

2009 INSTRUCTIONS FOR SYLVANIA INCOME TAX RETURNS

NOTICE TO TAXPAYERS

PLEASE READ THE INSTRUCTIONS AND TAX RETURN CAREFULLY.

Mail returns accompanied by payment to: City of Sylvania, Division of Taxation, PO Box 510, Sylvania OH 43560-0510. Mail all other returns to: City of Sylvania, Division of Taxation, 6730 Monroe St., Sylvania OH 43560-1949.

If you need assistance, call the tax office at (419) 885-8940 or visit our office at 6730 Monroe St., Sylvania OH 43560-1949. Our fax number is (419) 885-3442. Additional forms are available in the tax office, at the Sylvania branch of the Toledo-Lucas County Library or on the internet at www.cityofsylvania.com/tax/forms.htm

GENERAL INSTRUCTIONS

THIS RETURN IS USED FOR BUSINESSES AS WELL AS FOR INDIVIDUALS. PARTS OF THE RETURN WILL NOT APPLY TO EVERY TAXPAYER.

1. WHO IS REQUIRED TO FILE THIS RETURN

ALL RESIDENTS having earned income, MUST file a City Income Tax Return no later than April 15th of each year, even if the entire tax has been withheld. Failure to comply is considered a misdemeanor under the Tax Ordinance, subject to severe penalties. The Ordinance imposes the tax on all salaries, wages, commissions and other compensation from all sources, including rental, partnerships and passthrough income regardless of where it is earned (exception – S-corps). A full tax credit is allowed for each city receiving tax if the tax rate is 1½% or less.

Married taxpayers may file their city return separately or jointly. However, if both spouses' incomes are reported on one tax return, the income of each spouse will be segregated and losses of one spouse will not be permitted to reduce the income of the other spouse.

Non-resident business entities and/or individuals, must file a return on income attributable to and/or earned in Sylvania on which no tax was paid or withheld to Sylvania.

2. PRIMARY AND SECONDARY SOURCES OF INCOME

W-2 income cannot be reduced by losses.

If a taxpayer has multiple sources of income subject to Sylvania tax, the principal source of income is generally considered to be that source subject to Sylvania tax, which produced the highest dollar amount of income, either on a form W-2 or on the net profit as shown on various federal tax forms. Primary source income can change from year to year. Primary source income can not be reduced by secondary source losses.

Secondary source income is the aggregation of the remaining types of income. If the aggregation is a net profit, the income is taxable. If the aggregation is a net loss, the loss may be carried to any of the succeeding 5 tax years to be used against an aggregated net profit. Credit for tax paid to another municipality on income will be allowed on the Sylvania tax return to the extent the income is taxable.

Secondary source income loses its individual type characteristics when it is aggregated. Therefore, it is not necessary to keep track of individual types of losses. It is important to keep track of the loss carry forward for each spouse.

3. EXTENSIONS

The Sylvania Tax Ordinance allows an extension of time to file a return. **It does not extend the time to pay the tax.** Taxpayers granted extensions of time for filing their Federal income tax returns may have an extension for filing their Sylvania tax return **PROVIDED** a copy of the Federal extension is filed with the Commissioner **on or before** the original due date of the Sylvania tax return and is accompanied by any tax which may be due.

If no Federal extension was granted, a taxpayer may request an extension to file his Sylvania tax return. This request must be in writing and filed with the Commissioner on or before the original due date of the Sylvania tax return and be accompanied by any tax which may be due.

If the extension is not filed on time, the Sylvania tax return will be considered late. The Sylvania Tax Ordinance assesses a late filing fee of \$25.00 even if no tax is due.

4. OTHER CITY REFUNDS FOR TAXPAYERS WHO TRAVEL

- (A) If your position requires you to travel or work outside your base city of employment, on behalf of your employer, be sure to indicate the number of FULL WORK DAYS on the line above Schedule "A." You will be sent the necessary form for filing your refund claim of other city tax withheld on the travel time. Your base city of employment can not be the City of Sylvania.
- (B) After filling out the non-resident refund form, you may send it to the City of Sylvania or to the city in which you were employed. All forms will be checked to verify that they are complete and then forwarded to the proper city. If you send the form directly to your city of employment, please send a photocopy with your Sylvania tax return, noting date sent.
- (C) Tax is due Sylvania on your travel days refund. If your city of employment has a tax rate of 1½% or less, the whole refund is due Sylvania. If your city of employment has a tax rate of more than 1½%, you may be entitled to a refund based on the difference between the tax rates.

