

Preparing your City of Kenton 2016 Individual Income Tax Return:

**SECTION A** – If you have no taxable or reportable income for tax year 2015, complete Section A and Section C only. If you have taxable income, you must complete Section B. **Kenton residents 65 years of age or older with no city taxable income should check the appropriate box and provide proof of age/type of income.**

**SECTION B – Line 1.** Enter name of employer, amount of Kenton city tax withheld and the wages from W-2 Box 5 (Medicare Wages). Enter totals on Lines 1A and 1B. Copies of all W-2s must be attached to the return.

**Line 1D.** Enter applicable 2106 employee business expenses.

**Line 1E.** Subtract Line 1D from Line 1B.

**Line 2.** Enter the TOTAL of all income, other than W2 wages, subject to the tax. All unincorporated business schedules and 1099 income must be listed on Worksheet A or Schedule H (back of the form). *A loss listed on Line 2 may not be subtracted from wages on Line 1.*

**Line 3.** Enter the total of Lines 1E and Line 2. *A loss listed on Line 2 may not be subtracted from wages on Line 1.*

**Line 4.** Multiply Line 3 by 1.50% (.0150). This is your Kenton City tax.

**Line 5A.** Enter total tax withheld for Kenton from Line 1A.

**Line 5B.** Enter the total of all estimated payments made to Kenton for this tax year plus any credit from a prior year return. Add any estimated payments made after the date indicated on this line to the preprinted amount.

**Line 5C.** Enter the total of Lines 5A and 5B. These are your credits to be applied to your Kenton City tax.

**Line 6.** If Line 4 is greater than Line 5C, enter the difference here. This is the amount of your tax due. If the amount is less than \$1.00, no payment is required. **You should file by April 18<sup>th</sup> even if you cannot pay in full.**

**Line 7.** If Line 5C is greater than Line 4, enter the difference here. This amount will be credited toward next year's tax if no selection is made. No refund or carryover credit will be given of tax withheld for another city. **Refunds less than \$10.00 are not made. Credits less than \$10.00 will automatically be credited to next year's tax.**

**Line 8.** Penalty/Interest will be computed at the time the return is filed.

**Line 9.** Enter the total of Lines 6 and 8. This is your total due for tax year 2016.

**Line 10.** Enter your estimated tax due for 2017 (Projected 2017 income multiplied by 1.50% [.0150]).

**Line 11.** Enter any estimated credits based on employer withholdings or prior year credits carried forward.

**Line 12.** Subtract Line 11 from Line 10. This is your estimated 2017 Kenton City tax liability.

**Line 13.** First quarter estimated taxes due (25% [.25] of Line 12).

**Line 14.** Enter the total of Line 9 and Line 13. This is your total due by April 18th, 2017. **You should file by April 18, 2017, even if you cannot pay in full. Make checks or money orders payable to the City of Kenton. Mastercard/VISA/Discover accepted in person (no phone or Internet processing) at the Water Department window only. CASH WILL NOT BE ACCEPTED.**

**SECTION C** – Sign and date.

**TAXABLE INCOME**

Allowance for uniforms, autos and travel Annual leave lump sum payment Bonuses Commissions Compensation paid in goods, services, property or the use thereof at fair market value same as to IRS Contributions made by or on behalf of employees to 401K or deferred compensation plans Contributions made by or on behalf of employees to a tax deferred annuity or stock purchase plan Cost of group term life insurance over \$50,000 Director's fees Disability income received as a benefit of employment Employee contributions to cost of fringe benefits Employer paid education assistance if IRS taxed Executor fees Gambling winnings, prizes and lottery winnings Golden parachute payments Honorariums Incentive payments Income buyouts Income from guaranteed annual wage contracts Income from wage continuation plans	Miscellaneous earned income, examples: child-care, house cleaning, yard work (1099-Misc) Moving expense reimbursement in excess of expense Net profits of incorporated or unincorporated business Ordinary income from Form 4797 to the extent of depreciation allowed or allowable Prizes, awards and gifts if connected with employment Profit sharing Royalties, if not derived from intangible property Salaries Severance pay Sick pay if premiums paid by employer Stipends if work required Stock bonus incentive plans Stock options as indicated on W-2 Strike benefits paid by or on employer's behalf Supplemental unemployment pay paid by employer Taxes paid by employer on employee's behalf Tips Union steward fees Vacation pay Wages
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**NON-TAXABLE INCOME**

