

2022 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 (Monroe St.) Library or on the internet at www.cityofsylvania.com/tax

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-Corp passthrough taxable to extent allocated to the state of Ohio). A full tax credit is allowed for each city receiving tax if the tax rate is 1.5% or less.

Married taxpayers may file their city return separately or jointly.

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. W-2 INCOME CANNOT BE REDUCED BY LOSSES.

Other 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 to Sylvania.

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.** Tax not paid will be subject to statutory interest. 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 attached to the return.

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 an extension is not filed, the Sylvania tax return will be considered late. Tax due will be subject to penalty and interest. The Sylvania Tax Ordinance assesses a \$25 per month (or fraction thereof) on any returns filed after the due date showing a tax balance due (maximum of \$150).

4. OTHER CITY REFUNDS DUE TO TRAVEL OR WORK FROM HOME

If you worked from home for your employer during 2022 and your employer continued to withhold your employment city's tax, you are entitled to a refund from the employment city.

If your position requires you to travel or work outside your base city of employment, on behalf of your employer, you may be entitled to a refund of the tax withheld to your base employment city.

To file for either of the above refunds, you will need to fill out the Nonresident Refund form, which is available in the tax office and on the tax office's website. After filling out the Nonresident Refund form, you may send it to the City of Sylvania or the city to which you were withheld. If you send the form directly to your city of employment, a copy of the form should be attached to your city of Sylvania tax return.

Tax is due to Sylvania on the income that you claim on the Nonresident Refund form. You may assign your refund claim to Sylvania. If your city of employment has a tax rate of 1.5% or less, the refund is due to Sylvania. If your city of employment has a rate greater than 1.5%, the rate difference will be refunded to you.

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. 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 1.5%, 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.

7. 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.

If your Schedule X adjustments entitle you to a refund, you must claim your refund from the city to which the taxes were withheld. 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.

Amounts \$10.00 or less shall not be refundable.

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. DO NOT INCLUDE LONG TERM DISABILITY, UNEMPLOYMENT, OR ACTIVE DUTY OR RESERVE PAY.**

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

Line 2 - Income other than wages. See page 2 of the tax return. List gross income from gaming, wagering, lotteries or schemes of chance. For residents, the net profits or losses from business activities or investments other than income shall be aggregated for each tax year. If the aggregation results in a net profit, tax is due. 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. Losses cannot be used to reduce W-2 income.

Schedule E Income:

Rental Income - 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.

Partnership/S-Corp Income:

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. Enter totals from Schedule X Page 2. Businesses will use lines A-S.

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

Line 5 - Allowable loss carry forward. Losses going back further than 5 years are not allowed. Aggregated losses can be carried forward for the succeeding 5 tax years. (Subject to ORC 718 Limitations) Cannot be used to reduce W-2 income.

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

Line 8 - Enter 1.5% (.015) of Line 7. If your only source of income is from wages, enter 1.5% (.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 (1.5%) 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. Documentation will be requested if not attached.

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

Line 10 - Enter the difference between line 8 and line 9(E). If line 10 is \$10.00 or less, no tax is due. If line 10 is greater than \$10.00, remittance must be received by April 18.

Line 11 - A late fee of \$25.00 per month or fraction thereof (maximum \$150) is assessed for filing a return with a balance due after the due date or extended date.

Penalty of 15% of the balance on line 10.

Interest of 5% annually (.417% per month)

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. Refunds and/or credits will not be issued for amounts \$10.00 or less.

"All information requested for City of Sylvania tax purposes is mandated to be Confidential by Section 171.14 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."

MUST ATTACH: W-2s, PAGES 1 AND 2 OF 1040 AND FEDERAL SCHEDULE 1