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 18th 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 15th.

Line 13. PENALTY AND INTEREST – Calculated at ½% for penalty and ½% for interest **per month or partial month.** Any amounts owing from a return filed under an extension will still be subject to the ½% 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.**

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

INSTRUCTIONS TO PREPARE
MANDATORY DECLARATION OF ESTIMATED TAX

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 15th, July 31, October 31st and January 31st of following year.
For businesses, quarterly estimates are due by March 15th, June 15th, September 15th and December 15th.

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.

CITY OF NORTH CANTON GENERAL TAX INFORMATION

WHAT IS THE TAX RATE – The Tax rate for the City of North Canton Tax is 1.5% of gross earnings.

WHO MUST FILE A TAX RETURN – Mandatory filing for all city residents (living in city full year, partial year or multi-residence), 18 and older (individuals and businesses). This includes all renters within the city limits. Taxpayers who are 65 years or older or permanently disabled and whose sole income is derived from nontaxable income sources such as social security, pensions, etc., do not have to file a return. However, you must fill out and return the Exemption Form at the bottom of this page.

RESIDENTS:

(1) Residents of the City of North Canton who receive salaries, wages, sub-pay, commissions, and other earned income for work done or services performed or rendered from all sources of income, earned inside and outside of the city;

(2) Residents having Rental Property located in or outside of the City of North Canton. However, the tax is computed on the net income only, after allowance for Depreciation, Real Estate Taxes, Repairs, Insurance, etc. Losses for Rental Units located outside the city can only be used to offset profits from Rental Units located outside the city.

NON-RESIDENTS:

(1) Non-residents of the City of North Canton who receive salaries, wages, commissions, and other earned income for work done or services performed or rendered within the City of North Canton when employer did not withhold.

(2) Non-Residents having Rental Property situated within the City of North Canton. However, the tax is computed on the net income only, after allowance for Depreciation, Real Estate Taxes, Repairs, Insurance, etc.

INCOME SUBJECT TO TAX (not all inclusive) – Qualifying wages, bonuses, commissions and fees, sick pay, third party sick pay, lottery/gambling winnings.

QUALIFYING WAGES – Defined as Medicare Wages less Section 125 cafeteria amounts included in Medicare wages plus amounts not included in Medicare wages solely because the employee was not employed by the employer prior to April 1, 1986 plus ordinary income amounts not included in Medicare wages arising from the sale, exchange, disposition or exercise of a stock option plus employee contributions or deferrals to 401(k) or 457 plans that are not included in Medicare wages plus supplemental unemployment compensation benefits not included in Medicare wages.

INCOME NOT SUBJECT TO THE ABOVE TAX – Pensions, Social Security, Unemployment and Disability Benefits, Interest, Dividends, Military Pay, etc., are not subject to the tax. Also, earnings and income of all persons under 18 years of age, whether residents or non-residents, are exempt. To receive a refund for under 18 years of age, you must show proof of age.

CREDIT FOR TAXES PAID TO OTHER CITIES – A credit is allowed to North Canton residents for the income tax paid to another municipality. Limited to the amount of tax that would have been paid to the City of North Canton (ORD. 65-81).

WHEN TO FILE – Declarations of estimated income for the current year, payable quarterly, plus the annual return for the preceding taxable year, are due by April 15th of each year from individuals and businesses. Returns filed or postmarked after April 15 have a $50.00 late filing fee due with return. Due dates for fiscal year taxpayers depends on the month they use for closing their accounting year.

EXTENSION OF TIME – Upon written request of the taxpayer made on or before the date for filing the return, and for good cause shown, the Finance Director may extend the time for filing the annual return for a period of not more than six months or not more than thirty days beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax return.

WHERE TO FILE – City Income Tax Department, 145 North Main Street, North Canton, Ohio 44720.

FOR MORE INFORMATION – Contact the Income Tax Department at 330-499-3467. The City's tax ordinance is available online at www.northcantonohio.com

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CITY OF NORTH CANTON INCOME TAX EXEMPTION FORM

You may not be required to file a City Income Tax return now or in the future. Complete the following form and return it to our office by April 15th and you will not be considered a delinquent taxpayer. **Subsequent receipt of taxable income voids this exemption form.**

NAME _____ SOCIAL SECURITY # _____

ADDRESS _____ PHONE # _____

I am not required to file a return because:

_____ Retirement income only (Date of Retirement_____)

_____ Interest income and/or dividends only

_____ Active military income only

_____ Disability (Expected date to return to work_____)

_____ Moved out of the city in previous tax year (Date_____)

_____ Taxpayer deceased in previous tax year (Date_____)

_____ Under 18 years of age (Please give date of birth_____)

_____ Unemployment income only

_____ Filing with spouse (Spouse social security #_____)

_____ Other (Explain _____)

_____ Signature Date

_____ Spouse Signature Date