5. OTHER CITY TAX CREDITS

Credits claimed for withholding to any municipality must be supported by copies of your W-2's. Attach the itemized breakdown if your W-2's are marked "Various" or "All Cities."

Credits claimed for paying tax directly to another municipality must be supported by a copy of the return filed with the other municipality.

6. SCHEDULE "X" ADJUSTMENTS

Adjustment to reconcile your Federal adjusted gross income to your taxable city income and/or to report unreimbursed business expenses. Reimbursed moving expenses may be deducted on line s of Schedule X.

7. RESIDENT EMPLOYED IN NON-TAXING AREAS

Any income earned in a non-taxing area, such as Sylvania township, or in a city in another state which has no municipal income tax, is taxable to your resident city.

If tax has been withheld on this income to another city, please show the location of your employment under Schedule "A." On proof of claim, city tax withheld in error can be refunded to the city of residency. If the tax was withheld at a rate greater than 1½%, you may be entitled to a refund based on the difference between the tax rates.

No credit will be given for city taxes withheld to another city in error.

8. REFUNDS

A refund will not be processed unless all Federal schedules used to calculate the tax return have been sent with your return. Federal schedules and/or explanations are needed if you reduce your W-2 wages, add additional income which has no supporting documentation, or take deductions without supporting documentation.

Employee business expense refunds are given for items found on Federal form 2106. These expenses must be reduced by 2% of your federal AGI. The 2106 form and Federal Schedule A, Itemized Deductions must be filed with your Sylvania return.

If your Schedule X adjustments entitle you to a refund, you must claim your refund from the city to which the taxes were withheld. 2106 expenses are not allowed if the only expenses are on line 4. If the 2106 expenses apply to income with withholding to multiple cities, the 2106 must be prorated. Travel time refunds for Sylvania residents can not be processed until our tax office has received the money from your city of employment. The earlier you file your non-resident refund form, the sooner you will receive your refund. Non-residents who did not work in the City of Sylvania but their employers withheld Sylvania income tax must file a non-resident refund form. This form is to be completed by the employee and verified by his employer.

INSTRUCTIONS FOR PREPARING MUNICIPAL INCOME TAX RETURNS

Heading: Print your name, address, social security or federal identification number clearly or make necessary corrections if already printed. Indicate your residency status including dates if you were a partial year resident of Sylvania.

Schedule "A" is for wages earned as an employee. From your W-2 form(s), enter your employer's name, the location you performed your work, the name of the municipality which received your city tax, the amount of city tax withheld (box 19, separate Sylvania tax from other city tax) and the total wages paid. Your total wages include, but are not limited to, **deferred compensation, tax shelters, annuities, etc.**

NOTE: If you are filing on W-2 wages only, skip to Line 8 and compute the tax.

Line 2(A) - Primary Source income other than wages. See page 2 of the tax return. **Copies of all federal schedules must be attached to your city return. COPIES OF K-1'S FOR 1065 AND 1120S RETURNS ARE REQUIRED.** List gross income from gaming, wagering, lotteries or schemes of chance in excess of \$9999.99. Once a minimum of \$9999.99 is reached, total winnings are taxable.

2(B) - The net profits or losses from business activities or investments other than from your principal source of income shall be aggregated for each tax year. If the aggregation is a net profit, tax is due. One spouse may not aggregate with the other spouse.

2(C) - If the aggregation is a net loss, the loss may be carried forward to the succeeding 5 tax years to be used against an aggregated net profit. A secondary source loss of one spouse will not be allowed to reduce the secondary source income of the other spouse.

Schedule E - If the total gross monthly rental from all property taxable to Sylvania does not exceed \$250.00, this income need not be reported on your personal city return.

Schedule K-1 (1065) - The distributive share of the net profits of a partnership is taxable to Sylvania.

Schedule K-1 (1120S) - The distributive share of the net profits of an "S" corporation is taxable to Sylvania to the extent the distribution is allocated to the State of Ohio.

Line 3 - Adjustments to reconcile your Federal adjusted gross to your taxable city income and/or to report unreimbursed business expenses. Reimbursed moving expenses may be deducted on line s of Schedule X. Enter totals from Schedule X Page 2. Individuals will only use lines S and T of schedule X, businesses will use lines A-S.

Line 4 - Total lines 1, 2, and 3.

Line 5 - Corporations, unincorporated businesses, partnerships, professions or other entities doing business within and without this municipality will need to use Schedule "Y" if actual records of their local business are not maintained.

