

CITY OF OAKWOOD 2023 INDIVIDUAL TAX RETURN INSTRUCTIONS



- WHO MUST FILE:** **Every resident** of the City of Oakwood 18 years of age or older, whether or not you have taxable income or any tax is due, must file a return reporting all income earned regardless of where income was derived.
- Every non-resident** of Oakwood who has taxable income or loss, earned or derived from within the City, from which Oakwood income tax was not withheld at a rate of 2.5%, must file a return.
- PART YEAR RESIDENTS:** If you lived in Oakwood during part of the taxable year, you must file a tax return covering that period of time. Report the amount of income earned while you lived in Oakwood. Pay statements with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Oakwood cannot be determined and no Oakwood wages are listed in Box 18 of your W-2, you may apportion your earnings by the number of months or days of residency to find your taxable amount. If you prorate your income, you must also prorate any work city tax that was withheld on the same income. Attach a worksheet detailing your calculations.
- EXTENSIONS:** If you have requested an extension of time to file your federal return with the IRS, you will automatically receive an extension of time to file your Oakwood return until October 15, 2024. Please include a copy of your federal extension when filing your return to avoid a late filing penalty. If you have not requested a federal extension, you may still receive an Oakwood extension by filing your request by April 15, 2024. Remember that an extension of time to file is not an extension of time to pay taxes owed.
- ESTIMATED TAX:** Taxpayers who expect to earn taxable income, which is not subject to withholding at a rate equal to or greater than 2.50% are required to make quarterly estimated tax payments if their tax liability will exceed \$200.00. First quarter declaration for 2024 is calculated on the 2023 tax return. Second quarter is due June 17, 2024; third quarter is due September 16, 2024; fourth quarter is due January 15, 2025. Additional instructions and vouchers are available on the city's website.
- TAXABLE INCOME:** **Residents:** Includes but is not limited to salaries, wages, commissions, other compensation and/or net profits, and would include but not be limited to: bonuses, incentive payments, director's fees, property or benefits in lieu of cash, tips, dismissal or severance pay, wage continuation plans, taxable scholarships, and other compensation earned or received, lottery winnings, gambling proceeds, prizes, awards and proceeds from contests and other games of chance, some royalties, cancellation of debt income, net profits of all unincorporated businesses, professions, partnerships, or other activities, including but not limited to rental of real and personal property, regardless of where such income is derived.
- Non-residents:** Includes all income, salaries, qualifying wages, commissions and other compensation from whatever source earned or received for work done, services performed or activities conducted within the City of Oakwood, including any net profit of the non-resident, but excluding any partnership income or loss owned directly or indirectly.
- All:** Losses from federal schedules and other sources reported for federal income tax purposes cannot be used to offset qualifying wages, commissions, other compensation and other miscellaneous taxable income earned or received by residents or nonresidents of the Municipality. If an individual is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity may be used to offset the profits of another for purposes of arriving at overall net profit or loss.
- NON-TAXABLE INCOME:** Includes dividends, interest, capital gains, precinct official earnings of less than \$1,000.00, S Corporation income/loss, military pay and allowances, tax refunds, insurance benefits, pensions, annuities, alimony, third-party disability pay, Social Security, Medicare, poor relief, state and federal unemployment insurance benefits. The entire list of exempt income can be found in Chapter 148-1.03(11) of the Oakwood Municipal Income Tax Ordinance.
- NET OPERATING LOSS DEDUCTION:** Beginning January 1, 2017, all municipalities have a net operating loss (NOL) carryover. The NOL carryover is the overall loss of federal Schedules C, E and F, computed WITHOUT regard to federal passive activity loss carryovers. Unutilized losses may be carried over for 5 years.
- ATTACHMENTS:** Each return must include your forms W-2 (showing wages and all taxes withheld for any municipality) and page 1 of your federal income tax return (Form 1040). In order to avoid requests for additional information, it is suggested that you include all federal schedules and/or statements supporting each income, loss or deduction reported and support documentation for additional municipal taxes other than the amount shown on the W-2.
- PENALTY AND INTEREST:** **Late filing penalty** of \$25 shall be charged on any return filed after the due date, or extended due date. **Late payment penalty** of 15% shall be charged on any tax balance remaining unpaid after the April 15 due date. **Interest**, calculated on the federal short term rate in effect + 5%, shall be charged on any tax balance remaining unpaid after the April 15 due date. A complete listing of annual interest rates is available on the city's website.
- PAYMENTS:** Payment in full is due 04/15/24. Checks should be made payable to "City of Oakwood." To make a credit card or echeck payment, please visit the City's website at www.oakwoodohio.gov. A convenience fee will apply.
- MAILING:** Completed returns should be mailed to: City of Oakwood Income Tax Department, P.O. Box 632195, Cincinnati, Ohio 45263-2195

