

2009 GENERAL INFORMATION

If you need any assistance in reference to this tax form please feel free to call the tax office at (614) 837-4116.

- 1. MANDATORY FILING:** All full or partial year residents, **18 years or older**, or individuals who worked in the City of Pickerington and have not had tax withheld. *Filing is required by all residents whether or not tax is due.*
Failure to comply may result in civil and/or criminal penalty.
- 2. COLLEGE STUDENTS:** College students living away from home for the purpose of attending school are still considered permanent residents of Pickerington and are taxable until such time as they establish a permanent residence elsewhere and are no longer a dependent of their parents.
- 3. RETIREES:** Retirees who earn wages, operate a business, own rental property or earn other income, are required to file. If your **ONLY** income source is retirement income, check the appropriate box at the top of tax return; if previously registered as having no taxable income, you need not file.
- 4. PARTIAL YEAR RESIDENTS:** If you only lived in Pickerington part of the table year, you must file a tax return covering that time. Report the amount of income you earned while living in Pickerington. 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 Pickerington cannot be determined, you may divide your earnings by the number of months employed at the job arriving at an average monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If you pro-rate your income, you must also pro-rate your credit on the same income. Wages earned in Pickerington are all taxable and may not be pro-rated.
PICKERINGTON SCHOOL DISTRICT 2307 INCOME TAX: School income tax is not a municipal income tax therefore, it cannot be used as a credit against Pickerington City income tax. The State of Ohio collects the school income tax.
- 5. RESIDENT CREDIT:** A city resident paying tax to his city of employment may reduce his tax liability to Pickerington by 1/2% (Formula: wages taxed by another city (W-2 Box 18) X .005). Partial year resident must figure partial year credit. If any portion of the tax paid to the employment city is refunded, credit is not allowed on the wages represented by the portion. Any deductions in taxable wage, such as 2106 expenses, must be deducted before credit calculation.
- 6. EMPLOYEE BUSINESS EXPENSES:** An employee who pays his business expenses from his commissions or other compensation, without reimbursement from his employer, may deduct from his gross commissions or other compensation, business expenses allowed by the Internal Revenue Service for Federal Income tax purposes on Form 2106, but only to the extent that such expenses are incurred in earning commissions or other compensation subject to city tax. A copy of Federal Form 2106, as filed with the IRS, a copy of Federal Schedule A and an itemization of all expenses reported must be attached for the deduction to be allowed.
- 7. MOVING EXPENSES:** Moving expenses may be deducted only for residents moving into Pickerington when reimbursed by the employer and reported on the W-2 form.
- 8. JOINT RETURNS:** Husband and wife should file joint returns no matter how state & federal returns have been filed. Both must sign the return and submit their social security numbers. To separate financial liability, individual accounts may be requested by notifying the tax office.