Line 6 - Allowable loss carry forward. Losses going back further than 5 years are not allowed. An aggregated secondary source loss can be carried forward for the succeeding 5 tax years.

Line 7 - Enter the net of Line 4 minus Line 6 or Line 5 minus Line 6.

Line 8 - Enter 1½% (.015) of Line 7. If your only source of income is from wages, enter 1½% (.015) of Line 1.

Line 9(A) - Enter the total of all municipal income tax withheld by your employer for Sylvania. From Schedule A, Line 1. Column D

9(B) - Enter the total of all estimate payments made to Sylvania for this taxable year including any credit from overpayment of the prior year's city return.

9(C) - Sylvania Residents ONLY – Enter the tax withheld to, paid to or to be paid to other municipalities on taxable income. The amount listed must not exceed one and one-half percent (1½%) of the income taxable to the other municipalities. **The credit for each W-2 must be calculated separately. If you work for one employer in several different municipalities, the credit for each municipality must be calculated separately. From Schedule A, Line 1, Column F Copies of W-2's showing other city tax withheld must be attached.** Resident's businesses need to submit proof of tax paid to other cities in order to take credit.

9(D) - Enter the name of the municipality, the partnership or S corporation name and the tax paid by the partnership or S corporation on rental income or K-1 income.

9(E) - Add lines 9 (A), (B), (C) and (D).

Line 10 - If line 8 is greater than line 9(E), enter the difference is here. Remittance of this amount must accompany the return when filed. If this amount is less than \$10.00, no tax is due. If line 8 is less than line 9(E), the difference is entered here. Refunds will not be made for amounts under \$10.00. However, you will receive a credit which may be used against the amount due on your next year's tax return.

Line 11 - Even though no tax is due, a late fee of \$25.00 is assessed for filing a return after the due date. A return also is considered to be filed late if the extension is not filed on or before the original due date of the Sylvania tax return.

Penalty and interest charges of 1½% each, for a total of 3% are assessed every month on any unpaid tax balance. Line 12 - Add lines 10 and 11. Make your check payable to the **City of Sylvania.**

Line 13 - If line 9(E) is greater than line 8, enter the difference here.

13(A) - Enter the amount of the overpayment you wish credited to next year.

13(B) - Enter the amount of the overpayment you wish refunded.

YOU ARE REQUIRED TO ATTACH COPIES OF YOUR W-2'S AND ALL FEDERAL SCHEDULES, INCLUDING BUT NOT LIMITED TO SCHEDULE C, E, 4797, A, 2106, 1099, PAGE 1 OF 1040, USED TO PREPARE YOUR CITY RETURN. SIGN YOUR TAX RETURN.

"All information requested for City of Sylvania tax purposes is mandated to be Confidential by Section 171.09, V of the Codified Ordinances of Sylvania, as amended, and compliance with such section by the City does not infringe on any protection afforded to taxpayers by applicable Privacy Act Regulations."

FORM FOR USE OF ALL TAXPAYERS SUBJECT TO SYLVANIA INCOME TAX

File this return with PAYMENT to the City of Sylvania, Division of Taxation, P.O. Box 510, Sylvania, OH 43560-0510.

For any questions call: 419-885-8940 or visit our website www.cityofsylvania.com/tax. **IF NO PAYMENT IS DUE**

OR YOU ARE REQUESTING A REFUND send your tax return to City of Sylvania, Division of Taxation, 6730 Monroe St., Sylvania, OH 43560-1949 on or before April 15, 2010 or within 4 months after the close of a fiscal year period.

2009 CITY OF SYLVANIA INCOME TAX RETURN

For Calendar Year ending December 31, 2009 or for the _____ months ending _____

Name & Address are as they appear on our records. Make necessary corrections, or if blank enter current name and address.

TAX OFFICE USE ONLY

RECEIVED _____

POSTED _____

Your Soc. Sec. No. _____

Spouse's Soc. Sec. No. _____

Fed. ID No. _____ Tel. No. _____

Do you own this property? _____

Name and Address of Landlord _____

Will you have 2010 taxable income? _____

If not, please explain _____

List change of address since 1/1/09. Date moved into Sylvania _____ Date moved out _____

Previous Address _____

Present Address _____

Phone _____

A/C NO.