PAGE 1: Complete taxpayer status. Print your name, current mailing address, social security or federal identification number, city of employment and telephone number. If you were a partial year resident of Oakwood, please indicate the date moved into or out of the City and previous address.

LINE 1: Enter total qualifying wages from page 2, Column 2.

LINE 2: Enter other income from page 2, Line 12.

LINE 3: Total Lines 1 and 2.

LINE 4: Multiply the amount in Line 3 by 2.5% (.025).

LINE 5: **A.** Enter amount of Oakwood tax withheld by employers as shown on W-2 Forms.

B. Residents of the City of Oakwood are allowed a 90% credit for taxes due and paid to other cities on the same income taxed by Oakwood (line 3), provided supporting documentation is attached to the return (e.g. W-2 forms, copies of tax returns filed with other cities, etc.). If taxable income is comprised exclusively of income items (no losses from self-employment, partnerships or rentals), credit may be claimed for taxes due and paid to other cities, at the lesser of the employment city or 2.5%. Credit is then limited to 90%. However, if losses are claimed in computing other taxable income, the losses must be ratably allocated against net profit income in calculating the credit allowable for taxes paid to other cities as follows:

	Total	Dayton	Centerville
Business Income (Sch C, E or F)	\$40,000	\$25,000	\$15,000
Municipal Contribution %		62.50%	37.50%
Business Loss (Sch C, E, F or NOL)	(\$5,000)		
Net Profit Income (Section B, Line 10).....	\$35,000	x 35,000	x 35,000
Tax Rate		x 2.5%	x 2.25%
Allowable Credit (before 90% limit).....	\$842	\$547	\$295

B(1). Enter other city credits from page 2, Column 4, then multiply by 90% (0.90).

C. Enter total estimated tax payments made and overpayments from prior years.

D. Total lines 5(A), 5(B), and 5(C).

LINE 6: Line 4 less Line 5(D). If results exceed \$200.00, you are required to complete Lines 9-12.

LINE 7: If return is past due, calculate late filing penalty, underpayment penalty and interest as noted on page 1 of the instructions.

LINE 8: Total Lines 6 and 7. If Line 8 is a negative and greater than \$10.00, indicate amount you want transferred to next year on line 8A and/or amount you want refunded on line 8B. For refunds, please also check the refund box at the top of the page.

LINE 9: Enter total estimated income subject to tax and multiply by 2.5% (.025).

LINE 10: **A.** Enter estimated Oakwood Tax to be withheld by employer.

B. Enter estimated credit for taxes to be paid to another municipality x 90% (0.90).

C. Enter overpayment from prior year.

D. Total Lines 10(A), 10(B), and 10(C).

LINE 11: Line 9 less Line 10(D).

LINE 12: If Line 11 is \$200.00 or more, calculate the required estimated tax payment, Line 11 x 25%.

LINE 13: Total Lines 8 and 12.

PAGE 2:

SECTION A: List all compensation earned including scholarship and fellowship income. Use highest figure on W-2 (typically Box 5 of W-2). Use line 5 to report taxes paid on income reported in Section B.

SECTION B: Residents should complete lines 1-7 as applicable, attaching related federal schedules. All items of income/<loss> are to be reported (regardless of where earned) without regard to federal passive activity loss carryovers/limitations. Taxable royalties include amounts received from interests in land and rents and royalties derived therefrom.

Non-residents should complete lines 1, 2, 6, 7 and 11 only to the extent the income was earned or services were performed within Oakwood City limits.

Taxpayers with a net operating loss carryover should enter the amount calculated from the Net Operating Loss Worksheet available on the City's website.

