



2018 GENERAL INFORMATION & INSTRUCTIONS

WHO MUST FILE	<p>Residents: All residents (including part-year residents) of the City of Piqua who are 18 years of age and older are required to file an annual income tax return. A return is required regardless of income or employment status. Active duty military personnel, unemployed persons, or other persons with no reportable income or loss for the current year are also subject to the mandatory filing requirements and must file a city tax return each year.</p> <p>Non-Residents: Non-residents of Piqua who have taxable income or loss, earned or derived from within the City, from which Piqua tax was not withheld, must file a return.</p> <p>Part Year Residents: If you only lived in Piqua during part of the taxable year, you must file a return covering that time. You must calculate both your tax liability and tax credit only on the portion of your income earned as a Piqua resident. Income earned in Piqua may NOT be pro-rated. Pay statements with year-to-date figures must be used if available. If actual records are not available, you may break down your earnings by the number of months employed at the job to determine your monthly earnings. This figure may then be multiplied by the number of months you lived in Piqua to determine your Piqua taxable income. If you pro-rate your taxable income, you must also pro-rate your city tax that was withheld on the same income. Attach a worksheet explaining your calculations.</p> <p>C-Corporations: C-Corporations are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Piqua, whether or not such corporation has a place of business in Piqua.</p> <p>S-Corporations: S-Corporations are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Piqua, whether or not such corporation has a place of business in Piqua. S-corporations must report net income or net loss at the entity level. Shareholders may not include net income/losses on their individual returns.</p> <p>Partnerships: Partnerships are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Piqua, whether or not such partnership has a place of business in Piqua. Non-resident partners may not include any gain or loss on their individual returns.</p> <p>LLC(s): A limited liability company is required to file consistent with its federal filing. For example, if the LLC is recognized as a partnership at the federal level, it should file as a partnership at the local level. Single member LLC's that report net profit or loss on Federal Form 1040, Schedule C should file as an individual taxpayer at the local level (on Form KR-1040).</p> <p>Miscellaneous Entities: Any undertaking, not specifically defined above, conducting activities or producing income, including but not limited to, rental of real estate and personal property, and a business conducted by a trust or guardianship of an estate that produces a net profit shall be subject to city income tax and is required to file a return as an entity.</p>
EXEMPTIONS TO MANDATORY FILING	<p>Permanently retired or permanently disabled persons with only non-taxable sources of income or loss (such as social security, pensions, interest, and dividends) may file for a permanent exemption from the mandatory filing requirement by submitting the Income Tax Certification Form of Exemption and all required attachments. Forms are available on our website.</p>
DUE DATE	<p>Calendar Year Tax Returns are due on or before APRIL 15, 2019. Fiscal year returns are due on the 15th day of the fourth month after the close of the period. Returns should be mailed to: Piqua Income Tax Division, P.O. Box 1223, Piqua, OH 45356-1223.</p>
PAYMENTS	<p>Make checks or money orders payable to Piqua Income Tax. If the balance due with your return is \$10.00 or less, no payment is required.</p>
EXTENSIONS	<p>Taxpayers who have requested an automatic 6-month extension for filing their federal income tax return shall automatically receive a 6-month extension for the filing of their city tax return. A copy of an approved federal extension must be attached to your return at the time of filing. An extension of time to file is not an extension of time to pay taxes due. Penalty and interest charges will apply to all payments received after the return due date.</p>
ESTIMATED TAX	<p>Taxpayers who anticipate a net tax liability of \$200.00 or more are required under Ohio law to make estimated tax payments. Quarterly estimated tax payments are due on April 15, June 15, September 15, and January 15 for individuals and December 15 for businesses. Estimated tax payment vouchers PQ-1 are available on our website.</p>
REFUNDS	<p>Refunds are allowed only when city income tax has been paid to or withheld for Piqua. Refund requests must be filed on the City of Piqua Refund Request Form. When filing a travel day refund request, you must include a <u>completed</u> Days Worked Outside the City of Piqua Worksheet. Failure to do so may delay processing of the refund request. Note: There is a three (3) year statute of limitations for claiming a refund or credit of any overpayment of city tax. Overpayments of \$10.00 or less will not be refunded.</p>
TAXABLE INCOME	<p>Taxable income includes but is not limited to the following: Qualifying Wages, salaries, commissions, other compensation, wage continuation plans (includes retirement incentive plans and buyouts), contributions made by or on behalf of employees to a tax deferred annuity plan (401k plans and the like), bonuses, directors fees, fringe benefits such as car allowance, stock options, gambling winnings, net profits from the operation of a business, profession, enterprise or other activity and royalties.</p>
EXEMPT INCOME	<p>Exempt income includes but is not limited to the following: interest, dividends, military pay and allowances, social security benefits, welfare benefits, unemployment insurance benefits, worker's compensation, proceeds from qualified retirement plans as defined by the IRS, personal earnings of all persons under the age of 18, capital gains, alimony, contributions to a section 125 plan (cafeteria or flexible spending account), proceeds of sickness, accident or liability insurance policies and disability payments.</p>
OTHER INCOME / LOSS CALCULATION	<p>All business income and/or loss must be netted together to arrive at an overall net profit or loss for the current year. Business income includes, but is not limited to, activities reported on Federal Schedule(s) C, E, or F and ordinary gains reported on Federal Form 4797. If netting results in an overall loss, the loss may be carried forward for a period not to exceed five (5) years (subject to limitations in Ohio Revised Code Chapter 718.01). Note that a loss from business activities may not be used to offset wages reported on Form(s) W-2, gambling winnings reported on Form(s) W-2G, or other miscellaneous income reported on Federal Form 1040.</p>



