

Resident Savings Example

Taxpayer A resides in Oakwood and works in Dayton. Due to the pandemic, Taxpayer A now telecommutes and works from home in Oakwood. During 2021, Taxpayer A continued working at home, yet his employer continued to withhold for the City of Dayton. Assuming taxable wages of \$75,000, Taxpayer A's 2021 Oakwood return would look like this this:

TAXPAYER A OAKWOOD TAX RETURN	2021
Oakwood Taxable Wages	<u>\$75,000.00</u>
Oakwood Tax at 2.5%	\$1,875.00
Credit for taxes paid to Dayton (\$1875.00 X 90%)	<u>-1,687.50</u>
Amount due Oakwood	<u>\$187.50</u>
Total Out-Of-Pocket Expense (amounts paid to Dayton and Oakwood)	<u>\$2,062.50</u>

However, Taxpayer A is entitled to a refund from the City of Dayton because he works at home, in Oakwood. After a refund is filed with the City of Dayton, Taxpayer A's Oakwood return would now look like this:

TAXPAYER A OAKWOOD TAX RETURN	2021
Oakwood Taxable Wages	<u>\$75,000.00</u>
Oakwood Tax at 2.5%	\$1,875.00
Credit for taxes paid to Dayton	<u>0.00</u>
Amount due Oakwood/Total Out-Of- Pocket Expense	<u>\$1,875.00</u>

TAXPAYER A Savings	\$187.50
--------------------	----------