

**CITY OF STOW**

**2015 INCOME TAX INFORMATION AND INSTRUCTIONS**

**WHO MUST FILE:** Every resident or part-year resident of the City of Stow, Ohio who is 18 years of age or older must file a City tax return, even if no income was earned in 2015 or no tax is due. Every non-resident who owns rental property or operates a business in Stow must also file an annual return.

**REFUNDS:** Individuals who have had tax withheld for the City of Stow on income earned prior to their eighteenth birthday may request a refund of that tax by contacting the Income Tax office at (330)689-2849.

**WHEN YOU MUST FILE:** The filing deadline is April 15, 2016 or the IRS Due Date. An automatic six month extension of time to file a return will be granted if the request is received on or before April 15, 2016 or the IRS Due Date and all required estimated and prior year taxes have been paid in full.

<b>Where to file:</b>	<b>Mail forms with payment to:</b>	<b>Mail forms without payment to:</b>
	CITY OF STOW	CITY OF STOW
	INCOME TAX DEPARTMENT	INCOME TAX DEPARTMENT
	P O BOX 3649	P O BOX 1668
	AKRON, OH 44309-3649	STOW, OH 44224-0668

**INCOME SUBJECT TO TAX:** In general, taxable income includes, but is not limited to: gross compensation, salaries, wages, commissions, bonuses, incentive payments, profit sharing, stipends, stock options, deferred compensation, directors fees, property in lieu of cash, vacation & sick pay, severance pay, tax shelter plans, net profit from business & professional activities, net farm income, net income from rentals, gambling & lottery winnings, unless specifically exempted by the City of Stow or exempted from Ohio municipal income taxes by Ohio law. Non-taxable income includes dividends, interest, military pay, income from intangible property, pensions, unemployment compensation, certain government assistance payments and social security benefits. This list is not all-inclusive. For a complete definition of taxable and nontaxable income, please refer to the Codified Ordinances of the City of Stow, Section 195.

**NAME AND ADDRESS:** If name(s), address and social security numbers are not preprinted, fill in that information. If the information preprinted is incorrect, correct the information on the form. Please provide a daytime phone number, including area code.

**PART YEAR RESIDENTS:** You should complete this form using only information on income received and taxes withheld or paid while living or working in Stow. You must also provide the date you moved into or out of Stow.

**2015 TAX DUE**

- LINE 1: Use WORKSHEET I on the back of the form and enter the total from Column C
- LINE 2: Use WORKSHEET II on the back of the form and enter the total from Line 6
- LINE 3: Add Lines 1 & 2 and enter the sum
- LINE 4: Multiply Line 3 by 2% (.02)
- LINE 5: Enter the total from Column F of WORKSHEET I
- LINE 6: Enter the total from Line 9 of WORKSHEET II
- LINE 7: Enter the total of all payments you made directly to Stow for 2015 taxes plus any overpayment from 2014 that is being applied to your 2015 taxes
- LINE 8: Add Lines 5, 6 & 7 and enter the sum
- LINE 9: Subtract Line 8 from Line 4
- LINE 10: If the amount on Line 9 is less than zero, you have an overpayment. Enter the overpayment amount you want applied to your 2016 estimated tax (overpayments of under \$1.00 will not be refunded or credited to 2016)
- LINE 11: Enter the amount of the overpayment you want refunded
- LINE 12: If the amount on Line 9 is greater than \$.99, enter that amount. This is your 2015 balance due. This amount must be paid with the form on or before April 15, 2016 or the IRS Due Date. Mail to: City of Stow P.O. Box 3649 Akron, OH 44309-3649
- LINE 13: You do not need to calculate the penalty and interest charges. The City of Stow will calculate any penalties and/or interest due and send you a bill.

**2016 ESTIMATED TAX:** Lines 14-20 must be completed if Line 7 plus Line 9 exceeds \$200.00. **LEAVE LINES 14-20 BLANK IF YOU WANT THE CITY TO CALCULATE YOUR ESTIMATED TAX FOR 2016 BASED ON YOUR 2015 INCOME.** If you anticipate owing no tax in 2016, enter a Zero on Line 17.

- LINE 14: Estimated taxable income for 2016 tax year
- LINE 15: Estimated tax due (multiply Line 14 by 2%.)
- LINE 16: Taxes to be withheld during 2016 for Stow and other municipalities
- LINE 17: Estimated tax due for 2016 tax year (subtract Line 16 from Line 15)
- LINE 18: First quarter of estimated tax payable to City of Stow (multiply Line 17 by 25%)
- LINE 19: 2015 overpayment (from Line 10) applied to 2016 estimated taxes
- LINE 20: Net amount due for first quarter 2016 (subtract Line 19 from Line 18)
- LINE 21: TOTAL AMOUNT DUE WITH FORM. Add Lines 12, 13 and 20 and enter the sum. This is the total amount due with the form on or before April 15, 2016 or the IRS Due Date.

