may not be taxable, please contact the City of Tiffin Income Tax Department.

NON-TAXABLE INCOME: Interest, dividends, capital gains, social security and other retirement and/or pension benefits, alimony received, military pay, royalties, welfare, unemployment compensation, and income earned by persons under age 18.

FEDERAL ADJUSTMENTS NOT ALLOWED: Keogh, HR-10, IRA, 401K, Tax sheltered annuities, and NOL Carry Forward or Back.

GROSS WAGES: City tax is based on Medicare wages (Box 5 on W-2). Contributions to deferred compensation plans are not recognized by the City of Tiffin and cannot be excluded from your wages to determine your Tiffin taxable income. As a result, the distributions from these plans are not taxed. The amount shown in Box 5 and the local wages, tips, etc. (Box 18) of your W-2 should reflect the same wage figure on which your employer has withheld local income tax.

ROUNDING: You may round off cents to the nearest whole dollar.

REFUND VERIFICATION: Requests for refunds must be accompanied with a written explanation for such request and the following documentation:

1. Copy of Driver's License or Birth Certificate showing date of birth of minor for whom city tax was withheld in error.
2. Verification from employer if tax was erroneously withheld for any reason other than employee being under 18 years of age.

WHAT CONSTITUTES NET PROFIT: Net profit is the income from the operation of a business, profession or enterprise and the use of property, after the provision for all ordinary and necessary expenses, either paid or accrued, in accordance with the accounting system used by the taxpayer for Federal Income Tax purposes, adjusted to the requirements of the Tiffin Income Tax Ordinance. Note that City, Federal or State taxes, based on income are not deductible in determining net profit.

ALLOCATION OF PROFITS: The business allocation percentage formula is to be used by corporations or non-resident business entities doing business within and outside of Tiffin if actual records of their Tiffin profits are not maintained.

Determine the ratio of the Tiffin portion of:

1. Average value of real and tangible property;
2. Total sales regardless of where made;
3. Total compensation paid to all employees.

Add the ratios obtained and divide by the number of ratios to obtain business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside of Tiffin. This computation is to be reported as Schedule Y, on back of form.

CHANGE IN TAX LIABILITY: An amended Tiffin return is required within three months of the final determination of any changed tax liability resulting from Federal audit, judicial decision, or other circumstance.

INSTRUCTIONS FOR PREPARING TIFFIN CITY INCOME TAX RETURNS

HEADING – If this return is made for a period other than the calendar year, insert the beginning and ending date of the period. Enter your name, address, phone number and account number in the space provided. Fill out remainder of top section with necessary information.

LINE 1 (Column 1) Enter the name of each individual employer from W-2 form.
(Column 2) Enter the amount of Tiffin City Income Tax withheld as shown on W-2 form.
(Column 3) If city tax has been withheld for another city, enter city name.
(Column 4) Enter the amount of city tax paid to other city (not to exceed 1 ¾% of Medicare wage amount).
(Column 5) Enter the amount from Box 5 (*Medicare Wage Box*) of W-2. Total the amount of all Medicare wages on Line 1 at bottom of Column 5**.** Be sure to attach all W-2 forms to tax return when filing.

LINE 2 Enter total amount of Federal Form 1099-MISC and/or W-2G income. Attach copy of 1099 MISC and/or W-2G forms.

LINE 3 (For Business Use) Enter on this line the amount of other income subject to city tax from LINE 29 on back side of this return.

LINE 4 Add together amounts on LINES 1, 2, 3. Enter total here. Losses reported on LINE 3 may not offset wages reported on LINE 1.

LINE 5 Multiply amount on LINE 4 by 1 ¾ % (.0175). Enter total on this line.

LINE 6(A) Enter total amount of Tiffin City Income Tax withheld by your employer(s).

LINE 6(B) Enter overpayment from prior year return, if applicable.

LINE 6(C) Enter amount paid on a Declaration of Estimated Tax.

LINE 6(D) Enter amount of tax paid to other cities (Total of LINE 1, column 4) not to exceed 1 ¾ % of LINE 1, Column 5. The tax credit calculation for taxes withheld for another city is to be made for each separate W-2. If tax is paid to another city by filing a tax return with that city a copy of the return must be attached as proof of credit.

LINE 6(E) (For Business Use) Enter amount from Nondeductible Expense Credit Worksheet (if applicable). Copy of worksheet with proper documentation must be attached.

LINE 6(F) Add together LINES 6 A, B, C, D, E. Enter total here.

LINE 7 Subtract LINE 6(F) from LINE 5. Enter the difference here. This is the amount of tax due. If the result is an overpayment, enter the amount as a negative number.

LINE 7a Enter $25.00 late filing penalty if tax return is filed after the due date.

LINE 8 Add together LINES 7 and 7a. This is the amount payable to the City of Tiffin. The amount shown in this space must also be entered on LINE 14. If amount is less than $1.00, you do not have to pay. NO refunds will be issued for amounts under $1.00.

