

## INSTRUCTIONS

**IMPORTANT**

**READ ALL INSTRUCTIONS CAREFULLY BEFORE PREPARING RETURN**  
**NOTE: 1) TAX RETURN WILL BE CONSIDERED INCOMPLETE**  
**IF W2s ARE NOT ATTACHED**

**CITY INCOME TAX INFORMATION**

WHAT IS THE TAX RATE - The Tax Rate is 1.5%

BUSINESS LOSSES MAY NOT BE USED TO OFFSET WAGES.

WHO MUST FILE A TAX RETURN -

Net Operating Loss carry forward not allowed.

RESIDENTS:

HUSBAND AND WIFE MAY FILE JOINT RETURNS

**INTERESTS - PENALTIES** - ALL TAXES IMPOSED BY THE ORDINANCE AND REMAINING UNPAID AFTER THEY HAVE BECOME DUE SHALL, IN ADDITION TO THE AMOUNT OF THE UNPAID TAX, BEAR INTEREST AT THE RATE OF .5 PERCENT (.5%) PER ANNUM, AND THE TAXPAYER UPON WHOM SAID TAXES ARE IMPOSED SHALL BE LIABLE. IN ADDITION THERETO, TO A PENALTY OF ONE AND ONE HALF PERCENT (1 1/2%) OF THE AMOUNT OF THE UNPAID TAX FOR EACH MONTH OR FRACTION OF MONTH FOR THE FIRST SIX MONTHS OF NON-PAYMENT OR **FIFTY DOLLARS** WHICHEVER IS THE GREATER.

NON-RESIDENTS:

Non-Residents of the City, who receive salaries, wages, commissions, and other earned income for work done or services performed or rendered within the City.

Non-Residents have Rental Property situated within the City. However, the tax is computed on the net income only, after allowance of Depreciation, Real Estate taxes, Repairs, Insurance, etc.

## INSTRUCTIONS TO PREPARE DECLARATION OF ESTIMATED TAX

A credit allowed to residents for the income tax paid to another municipality. Limited to the amount of tax that would have been paid to the City. **(Persons resident or non-resident, shall not be permitted to off-set any losses derived from business against any wages or payroll earnings.)**

NON-RESIDENT EMPLOYERS (contractors, etc.) who are doing business within the municipality are required to deduct at the time of payment of salaries, wages, commissions, or other compensation the tax on the gross amount earned in the municipality.

EVERY EMPLOYER, resident or non-resident, who is required to deduct and withhold the tax at the source is liable directly to the municipality for payment of such tax whether actually collected from their employees or not.

PAYMENT OF TAX WITHHELD FROM EMPLOYEES - 1st quarter due by April 30th; 2nd quarter due by July 31; 3rd quarter due by October 31; and the 4th quarter due by January 31 of the following year.

INCOME NOT SUBJECT TO THE ABOVE TAX - Pensions, Social Security, Unemployment and Social Security Disability Benefits, Interest, Dividends, Military Pay, etc. are not subject to the tax.

WHEN TO FILE - Declarations of estimated income tax for the current years, payable quarterly, plus the annual return for the preceding taxable year are due on the date indicated on the form from individuals and businesses. Due dates for fiscal year taxpayers depends on the month they use for closing their accounting year. If you are requesting an extension, a copy of the Federal Extension form must be received prior to the filing deadline.

WHERE TO FILE - Niles City Income Tax Department, 34 W. State St., Niles, Ohio 44446

8. Enter the total estimated taxable income for the coming year. Include all income subject to City Tax, such as salaries, wages, commissions, etc. before any payroll deductions, net income from business, profession, rental and other sources. Multiply by Municipal Tax Rate to arrive at estimated tax due.
- 9a. List any overpayment to tax liability from prior year which you have requested to be applied to your tax for the coming year.
- 9b. Deduct the amount of tax, if any, paid to another city (not to exceed credit limit).
- 9c. Total lines a & b.
10. Subtract Line 2 from 1. This is your net tax due.
11. 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. You will be billed for the second, third, and fourth quarter amounts due.