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PENALTY AND INTEREST	<p>A \$25.00 late filing penalty per month with a max \$150 will be imposed for the failure to file a return by the due date (regardless of balance due shown on return).</p> <p>A 15% penalty will be imposed on the balance of unpaid tax due as of the first day after the original due date of the return.</p> <p>Interest will be imposed on the balance of unpaid tax due beginning with the first day after the original due date of the return. Please visit our website (www.piquaoh.org) for the current interest rate.</p>
ATTACHMENTS	<p>Attach your Federal Form 1040 and supporting documentation for each income, loss or deduction item reported on your city return. Examples include: Form(s) W-2 and W-2G, Form(s) 1099-Misc, Schedule(s) K-1, or Federal Schedule(s) C, E, or F.</p> <p>Partnerships must attach all pages of the Federal Form 1065 (including all schedules and supporting statements) and copies of all K-1s. Note: Schedules K-1 should include detail regarding each partner's share of city income and income tax paid on each partner's behalf.</p> <p>Corporations must attach a <u>complete</u> copy of the Federal Form 1120 or 1120S (including all schedules and supporting statements).</p> <p>Fiduciaries/Trusts/Estates must attach a <u>complete</u> copy of the Federal Form 1041 (including all schedules and supporting statements).</p>
DISCLAIMER	<p>Definitions and instructions are illustrative only. The City of Piqua Income Tax Code and the Ohio Revised Code supersede any interpretation presented.</p>



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PART A – TAX CALCULATION

LINE 1: Enter total amount of Qualifying Wages, which generally includes amounts reported in the Medicare wage base (Box 5 of Form W-2), with exceptions including compensation of Medicare-exempt employees hired before April 1, 1986 and income from the disqualifying disposition of stock options. If you have multiple W-2's, complete Worksheet A. **Attach all W-2's.**

Claim For Refund: Complete Refund Request Form if you are:

- A non-resident individual filing for a refund related to travel days, or in cases where Piqua tax has been withheld in excess of liability.
- Filing for a refund of Piqua tax withheld on earnings while you were under the age of 18.

LINE 2a: Complete Worksheet B on page 2 of this return. Refer to instructions below regarding net operating losses if applicable. **Enter the amount from Worksheet B, Line 10 on Page 1, Line 2a of this return. Do not enter amounts less than zero. Attach all appropriate schedules and documentation.**

Net Operating Losses

In accordance with Ohio Revised Code Chapter 718 and the City of Piqua Income Tax Code, **net operating losses may not offset wage income reported on Form W-2.** A net operating loss may be carried forward to future tax years as follows:

Loss incurred in tax years 2017 and after 5-year carryforward*

*Note that for tax years 2018-2022, only 50% of the available loss carryforward may be deducted.

To determine the allowable 2017 net operating loss deduction, complete the following calculation:

(A) 2017 net operating loss (_____) × 50% = (_____)

(B) Worksheet B, Line 6 (_____) × 50% = (_____)

Lesser of Line (A) or (B): (_____) Enter Worksheet B, Line 7

LINE 2b: Complete Worksheet C on page 2 of this return. See instructions below.

WORKSHEET C – BUSINESS INCOME

LINE 1: Enter Federal Taxable Income from the appropriate federal form as follows:

- Form 1120, Line 28
- Form 1120S, Schedule K, Line 18
- Form 1065, Analysis of Net Income (Loss), Line 1

LINE 2: Enter the net adjustments from Schedule X.