## WORKSHEET I INSTRUCTIONS

When entering wage income on this schedule, use Box 5 on your W-2 form. Deferred compensation and retirement plan contributions MAY NOT be deducted from your taxable income.

Column A: If your income was not earned evenly throughout the year, enter the from/to dates in Column A

Column B: Enter the name of the municipality in which the income entered in Column C was earned

Column C: Enter the gross income actually earned in this municipality, after subtracting any allowable Employee Business Expenses. Unreimbursed employee business expenses: Only those expenses for which the IRS requires the filing of Form 2106 are deductible. Expenses, for which the filing of Form 2106 is not required, are not deductible. If wage income is allocated between cities, the Form 2106 must also be allocated. Enter the total from Column C on Line 1 on the front of the form

Column D: Multiply the amount in Column C by the tax rate for the municipality named in Column B and enter the result in Column D. If this amount was not withheld or paid to your work city, enter zero

Column E: Multiply the amount in Column C by 2% and enter the result in Column E

Column F: Compare the amounts in Columns D & E and enter the smaller amount in Column F. Enter the total from Column F on Line 5 on the front of the form. **NOTE: If the tax withheld was paid to the City of Stow, enter the actual tax withheld for Stow and ignore the amounts in Columns D & E**

## WORKSHEET II INSTRUCTIONS

All income, other than wages, should be reported on this worksheet. Enter income and losses derived from activities within the City of Stow in Column A. All other income and losses should be entered in Column B.

Net profits shall be determined on the basis of the information used for Federal Income Tax purposes, adjusted to the requirements of the City of Stow Income Tax Ordinance. Expenses attributable to nontaxable income are not deductible. Gains and losses from the sale or exchange of capital assets, to the extent recognized as capital gains or losses for Federal Income Tax purposes, are generally not to be considered in arriving at net profits.

The net loss from a business activity may not be used to offset earned income from salaries and wages. The net loss from business activities, such as Corporations, Partnerships and Pass through Entities, **may not be used to offset the net profits from another business activity**. However, an individual taxpayer engaged in two or more Schedule C or Rental activities in Stow may offset the profit of one with the loss from another. Also, an individual may use Schedule C or Rental activities outside of Stow to offset each other.

- Line 1: Enter net profit (loss) from Federal Schedule C. If your business operates in multiple cities, a written allocation schedule must be provided
- Line 2: Enter all rental income (loss) from Federal Schedule E. The complete address, including Street and City, must be provided for each rental property
- Line 3: Enter any non-wage income not included on Schedule C or E, such as ordinary gains and losses as reported on Federal Form 4797, director's fees and lottery winnings. An explanation of the income listed must be attached
- Line 4: Enter any losses carried forward from a prior year. Net losses may be carried forward for up to five years. A complete schedule of all prior year losses must be attached for any loss claimed on the form. Failure to attach such a schedule separate will result in the loss being disallowed
- Line 5: Total each column separately. If the result is less than zero, enter zero
- Line 6: Add Line 5 of Column A to Line 5 of Column B. Enter the sum on Line 6 and on Line 2 on the front of the form
- Line 7: Multiply Line 5 of Column B by 2% (.02) and enter the result on Line 7
- Line 8: Enter the sum of the municipal income taxes paid to all cities (except Stow) on incomes listed on Lines 1, 2 & 3 of Column B
- Line 9: Compare Lines 7 & 8 and enter the smaller amount on Line 9 and on Line 6 on the front of the form

## PENALTY AND INTEREST

You do not need to calculate penalty and interest charges. The City of Stow will calculate any penalties and/or interest due and send you a bill.

### PENALTIES

- Filing of a final return after April 15, 2016 or the IRS Due Date without a valid extension: \$25
- Underpayment of Estimated Tax: 1.5% of the unpaid amount due for each full or partial month that the tax is unpaid
- Late payment of tax due with final return: 1.5% of the unpaid amount due for each full or partial month that the tax is unpaid

### INTEREST

- Underpayment of Estimated Tax: 1.5% of the unpaid amount due for each full or partial month that the tax is unpaid
- Late payment of tax due with final return: 1.5% of the unpaid amount due for each full or partial month that the tax is unpaid