

Tax Season FACTS

Please read on for tax facts helpful in filing income Tax Returns and making estimated tax payments, as required.

Need assistance with the filing of your Mt. Healthy Income Tax Return?

The City of Mt. Healthy Tax Office staff will be happy to answer questions and assist with the filing of Mt. Healthy Income Tax returns. Please do not hesitate to call (728-3181) or visit our office (no appointment necessary). The office is open Monday through Friday from 8:30 am to 4:30 pm . The location and mailing address of the Mt. Healthy Tax Office is 7700 Perry St. , Mt. Healthy , OH 45231 .

Filing due dates:

- Individuals: On or before April 15th
- Businesses: On or before April 15th or within four (4) months from the fiscal year end

If the 15th falls on a weekend or a federal holiday, the due date will be the following business day.

Tax rate: The 1.5% Earnings Tax of the City of Mt. Healthy applies to all who live, work, operate a business within or do business within the City of Mt. Healthy.

Filing requirements: The City of Mt. Healthy has a **mandatory** filing requirement.

- All Mt. Healthy residents are required to register with the Tax Office and to file an annual Mt. Healthy income tax return even if no tax is due. Adolescents/students with earned income are also required to file.
- All non-residents with income taxable to the City of Mt. Healthy that is not fully withheld by an employer are required to file a Mt. Healthy income tax return.
- All entities operating a business or doing business within the City of Mt. Healthy must file an annual Mt. Healthy income tax return on net profits/losses.

Items to be included with the return:

- W-2 form(s)
- 1099 form(s)
- Applicable schedule(s) and/or form(s) and supporting documentation as appropriate

Types of taxable income that should be reported on a resident return:

- **Qualifying wages** (see below), tips, commissions and other compensation including sick pay, vacation pay, supplemental unemployment benefits paid by the employer (SUB PAY), severance pay, settlements, income from wage continuation plans (includes retirement incentive plans and buyouts), contributions made by or on behalf of employees to non-qualified or qualified deferred compensation plans (e.g. 401K plans), bonuses, directors fees, fringe benefits (e.g. car allowance), disability pay if received as a benefit from employment (includes third party plans), stock options as indicated by amount on W-2.
- Gambling winnings as reported on Forms W-2G and/or Form 5754.
- Net profits from profession and/or business operations, rental property, partnerships, enterprise or other business activity.
- Note: Income taxable by the city may differ from income taxed by the IRS.

Qualifying wages: Usually the amounts in the Medicare wage box of the W-2s are the qualifying wages effective January 1, 2004 . Qualifying wages for the municipality includes wages defined in Section 3121(a) of the IRS code plus any amounts not included in the Medicare wage due to some Medicare exemptions (e.g. government employees employed by an entity prior to April 12, 1986). Previously, the taxable wage was the gross wage prior to any deductions and included cafeteria plans (e.g. 125 plans) that are not included in the Medicare wage.

Types of non-taxable income that should not be added to nor deducted from taxable income:

- Interest, dividends, capital gains (unless considered ordinary income), royalties (if derived from intangible property)
- Alimony received
- Military pay and allowances
- Social Security benefits, welfare benefits, unemployment insurance benefits, workers' compensation
- Pensions, proceeds from qualified IRS defined retirement plans

Estimated tax payments are required and penalties are assessed for insufficient declaration payments: A declaration of estimated tax is to be filed by every taxpayer who may reasonably expect to have taxable income, if the tax on this income is not or will not be withheld by an employer or employers. A taxpayer's final return for the

preceding year may be used as the basis for computing the declaration of estimated tax for the current year.

Credit for taxes withheld/paid to other municipalities: This credit is available to residents of the City of Mt. Healthy and is limited to 1.25% of the amount of income on which tax was withheld/paid. No credit is given for county taxes paid.

Extension policy: Extension requests for filing must be made in writing and received on or before the date due for filing the return. The extension, if granted, only extends the filing date of the return. Payment is due on or before April 15, of the current year, or within four (4) months from the fiscal year end.