

# CITY OF NORTH CANTON INCOME TAX FORM INSTRUCTIONS

**NOTE: YOUR TAX RETURN WILL BE CONSIDERED INCOMPLETE IF W2'S, ALL FEDERAL SCHEDULES, OR OTHER FINANCIAL STATEMENTS, WHERE APPLICABLE, ARE NOT ATTACHED**

**Line 1. TOTAL WAGES** - List employer name, actual work location (city or township) where employed for each employer. If wages were earned in more than one work location for an employer, list each location separately. Enter amount of North Canton tax withheld. Enter other city tax withheld. Enter total W-2 or 1099 wages.

**Line 2. OTHER TAXABLE INCOME** - Enter other taxable income not reported elsewhere on this return. Types of income to be reported include gambling winnings; prizes and awards if related to employment; jury duty pay; gas and oil royalties.

## Line 3. BUSINESS INCOME

**(3A) RENTAL INCOME** - Enter amount from Schedule G on Page 2 of Income Tax Form. Attach appropriate federal schedules. **LOSSES FROM RENTAL UNITS LOCATED OUTSIDE CITY CAN ONLY BE USED TO OFFSET PROFITS FROM OUTSIDE CITY UNITS.**

**(3B) NET PROFIT FROM BUSINESS** - Enter amount from Schedule H on Page 2 of Income Tax Form. Attach appropriate federal schedules.

**(3C) PARTNER'S DISTRIBUTIVE SHARE OF PARTNERSHIP INCOME** - Partners who are residents of North Canton must enter their distributive share of partnership income. Subchapter "S" Corporation shareholders must enter their distributive share of "S" Corporation income. Attach Federal Schedules K-1.

**(3D) TOTAL BUSINESS INCOME** - Total Lines 3A, 3B and 3C. **BUSINESS OR RENTAL LOSSES MAY NOT BE USED TO OFFSET WAGES.**

## Line 4. DEDUCTIONS

**(4A)** Enter wages earned outside North Canton by part-year resident or prior to 18<sup>th</sup> birthday.

**Line 5. TAXABLE INCOME** - Add lines 1, 2, and 3D and subtract line 4A.

**Line 6. NORTH CANTON CITY TAX** - Multiply Line 5 by 1.5%.

## Line 7. CREDITS

**(7A)** Enter North Canton Tax withheld by employers (use total from Wage Table - see Line 1).

**(7B)** Enter income tax paid to other cities (use total from Wage Table - see Line 1). Amount is not to exceed 1.5% of income taxed in that city. If tax is paid directly to another city, attach copy of income tax return filed in that city.

**(7C)** Enter amount paid on current declaration or the amount of credit carryover from prior year return.

**(7D)** Enter total of lines 7A, 7B & 7C.

**Line 8. BALANCE TAX DUE** - Enter amount if Line 6 exceeds line 7D. Balances of less than \$2.00 will not be collected.

**Line 9. OVERPAYMENT CLAIMED** - Enter amount if Line 7D exceeds line 6.

**Line 10. CREDIT TO NEXT YEAR'S ESTIMATE** - If no estimate, use Line 11.

**Line 11. TO BE REFUNDED** - If estimate due, use Line 10. Refunds of less than \$2.00 will not be processed.

**Line 12. LATE FILING PENALTY** - Enter \$50.00 if return is filed or postmarked after April 15<sup>th</sup>. For the first instance and \$100.00 for each subsequent instance.

**Line 13. PENALTY AND INTEREST** - Calculated at 1/2% for penalty and 1/2% for interest **per month or partial month**. Any amounts owing from a return filed under an extension will still be subject to the 1/2% interest per whole or partial month. **Estimate P&I is penalty and interest as a result of not making estimated payments by the due dates below. Estimate P&I will not be charged if 90% of the current year's liability or 100% of the prior year's liability is paid by January 31. Interest will be calculated at 1/2% per month or partial month on Late Fines.**

**Line 14. TOTAL AMOUNT DUE** - Must be paid in full when filing this return.

## INSTRUCTIONS TO PREPARE

### MANDATORY DECLARATION OF ESTIMATED TAX - 500.00 OR MORE

1. Enter the estimated taxable income for the coming year. Include all income subject to North Canton City Tax, such as salaries, wages, commissions, etc., before any payroll deductions, net income from business, profession, rental and other sources. Multiply this amount by 1.5% (.015).
  - 2A. Deduct the amount of tax, if any, which has been or will be withheld by a North Canton employer.
  - 2B. Deduct the amount of tax, if any, withheld by an employer in another city (not to exceed credit limit).
  3. This is the amount of tax declared for the coming year.
  - 4A. List any overpayment of tax liability which you have requested to be applied to your tax for the coming year. An amendment to this estimate may be made on any quarterly statement.
  - 4B. List any other credits for payments made.
  5. Subtract Line 5 from Line 4. This is your net tax due.
  6. Enter amount you are paying with the filing of your Declaration, which must be at least one-fourth of the estimated tax. You may pay the tax in full, which will simplify your filing, or in four installments, the payment dates for which one shown below.
  7. If you are not paying in full, enter the balance which is payable in installments on Line 7.
- PAYMENT SCHEDULE:** For individuals, quarterly estimates are due by April 15<sup>th</sup>, July 31<sup>st</sup>, October 31<sup>st</sup> and January 31<sup>st</sup> of following year.  
For businesses, quarterly estimates are due by March 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup> and December 15<sup>th</sup>.

**NOTE FOR BUSINESS TAXPAYERS:** Business taxpayers should complete the City of North Canton income tax return according to the provisions of Ohio Revised Code Section 718. **The North Canton City Ordinance provides no provision for a carry back or carry forward operating loss.** Business taxpayers can file their city return and make estimated payments through the Ohio Business Gateway Electronic Filing Services.