MAIL COMPLETED RETURNS TO:

**CITY OF OAKWOOD INCOME TAX DEPARTMENT
P.O. BOX 632195
CINCINNATI, OH 45263-2195**

SIGN AND DATE THE RETURN. IF THE RETURN IS NOT PREPARED BY TAXPAYER, THE PREPARER ALSO SIGNS. ATTACH VERIFICATION OF EACH INCOME OR LOSS ITEM REPORTED ON THE RETURN. **YOU ARE REQUIRED TO INCLUDE A COPY OF YOUR FEDERAL RETURN AND FORMS W-2.** MAIL THE ORIGINAL RETURN TO THE TAX OFFICE. KEEP A COPY OF THE RETURN FOR YOUR RECORDS.

SECTION A:

ATTACH ALL W-2S

Column 1	Column 2	Column 3	Column 4
Physical Work Address (May not be W-2 Address)	Wages (Typically Box 5 From W-2)	Oakwood Tax Withheld	Other Work City Tax Withheld (Dayton, etc.)
1			
2			
3			
4			
5 TAX PAID ON INCOME REPORTED IN SECTION B	(ATTACH SUPPORT)		
TOTAL			

TO PAGE 1, LINE 1

TO PAGE 1, LINE 5A

TO PAGE 1, LINE 5B (1)

SECTION B:

INCOME OTHER THAN WAGES

1. SCHEDULE C – PROFIT OR <LOSS> FROM BUSINESS
 - 1A. NET INCOME OR <LOSS> FROM SCHEDULE C – ATTACH SCHEDULE C 1A \$ _____
 - 1B. % ALLOCABLE TO OAKWOOD. RESIDENTS USE 100%;
NONRESIDENTS FROM SCHEDULE Y (BELOW) 1B \$ _____
 - 1C. OAKWOOD INCOME OR <LOSS> (LINE 1A MULTIPLIED BY 1B) 1C \$ _____
2. SCHEDULE E – INCOME/<LOSS> FROM RENTS – ATTACH SCHEDULE E 2 \$ _____
3. SCHEDULE E – INCOME/<LOSS> FROM TAXABLE ROYALTIES – ATTACH SCHEDULE E 3 \$ _____
4. SCHEDULE E – INCOME/<LOSS> FROM PARTNERSHIPS – ATTACH SCHEDULE E 4 \$ _____
5. SCHEDULE F – INCOME/<LOSS> FROM FARMING – ATTACH SCHEDULE F 5 \$ _____
6. FORM 4797 – ORDINARY GAIN/<LOSS> – ATTACH FORM 4797 6 \$ _____
7. OTHER INCOME/<LOSS> – TRUST/ESTATE – ATTACH SCHEDULE E 7 \$ _____
8. SUBTOTAL – ADD LINES 1C THROUGH 7 8 \$ _____
9. LESS: NET OPERATING LOSS CARRYOVER – ATTACH SCHEDULE 9 \$ _____
10. SUB-TOTAL – LINE 8 LESS LINE 9. IF LESS THAN ZERO, ENTER -0- 10 \$ _____
11. OTHER INCOME – COMMISSIONS, TIPS, GAMBLING INCOME, DIRECTOR’S FEE, ETC.
(DO NOT INCLUDE INTEREST, DIVIDENDS OR CAPITAL GAIN INCOME) 11 \$ _____
12. TOTAL – LINE 10 PLUS LINE 11. ENTER ON LINE 2, PAGE 1 12 \$ _____

SECTION C:

SCHEDULE Y – BUSINESS ALLOCATION FORMULA

TO BE USED ONLY BY NON – RESIDENT SOLE PROPRIETORSHIPS

The business allocation factor should be applied to adjusted net income or loss using all three factors. A factor may be excluded only when that factor does not exist anywhere.

	a. LOCATED EVERYWHERE	b. LOCATED IN OAKWOOD	c. PERCENTAGE (b ÷ a)
STEP 1. Average Original Cost of Real and Tangible Personal Property.....	_____	_____	
Gross Annual Rentals Paid Multiplied by 8	_____	_____	
Total Step 1	_____	_____	_____ %
STEP 2. Gross Receipts from Sales Made and/or Work or Services Performed	_____	_____	_____ %
STEP 3. Wages, Salaries, and Other Compensation Paid	_____	_____	_____ %
STEP 4. TOTAL PERCENTAGES	_____	_____	_____ %
STEP 5. AVERAGE PERCENTAGE: Divide Line 4 by Number of Percentages Used	_____	_____	_____ %

Enter in Section B, Line 1B