- 9. UNINCORPORATED BUSINESS ACTIVITY:** The net loss from an unincorporated business activity may not be used to offset salaries, wages, commissions or other compensation. However, if a taxpayer is engaged in two or more taxable business activities to be included on 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 profits. Losses may be carried for not more than one (1) taxable year. If carried forward loss is used, attach documentation reflecting same.
- 10. AMENDED RETURNS:** Amended returns are accepted by completing an income tax return with the words "Amended Return" written across the top and indicating the year being amended. There is a three year limitation on amended returns for expected refunds.
- 11. ESTIMATED TAX PAYMENTS:** Every person who anticipates any taxable income which is not subject to withholding of Pickerington income tax or who engages in any business, profession, enterprise or activity subject to Pickerington taxation shall file and pay estimated tax, if the amount of tax estimated is \$50.00 or more. Such payments are due on April 15, July 15, October 15 and December 15. The estimated tax form is found at the bottom of the income tax form and the first installment is due with the filing of said form. Vouchers for remaining payments are available on the city's website. **A declaration and payment of estimated tax which is less than the SAFE HARBOR amount of ninety percent (90%) of the tax owed on the final return OR one hundred percent (100%) of the previous year's tax shall not be considered in good faith and the difference shall be subject to penalties and interest. \$25.00 fee will be assessed for non-compliance plus interest of 1-1/2% per month calculated from the time the estimated payment was due and penalty of 10% of the amount owed.**
- 12. FILE YOUR RETURN BY APRIL 15.** If delinquent, a late filing fee of \$15.00 may be assessed.
INCLUDE PAYMENT OF ANY TAX DUE. NONPAYMENT WILL INCUR INTEREST CHARGES OF 1-1/2% PER MONTH UNTIL PAID AND A 10% PENALTY CHARGE.
- 13. EXTENSIONS:** Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of the Pickerington income tax return. Such request may be made by filing a copy of the taxpayer's federal extension form with the Pickerington Tax Office by the original due date of the return. The extension will not extend the due date of the tax owed and any late payment of tax will be subject to interest of 1-1/2% per month and a 10% penalty. The Tax Office may deny an extension request if the taxpayer fails to timely file the request, fails to file a copy of the request for federal extension, owes any delinquent tax, penalty, interest, or assessment or has failed to file any required income tax return, report, or other related document for a prior tax period. Be advised that the due date for the filing of the current year declaration of estimated tax, if required, will not be extended.
- 14. DISCLAIMER:** Definitions and instructions are illustrative only. Chapter 882 of the Pickerington Codified Ordinance supersedes any interpretation presented.

ATTACHMENTS REQUIRED: Copies of all applicable W-2's, 1099's, IRS schedules and forms must be attached to the City of Pickerington income tax form at the time of filing. Documentation is necessary to verify all amounts of taxable or non-taxable income, expenses and deductions as applicable to the Pickerington return. Failure to attach all necessary documentation may result in the return being considered incomplete and could result in the disallowance of expenses, deduction, or the exclusion of non-taxable income.

INSTRUCTIONS FOR PREPARING CITY OF PICKERINGTON 2009 INCOME TAX RETURN

- Line 1.** Enter total amount of qualifying wages, salaries and other employee compensation. If you have multiple W-2's, complete Worksheet A on back of return (Attach all W-2's and 1099's)
- Line 2.** Enter the amount of other income from Section 1 from the back of the return, but not less than -0-. (Attach all supporting Federal Schedules).
- Line 3.** Add lines 1 and 2.
- Line 4.** Use this space to enter income exempt from taxation from Section 2 on the back of the return. This would include part-year resident income, 2106 expenses, moving expenses when reimbursed by an employer and reported on a federal W2 form. Please attach appropriate documentation. See general information #3 for partial year calculations if exact figures not available.
- Line 5.** Subtract line 4 from line 3.
- Line 6.** Multiply line 5 by 1% (.01).
- Line 7.** Enter tax withheld for Pickerington from W-2's. (Do not include school tax)
- Line 8, 9 & 9a.** Enter any prior year credits or estimated payments.
- Line 9b.** Enter any payments made by a Partnership, S-corp etc. on behalf of the taxpayer.
- Line 10.** Enter residents credits from Section 3 from the back of the return. Partial year residents must figure credit on partial year income. If any portion of the taxes paid to the work city has been or will be refunded, credit is not allowed on the wages represented by that portion.
- Line 11.** Add lines 7 through 10.
- Line 12.** Subtract line 11 from line 6. If line 11 is less than line 6, enter balance due. If line 11 is greater than line 6, skip line 13, 14, 15, (except in the case of a late filed return) and enter overpayment on line 16.
- Line 13, 13a, 13b & 14.** Enter penalty, interest, late filing fee, and failure to estimate penalty, if applicable:
 Penalty = 10% (.10) X Balance Due = Line 13
 Interest = 1-1/2% (.015) X Balance Due X # of months late = Line 14
- Line 15.** Add line 12, 13, 13a, 13b and 14.
- Line 16.** If line 11 is greater than line 6, enter overpayment.
- Line 17.** Indicate disposition of overpayment either by refunding or crediting the overpayment to next year or back to a previous year.
NOTE: *If City of Pickerington tax is fully withheld and estimate payments are not required, STOP HERE, check box, sign and date the return and mail in the enclosed envelope. If joint return and only one taxpayer is having Pickerington tax withheld, the other must estimate on his/her income only.*
- Line 18.** Through 23. Complete only if you are required to make estimated payments. Estimated payments are required for those individuals who anticipate a tax liability of \$50.00 or more on any taxable income which is not subject to withholding of income tax for Pickerington.
- Line 24.** Enter amount from line 15.
- Line 25.** **Add line 23 and line 24.** Make checks payable to the City of Pickerington.