Enter number of FULL WORK DAYS spent outside city of employment on behalf of employer. See GENERAL INSTRUCTIONS, Item 4. _____

SCHEDULE A

Enter your TOTAL qualifying wages, salaries, bonuses, incentive payments and other compensation BEFORE ANY PAYROLL DEDUCTIONS received from January 1 to December 31, 2009 from each employer or source. INCLUDE Sick Pay paid by employer, Federal Tax Sheltered Annuities and all forms of Deferred Compensation. Attach schedule if necessary.

A PRINT EMPLOYER'S NAME	B LOCATION WORK WAS PERFORMED	C TAX WAS PAID TO WHAT CITY	D SYLVANIA TAX WITHHELD	E OTHER CITY TAX WITHHELD	F TAX CREDIT ALLOWED FOR OTHER CITIES	G QUALIFYING WAGES, ETC.
			\$	\$	\$	\$
1. TOTAL - IF NO OTHER TAXABLE INCOME COMPUTE YOUR TAX ON LINE 8						

- 2. Income other than wages from Page 2 of the tax return. **ATTACH COPIES OF ALL FEDERAL SCHEDULES**
 - (A) Primary source income Husband _____ Wife _____ \$ _____
 - (B) Secondary source income Husband _____ Wife _____ \$ _____
 - (C) Secondary source loss - must be carried forward..... Husband _____ Wife _____
- 3. Adjustment from Schedule X (Page 2) add I Deduct Z \$ _____
- 4. Total Income (Line 1 and/or 2 and 3)..... \$ _____
- 5. Amount allocable to Sylvania. If Schedule Y is used _____ % \$ _____
- 6. Less allocable Sylvania net loss from previous years (limited to 5 years)..... \$ _____
- 7. Adjusted net income subject to Sylvania income tax..... \$ _____
- 8. Sylvania income tax 1½% (.015) of line 1, line 4 or line 7 \$ _____
- 9. Credits
 - (A) Sylvania City Tax Withheld (Line 1, Column D)..... \$ _____
 - (B) Estimated Tax Paid _____ Prior year overpayment \$ _____
 - (C) Other city tax credit not to exceed 1½% (.015) of taxed income (Line 1, Column F)..... \$ _____
 - (D) Tax was paid to _____ (city) by _____ (partnership/S corp)..... \$ _____
 - (E) Total Credits Allowable (Add 9A thru 9D)..... \$ _____
- 10. Tax Due (Line 8 less 9E) If this amount is less than \$10.00, no tax is due. \$ _____
- 11. Penalty for late filing even when no tax is due. **\$25.00**
 Penalty of 1½% and interest of 1½%, for a total of 3% per month on the unpaid balance..... \$ _____
- 12. Total Amount Due (Make check payable to the City of Sylvania) Check # _____ \$ _____
- 13. Overpayment (Line 8 Less Line 9E) No refunds will be given for amounts under \$10.00.
 Overpayments under \$10.00 will be credited to the next tax year.
 - (A) Credited to next year's tax..... \$ _____
 - (B) Refunded..... \$

ATTACH COPIES OF W-2's HERE

The failure of any employer, taxpayer or person to receive or procure a return, declaration or other required form shall not excuse him from making any return, or declaration, from filing such form or from paying the tax.

The undersigned declares that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated.

Check the box next to your signature to authorize us to speak directly to your preparer regarding your tax return.

 Signature of Taxpayer or Agent Title Date Printed Name of person preparing return or keeping books Phone #

 Signature of Spouse Date Address of above

NAME _____ SSN _____

The net profits and losses sustained by a taxpayer from business activities subject to Sylvania Tax, other than from the taxpayer's principal source of income subject to Sylvania tax, shall be aggregated for each of the taxpayer's tax years.

If a taxpayer has multiple sources of income subject to Sylvania tax, the principal source of income is generally considered to be that source subject to Sylvania tax, which produces the highest dollar amount of income, either on a form W-2 or on the net profit as shown on various federal tax forms.

ATTACH PAGE 1 OF 1040

Table with columns for item description, amount, Primary, and Secondary. Includes items like Federal Returns 1065, 1120, 1120S, Schedule C, Schedule E Rental, Federal Schedule K-1 from Partnership and S Corporation, Schedule F, Schedule 4797, Part II, and Miscellaneous Income.

SCHEDULE X RECONCILIATION - For use ONLY if ITEM is included on Lines 1 or 2, page 1.

Table with two columns: ITEMS NOT DEDUCTIBLE (A-G) and ITEMS NOT TAXABLE (N-Z). Each item includes a description and a dollar amount field.

