

A RESIDENT IS...an individual who is domiciled in this City. A domicile is that place where an individual has his true, fixed and principal establishment, and to which, whenever he is absent, he has the intention of returning. The place where an individual actually lives is presumed to be his domicile and that domicile, once established, continues until a change is in fact shown. Domicile is not changed by removal for a definite period of time or for a particular purpose such as employment. Abandonment of the domicile does not occur until the acquisition of a new one.

A RESIDENT IS ALSO...for Kenton income tax purposes, an individual temporarily **LIVING** in Kenton for purposes such as employment and/or education, etc., and is therefore covered by City services and protection.

WHO MUST FILE: IT IS MANDATORY THAT YOU FILE THIS RETURN, EVEN IF NO TAX IS DUE.

- ALL KENTON RESIDENTS and partial year residents ages 18 and over.
- RETIRED RESIDENTS age 65 or over if they have rental, business income or earned income.
- EVERY BUSINESS ENTITY that conducts business within or for the City of Kenton. *This includes owners of rental property within the City of Kenton.*
- ALL PASS THROUGH ENTITIES (any class of entity the income or profits from which are given pass-through treatment under the Internal Revenue Code) shall be taxed at the hands of the entity, not the hands of the owners of the entity.

WHEN TO FILE: Taxpayers who end their taxable year on December 31 must file their return on or before April 15, 2014.

REQUEST FOR EXTENSION OF TIME TO FILE: An extension may be granted upon filing a request and paying the anticipated tax owed not later than April 15, 2014. The taxpayer shall make the request by filing a copy of the Federal extension or by providing a letter of request that includes the taxpayer's name, address, social security number or federal tax identification number. **Kenton does not receive federal extensions.** The request must be mailed by the due date of the return. An extension request that is granted is for an extension of time to file and not an extension to pay.

PARTIAL YEAR RESIDENTS: If you were a Kenton resident (see definition above) only part of the year, you must file a tax return covering that time. Report the amount of income you earned while you were a Kenton resident. 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 Kenton cannot be determined, you may break down your earnings by the number of months employed by that job, arriving at a 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, also pro-rate any city tax that was withheld on the same income. Attach a worksheet explaining your calculations.

WHERE TO FILE: The return is to be filed with:

City of Kenton
Division of Income Tax
111 W. Franklin Street
P O Box 220
Kenton, OH 43326-0220.

ESTIMATED TAX PAYMENTS: Every person who anticipates any taxable income which is not subject to withholding of income tax or who engages in any business, profession, enterprise or activity subject to Kenton taxation and such income results in tax due shall file a declaration and pay estimated tax. The payments are due on April 30, June 30, September 30, and December 31. Estimated tax forms for the 2014 tax year are included with this return.

EMPLOYEE BUSINESS EXPENSES: Employee business expenses, as defined on Federal Form 2106, may be deducted against income subject to city taxation. If income is allocated between cities, 2106 expenses should be allocated accordingly. Federal Form 2106 and Federal Schedule A as well as Federal Form 1040 **MUST** be included with the return.

CREDIT FOR TAXES PAID TO OTHER CITIES: EFFECTIVE FOR TAX YEAR 2010, No credit is allowed for taxes paid to other cities.

BUSINESS ACTIVITY: The net loss from a business activity may not be used to offset qualifying wages from employment. 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, except any portion of a loss separately reportable for municipal tax purposes to another taxing entity, may be used to offset the profits of another for purposes of arriving at overall net profits. *NOTE: Gambling losses may only be used to offset gambling winnings. Gambling losses cannot be used to offset income from other business activities.*

TAX PREPARATION: If you are unable to prepare your tax return, it is suggested that you contact a qualified tax preparer for assistance since the City of Kenton is unable to prepare your city tax return. Electronic filing is not available and taxpayers are responsible for the delivery of their tax return to the City of Kenton.

GAMBLING AND LOTTERY WINNINGS AND LOSSES: Winnings as reported on line 21 of Federal 1040 are taxable to the City of Kenton. Losses may be claimed to the extent of winnings as reported on line 27 of Federal Schedule A. *NOTE: Gambling losses may only be used to offset gambling winnings. Gambling losses cannot be used to offset income from other business activities.*

A COPY OF THE KENTON INCOME TAX RULES AND REGULATIONS IS AVAILABLE AT OUR WEBSITE –

www.kentoncity.com

CONTACT INFORMATION:

Phone: (419)673-1355
Fax: (419)675-3200

PAYMENT INFORMATION:

- Checks or money orders should be made payable to the "City of Kenton"
- Effective 1/1/2012, cash will no longer be accepted.
- Mastercard/VISA/Discover accepted in person only (no phone or Internet processing) at the Water Department window

**This is a basic overview and does not replace or supersede the Kenton City Income Tax Rules and Regulations which are available at our website – www.kentoncity.com.*