LINE 9 If amount on LINE 8 resulted in an overpayment, enter the amount on this line. This amount can either be applied to the next year's Declaration or a refund may be issued after being audited by the Tax Department. Check appropriate box.

DECLARATION OF ESTIMATED TAX

Filing a Declaration of Estimated Tax and payment of estimated tax is required by City of Tiffin Tax Ordinance for those taxpayers who operate a business and those individuals receiving income taxable to the City of Tiffin but from which Tiffin City Income Tax will not be withheld.

LINE 10 Multiply total estimated income subject to Tiffin City Tax by 1 ¾% (.0175). The estimated tax due is 90% (.90) of the estimated tax liability, payable in 4 equal installments. Enter amount here.

LINE 11 Enter ¼ of the amount on LINE 10.

LINE 12 Subtract overpayment from prior year: Enter amount from LINE 9 to be credited to this estimate. Note: prior year credit could exceed the amount of the first quarter payment. If this is the case, that amount would carry forward to pay all or part of following quarters.

LINE 13 Enter amount to be paid with this declaration. Please note that first quarter estimate is due with tax return. Remaining quarters will be billed unless tax department is instructed otherwise.

LINE 14 Add amount from LINE 8 (Tax Return) and LINE 13 (First quarter estimated tax). This is your total amount due. Primary payment methods are cash, check or money order. Payment by credit card is offered as a convenience; therefore a convenience fee of $3.50 will be applied if paying by credit card. Make checks payable to City of Tiffin – Income Tax.

INSTRUCTIONS FOR BACK OF RETURN

(Complete if applicable)

LINE 1 THRU 22 – SCHEDULE C– PROFIT (or loss) FROM BUSINESS OR PROFESSION

Must follow form on tax return or may substitute Federal Tax schedules

LINE 23 SCHEDULES E & F – INCOME FROM RENTS OR FARM

Must follow form on tax return or may substitute Federal Tax schedules

LINE 24 Enter here the total business profit (or loss) as shown on LINE 22 Schedule C. Losses may offset profits. (MAY SUBSTITUTE FEDERAL SCHEDULE C, 1065, 1120, 1120S, 1120A OR K-1)

LINE 25 Enter here figures brought up from calculation of Schedule X below. The amount on this line is to be added or subtracted from LINE 24.

LINE 26 Add or subtract LINE 25 from LINE 24. Enter result here.

LINE 27 If Schedule Y is used, enter the percentage from Schedule Y Step 5. Multiply LINE 26 by allocation percentage and enter result here.

LINE 28 Enter here the total rental and/or farm profit (or loss) as shown on LINE 23 Schedules E & F. Losses may offset profits. (MAY SUBSTITUTE FEDERAL SCHEDULES E AND/OR F.)

LINE 29 Enter here the total of LINES 27 and/or 28. This amount is to be carried over to LINE 3 on the front of this return.

SCHEDULE X – RECONCILIATION WITH FEDERAL INCOME TAX RETURN

This schedule is used to adjust your Federal Net Income to your Tiffin Taxable Income. The left hand column is for items deductible on the Federal Return but not deductible under the Tiffin Tax Ordinance. The right hand column is for items taxable on the Federal Return but not taxable by Tiffin. Schedule X is applicable only if you are a corporation, partnership, or an individual with 2106 expense or Schedule C income with medical insurance premiums.

EXAMPLES:

1. Non residents who perform services both within and outside of Tiffin must divide number of days worked in Tiffin by total days worked (260 days).
2. Business and Professions which deduct State and City Income Tax on Schedules 1065 and 1120 must list these items on LINE B of Schedule X.
3. If the only reason Schedule X, LINE L is being used is for reporting 2106 expense, the adjustment may be entered on LINE L and transferred directly to LINE 3 on the front of the return as a negative. A copy of Form 2106 must be attached to tax return.
4. LINE M Schedule C Medical Care Insurance Premiums may be deducted to the same extent taxpayers are currently entitled to deduct on their Federal Form 1040 not to exceed Schedule C income.
5. Ohio Revised Code does not allow for adjustment to federal taxable income of expenses reduced because of taking a federal tax credit (i.e. Work Opportunity Credit, Small Employer Health Insurance Premium and other similar credits.) Starting in 2012, Tiffin allows a tax credit to adjust tax liability due to the disallowed expenses. Nondeductible Expense Credit worksheet and proper documentation must be attached to tax return in order to take this credit. See instructions for LINE 6 (E) and Ordinance No. 12-67.

SCHEDULE Y BUSINESS ALLOCATION FORMULA. See O.R.C. section 718.02

NOTE: Losses from business activity MAY NOT be used as a deduction from wage/salary earnings.

SIGNATURE – Do not fail to sign and date your return before submitting it to the Tiffin Income Tax Department. A return is not "filed" within the meaning of the law until signed by the taxpayer or an agent legally authorized to sign tax returns for such taxpayer.