SCHEDULE Y - BUSINESS ALLOCATION FORMULA

Table for Business Allocation Formula with columns: a. Located Everywhere, b. Located in This Municipality, c. Percentage (b ÷ a). Includes steps for Average value of Real & Tang. Personal Property, Wages, Salaries, and Other Compensation Paid, Gross Receipts from Sales, and Average Percentage.

EST

QUARTERLY PAYMENT OF ESTIMATED TAX

2010

Name and Address - Please make necessary corrections

[Empty box for Name and Address]

Sylvania Income Tax Division
PO Box 510
Sylvania, OH 43560

Account #
SS/Federal ID #

Due date: April 15, 2010

Payment amount: \$ _____

- 1. Your Four (4) 2010 Estimated Declaration Vouchers are included in this package.
Voucher #1, Due April 15, 2010 is at the top of this sheet. Voucher #2, Due July 31, 2010, Voucher #3, Due October 31, 2010 and Voucher #4, Due January 31, 2011 are on the next page.
(Fiscal Year Basis Taxpayers - Please substitute your appropriate dates on vouchers.)
2. Estimated Tax is to be paid in quarterly installments on all earned income with no city withholding tax. No estimated tax payments are necessary if annual tax due is less than \$100.
3. Make sure your remittance for each quarter is included with your Estimate Voucher. Make your checks payable to: City of Sylvania.

Every taxpayer who anticipates any taxable income from any source whatsoever, including business enterprise, subject to the tax imposed by Chapter 171 Sylvania Codified Ordinances 1999 as amended, shall file a declaration setting forth such estimated profit or loss from such business activity together with the estimated tax due thereon, if any.

- (a) Such declaration shall be filed on or before April 15 and thereafter of each succeeding year during the life of this chapter or within three (3) months after the date the taxpayer becomes subject to the tax hereunder for the first time.
(b) Exception: if a taxpayer's taxable income is wholly from wages from which the tax of 1-1/2% thereon will be withheld and remitted to the City of Sylvania or other city, such taxpayer need not file a declaration. If total yearly tax will be less than \$100.00, the taxpayer need not file a declaration.
(c) The filing of the Declaration of Estimated Sylvania Income Tax requires the taxpayer to pay the tax in quarterly installments with the first payment due April 15 and a similar amount shall be paid for each quarter thereafter, as indicated on each quarterly voucher attached. In case an amended declaration has been duly filed, or the taxpayer is taxable for a portion of the year only, the unpaid balance shall be paid in equal installments on or before the remaining quarterly payment dates for the calendar year.
(d) If the books are kept on a fiscal year basis differing from the calendar year show the number of months you are reporting and the date on which your fiscal year ends. Such declaration shall be filed within four (4) months after the start of each fiscal year or period.
(e) Such declaration shall be filed upon a form furnished by, or obtainable upon request from the Commissioner of Taxation.
(f) The original declaration, or any subsequent amendment thereof, may be increased or decreased on or before any subsequent quarterly payment date provided for herein.

Tax Calculation:

Table with 2 columns: Description and Amount. Rows include: Estimate of Taxable Income, Estimate of Tax Due (1-1/2% of Line #1), Sylvania Tax Withheld, Other City Tax Withheld, Overpayment (from your 2009 Tax Return), Total Credits (Add Lines 3a, 3b, and 4), Net Estimated Tax (Subtract Line 5 from Line 2), 90% of Estimated Tax.

Record of Payments

Table with 5 columns: Voucher No., Due Date, Check No., Date Paid, Amount Paid. Rows 1-4: 1. April 15, 2010; 2. July 31, 2010; 3. Oct. 31, 2010; 4. Jan. 31, 2011.

EST

QUARTERLY PAYMENT OF ESTIMATED TAX

2010

Name and Address - Please make necessary corrections

Sylvania Income Tax Division
PO Box 510
Sylvania, OH 43560

Account #
SS/Federal ID #

Due date: July 31, 2010

Payment amount: \$ _____

EST

QUARTERLY PAYMENT OF ESTIMATED TAX

2010

Name and Address - Please make necessary corrections

Sylvania Income Tax Division
PO Box 510
Sylvania, OH 43560

Account #
SS/Federal ID #

Due date: October 31, 2010

Payment amount: \$ _____

EST

QUARTERLY PAYMENT OF ESTIMATED TAX

2010

Name and Address - Please make necessary corrections

Sylvania Income Tax Division
PO Box 510
Sylvania, OH 43560

Account #
SS/Federal ID #

Due date: January 31, 2011

Payment amount: \$ _____