

## Taxpayer Information

The State of Ohio has made significant changes to the Ohio Municipal Income Tax Laws (Chapter 718 of the ORC), effecting tax years beginning on or after January 1, 2016, including changes to Interest Rates and Due Dates of Individual Estimated Payments. The 2021 Annual Income Tax Return is due April 15, 2022 or the Federal due date. Total amount due must be paid when the return is filed. Credit card information may be included on the bottom of tax form or payments may be made by telephone or in person.

The City of Waverly income tax applies to ALL who live, work, operate a business, conduct business and/or provide services within Waverly. The Waverly Tax Rate is 1.00%.

### Filing Requirements:

All Waverly residents including college students *even if you have* no taxable income or if you are unemployed are subject to this tax and are required to register with the Tax Department and to file an annual Waverly Income Tax Return regardless of whether tax is owed and regardless of whether or not a Federal or State return was filed. If someone in your household 18 years or older (16 if working) does not receive a tax form in January, then we may not have received a registration form. Registration forms can be found on our website or contact our office.

ALL non-residents with income taxable to Waverly that was not fully withheld by an employer are required to file a Waverly Tax Return. All business entities located in Waverly or business entities doing business within Waverly must register with the Tax Department and file an annual Waverly Business Income Tax Return regardless of profit or loss.

All sole proprietorships, owned by a resident of Waverly must file and pay tax on the entire profit. To avoid delay in processing or receiving additional letters or phone calls from our office, attach copies of all Federal forms, schedules and W-2's used to compute your local tax, along with verification of tax paid directly to other cities

**Taxable Income:** Qualifying wages, including bonuses, deferred comp., stock options, commissions and any other remuneration that is paid to or constructively received by the recipient. Taxable income includes gambling winnings, royalties, sick pay, rents from properties and adjusted federal taxable income from the operation of any business or profession and any other

income earned or received by residents. Welfare and unemployment benefits, Military pay or allowances received as members of the US Armed Forces and their reserve components, including Ohio National Guard, social security benefits, retirement, disability, pension, interest, dividends, and capital gains are not taxable.

**Allocations of Net Profit:** The business allocation percentage formula is to be used by corporations or non-resident business entities doing business within and outside of Waverly if actual record of their Waverly profits is not maintained. Determine the ratio of Waverly portion of: (1) Original Cost of real and tangible property; (2) Total sales regardless of where made; (3) Total compensation paid to all employees. Add the ratios obtained and divide by the number of ratios to obtain business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside Waverly, This computation is to be reported on Schedule Y.

**Filing Due Date:** The filing due date for individuals and businesses is on or before April 15 or on or before the 15<sup>th</sup> day of the fourth month following the end of a fiscal year or 105 days following the end of such period.

**Declaration of Estimated Tax:** Must be filed by every taxpayer who anticipates taxable income of \$200.00 or more, if such income is not withheld by an employer. The declaration and first quarterly estimated tax payment should be included with your tax return and are due by April 15<sup>th</sup>. The 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarterly estimated payments are due by June 15<sup>th</sup>, September 15<sup>th</sup> and January 15<sup>th</sup> for Individual and December 15<sup>th</sup> for Businesses. At least 90% of the tax liability must be paid on or before the 4<sup>th</sup> quarterly due date in order to avoid interest and penalty for underpayment.

**EXTENSIONS:** A copy of the Federal Extension must be attached if filed after April 15<sup>th</sup>. This is an extension to file and not to pay.

**Tax Forms:** All tax forms, Income Tax Ordinance and additional taxpayer information are available on our website at [www.cityofwaverly.net](http://www.cityofwaverly.net). You may also use our E-File/E-pay to submit online tax returns. Be sure to upload all supporting documents & W-2's when e-filing or the return will not be accepted.

## Instructions for Worksheet A (back of form)

Column A	Enter your employer's name on the lines provided
Column B	Enter your total wages from your W-2's. If the wages differ in the box 1 and box 5, always enter the highest wage amount. Attach copy of your W-2's. Photostatic copies will be accepted.
Column C	Enter the Waverly Income tax withheld here. This should be in box 19 of the W-2.
Column D	Income tax paid to other cities Residents can receive 1.00% credit for taxes paid to other cities. Multiply box 19 by 1.00%.
Column E	Part-year residents – Divide box 5 wages by the number of months you were employed by each employer. Then multiply that figure by the number of months you lived in Waverly. Enter this amount in Column B

IF TAXPAYERS ONLY INCOME IS FROM W-2(s), ENTER THE TOTALS FROM COLUMNS B, C and D TO THE FRONT PAGE, LINE 1. ENTER -0- ON LINE 2. CONTINUE WITH THE INSTRUCTION TO YOUR RIGHT STARTING WITH LINE 3. You are not required to complete Worksheet B or Schedule Y below.

### Worksheet for Businesses Only

Report here all income and/or loss from: Federal Schedule C, E, F, K or 1099 MISC K-1, 1120, 1120S, 1065 and 8825. Be sure the figure you put here is before any operating loss. Starting in 2017 Waverly will start allowing a 5 year Net Operating Loss (NOL) carry forward. 2017 is the first year a loss can be reported to be carried forward toward future years. Recorded NOL'S will be phased in over the next 5 years at 50%. A copy of Federal Schedules must accompany returns. Business losses may not be deducted from W-2 wages. Use worksheet B on the back of the return to offset multiple business incomes. Non-residents individuals should report only rental and royalty income earned within Waverly. A copy of the federal schedule must accompany this return.

### Worksheet C

**DISCLOSURE:** Due to changes being made by Ohio Legislators during the lame duck period, net operating losses will follow the current ORC 718 rules & regulations

## Instructions for Tax Form

Line 1	List total Income from Worksheet A Column B
Line 2	Enter on line 2 the total from Worksheet B line 11
Line 3	Enter the total of line 1 and 2
Line 4	Enter 1.00% of amount shown in line 3. This can be computed by multiplying line 3 by .01.
Line 5	Enter amount you paid in Estimate tax to Waverly, if any.
Line 6	Enter amount from Worksheet A Column C Total
Line 7	Enter overpayment from previous tax years, if any
Line 8	Enter amount from Worksheet A Column D Total
Line 9	Enter the total of lines 5 through 8
Line 10	If line 9 is greater than line 4, subtract line 4 from line 9. This is the amount you overpaid. If, upon review, the amount is found to be correct, it may either be refunded or credited to your next year's tax liability
Line 11	Enter the amount from line 10 you want credited to next year's estimate
Line 12	Enter the amount you want refunded from line 10.
Line 13	If line 4 is greater than line 9, subtract line 9 from line 4
Line 14	Late File \$25.00 per month Maximum of \$150.00. Penalty is 15% of amount not paid. This can be computed by multiplying line 13 by 15% Interest is 5% annum or 0.42% per month
Line 15	Estimated income for tax year 2022
Line 16	Multiply line 15 by 1.00% for estimate due
Line 17	Taxes to be withheld and paid to Waverly and other cities (not to exceed 1.00%)
Line 18	Prior credit applied from line 11
Line 19	Net estimated tax due (line 16 minus line 17 and 18)
Line 20	Minimum amount due for first quarter (see reverse side Declaration of Estimated Tax)
Line 21	Total amount due (add lines 13, 14, and 20)

SIGNATURE – Do not forget to sign and date your return before submitting.