TAXABLE INCOME

1. Qualifying wages, salaries and other compensation.
2. Bonuses, stipends and tip income.
3. Commissions, fees and other income.
4. Sick pay (including third party sick pay if employer paid premium).
5. Employer supplemental unemployment benefits (SUB pay).
6. Employer contributions to retirement plans and tax deferred annuity plans (including Sec. 401k, Sec. 403b, Sec. 457b, etc.)
7. Net rental income.
8. Net profits of businesses, professions, corporations, pass-through-entities, etc.
9. Income from partnerships, estates or trusts.
10. Employee contributions to costs of fringe benefits.
11. Ordinary gains as reports on federal form 4797.
12. Income from wage continuation plans (including retirement incentive plans and severance pay).
13. Vacation Pay.
14. Stock options (taxed when exercised, usually valued at market price less option price on the date the option is exercised).
15. Farm net income.
16. Employer paid premiums for group term life insurance over \$50,000 (PS 58).
17. Compensation paid in goods or services or property usage, taxed at fair market value.
18. Contributions made on behalf of employees to tax deferred annuity programs.
19. Income from guaranteed annual wage contracts.
20. Prizes and gifts if connected with employment to the same extent as taxable for Federal Income Tax purposes.
21. Director fees.
22. Income from jury duty.
23. Union steward fees.
24. Strike pay.
25. Profit sharing, if from a non-qualified plan, or if paid as a type of bonus.
26. Lottery winnings of \$5,000 or more.
27. Reimbursements in excess of deductible expenses.
28. Employer provided educational assistance (taxable to the same extent as for federal taxation pursuant to the Technical & Miscellaneous Revenue Act of 1988).
29. Income deemed as taxable per Federal Code Section 89.
30. Compensatory damages awarded in lawsuits.
31. Income from covenant not to compete clause.
32. Net profits derived from the operation of oil and gas wells.

NON-TAXABLE INCOME

1. Interest or dividend income.
2. Welfare benefits.
3. Social security.
4. Income from qualified pension plans.
5. State unemployment benefits.
6. Worker's compensation.
7. Contributions made by or on behalf of employees to cafeteria plans (Sec. 125, etc.).
8. Proceeds of life insurance.
9. Alimony.
10. Military pay (including National Guard and reserve pay).
11. Earnings of persons under 18 years of age.
12. Capital gains.
13. Lottery winnings under \$5,000.
14. Prizes or gifts not connected with employment.
15. Income of religious, fraternal, charitable, scientific, literary or education institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities.
16. Patent and copyrighted income.
17. Royalties derived from intangible property.
18. Annuity distributions.
19. Housing allowances for clergy to the extent that the allowance is used to provide a home.
20. Health & welfare benefits distributed by governmental, charitable, religious or educational organizations.
21. Compensatory insurance proceeds derived from property damage or personal injury settlements.
22. Punitive damages awarded in lawsuits.
23. IRA. Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans.
24. Scholarships or Work Study Programs exempt with proper submission of paperwork from College indicating type of compensation and amount.
25. Personal earnings of mentally retarded and developmentally disabled employees earning less than the minimum hourly wage while employed at government sponsored sheltered workshops.
26. 1099-G Refunds.

Above lists are not all-inclusive. For items not listed contact the Income Tax Division for clarification. Phone (614) 837-4116.