LINE 3: Line 1 plus Line 2.

LINE 4: Enter the allowable net operating loss (NOL) carryforward from tax year 2017 using the calculation below:

(A) 2017 net operating loss (_____) × 50% = (_____)

(B) Worksheet C, Line 3 (_____) × 50% = (_____)

Lesser of Line (A) or (B): (_____) Enter on Worksheet C, Line 4

Note that for tax years 2018-2022, only 50% of the available loss carryforward may be deducted; Losses incurred in tax years 2017 and after are also applied on a pre-apportionment basis.

LINE 5: Line 3 plus Line 4.

LINE 6: Enter the apportionment percentage from Schedule Y, Step 5.

LINE 7: Multiply Line 5 by Line 6 and Enter on Page 1, Line 2b.

Note: For carryforward purposes, partnership losses shall remain at the partnership level for taxable years beginning on or after January 1, 2017.

LINE 3: Line 1 plus Line 2a and 2b.

LINE 4: Multiply Line 3 by 2.0% (.02).

LINE 5a: Enter the total amount of Piqua tax withheld from W-2's. If you have multiple W-2's, please refer to Worksheet A.

LINE 5b: Enter the total amount of tax withheld for or paid to another Municipal Corporation, not to exceed 2.0%. **Attach supporting documentation in the form of W-2's or tax returns submitted to other Municipal Corporations.** If you have multiple W-2's, please refer to Worksheet A. Note: This credit is available for RESIDENTS only.

Residents with income or loss from sources other than Qualifying Wages shall calculate credit for tax paid to another Municipal Corporation as follows:

- If Part A line 2a is comprised of **profit items only**, full credit may be claimed for taxes due and paid to other Municipal Corporations.
- If Part A line 2a includes loss items the losses must be allocated against the profits as illustrated in the example below:

	Total	Centerville	Troy
Profits	\$50,000	\$30,000	\$20,000
Municipal Contribution %		60%	40%
Loss Allocation			
NOL Carryforward	(5,000)		
Current Year Loss	(3,000)		
Total	(8,000)	(4,800)	(3,200)
Profits	\$50,000	\$30,000	\$20,000
Losses	(8,000)	(4,800)	(3,200)
Net Other Income	\$42,000	\$25,200	\$16,800
Tax Rate		×2.25%	×1.75%
Allowable Credit	\$861	\$567	\$294

LINE 5c: Enter the amount of estimated tax payments including any amounts paid with an extension and the amount of any prior year credits.

LINE 6: Add Lines 5a, 5b, and 5c.

LINE 7: Line 4 minus Line 6.

LINE 8: A 15% penalty will be imposed on the balance of unpaid tax due as of the first day after the original due date of the return. If the return is filed late, a \$25.00 late filing penalty is imposed per month with a max of \$150. The late filing penalty is due in addition even if no tax is due. Enter the amount of penalty, if applicable.

LINE 9: Enter the amount of interest, if applicable. Interest will be imposed on the balance of unpaid tax due beginning with the first day after the original due date of the return. The interest rate is adjusted annually based on the federal short-term rate + 5%. Please visit our website (www.piquaoh.org) for the current interest rate.

LINE 10: Add Lines 7-9. This is your balance due. If Line 10 reflects an overpayment, enter this amount on Line 11.

LINE 11: Overpayment from Line 10.

LINE 12: Enter the amount from Line 11 to be refunded.

LINE 13: Enter the amount from Line 11 to be credited to your 2019 estimated tax liability.

PART B – DECLARATION OF ESTIMATED TAX FOR 2019

LINE 14: Enter the amount of Total Estimated Income Subject to Tax. Multiply this figure by 2.0% to determine the total estimated tax due for 2019. Enter the result on Line 14.

LINE 15: Enter the total amount of Piqua and other allowable municipal taxes estimated to be withheld from wages.

LINE 16: Line 14 minus Line 15.

LINE 17: Divide Line 16 by 4 to determine the amount of estimated tax due for the first quarter.

LINE 18: Enter the amount of credits from Line 13 above.

LINE 19: Subtract Line 18 from Line 17. Enter the result on Line 19.

LINE 20: Line 10 plus Line 19. **Make checks payable to Piqua Income Tax.**

MAIL COMPLETED RETURNS TO:

City of Piqua Income Tax Division
P.O. Box 1223
Piqua, OH 45356-1223
Phone: (937) 778-2009 Fax: (937) 778-1130
Email: incometax@piquaoh.org
Website: www.piquaoh.org