Alimony Annuities Capital gains Compensation for personal injury Compensation for property damages Copyright and patent income Disability income paid by SS or other Federal Dividends (1099-Div) Election worker compensation up to \$1000 Government allotments Housing for clergy Income earned while under age 18 Income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent derived from tax-exempt: real estate, tangible or intangible property or activities	Insurance benefits- unless connected with employment Interest income (1099-Int) Meals and lodging required on premises Military pay including National Guard and reserve Moving expense reimbursement to extent of expenses Pension income (1099-R) Royalties if derived from intangible property Sick pay if premiums paid by employee Social Security benefits Unemployment compensation payments Welfare payments Workers compensation payments
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\*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](http://www.kentoncity.com)

ESTIMATED TAX FILING INSTRUCTIONS

WHO MUST MAKE A DECLARATION:

- (1) EVERY RESIDENT of the City of Kenton, Ohio who expects to receive taxable income, wherever earned, from which the Kenton income tax will not be completely withheld.
(2) EVERY NON-RESIDENT of Kenton, who expects to receive taxable income, earned or derived within or from the City, from which the Kenton income tax will not be completely withheld.
(3) EVERY BUSINESS ENTITY conducting activities or producing taxable income within or for the City of Kenton.

HOW TO FILE DECLARATION:

Declaration of estimated tax for the year can be made on the Kenton City Income Tax return or directly to the City of Kenton, Division of Taxation, 555 W. Franklin St, Kenton, OH 43326.

PAYMENT OF ESTIMATED TAX:

The estimated tax or the first quarterly payment may be paid in full with your Income Tax Return, or must be paid quarterly on or before April 15, June 15, September 15 and December 15.

WHAT IS TAXABLE INCOME:

- (1) FOR RESIDENT INDIVIDUALS the qualifying wages, commissions and other compensation whether paid in cash, property or other consideration, wherever earned; the distributive share of net income from partnerships or associations wherever conducted; net income from rental property wherever situated; and any other income not expressly excluded by the Kenton Income Tax Ordinance
(2) FOR RESIDENT BUSINESS OR PROFESSIONAL ENTITIES, whether sole-proprietorships, fiduciaries, estates or trusts, the term income shall be deemed to mean the net profits arising from the business activities wheresoever conducted.
(3) FOR NON-RESIDENT INDIVIDUALS the qualifying wages, commissions and other compensation as enumerated in (1) to the left, but only to the extent earned within or derived from the City of Kenton.

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2017 TAX RATE IS 1.50%
NO CREDIT FOR TAX PAID TO OTHER CITIES

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ESTIMATE FORMULA: Gross taxable income x 1.50% x 90% equals amount to be paid by December 15 of the following tax year.

EXAMPLE: Kenton resident's taxable wages are estimated to be \$25,000. Employee works in another city with a local income tax rate of .5%. Since no credit is allowed for taxes paid to other cities, to calculate Kenton estimated tax liability: \$25,000.00 X .0150 = \$375.00.

Please call the Tax Office at 419-673-1355 for further assistance in calculating estimated payments.

ESTIMATED TAX WORKSHEET

(KEEP FOR YOUR RECORDS - DO NOT FILE)

- 1. Enter your total estimated Kenton taxable income.....1. \$
2. Multiply Line 1 by 1.50% (.0150) and enter here .....2. \$
3. TAX CREDITS
a. Enter the tax your employer will withhold and send directly to Kenton..... a. \$
b. Enter the overpayment (carry-over) from your previous year Kenton return, if any..... c. \$
c. Enter other credits ..... d. \$
4. Enter your total credits. (Add lines 3 a. thru 3 c.).....4. \$
5. Net Estimated Tax Due (Subtract Line 4 from Line 2).....5. \$
6. Enter 1/4 of Line 5 here, as your quarterly estimated payment. (If this computation is for less than one year, divide Line 5 by the number of quarters remaining in the year.)..... 6. \$

PAY THE FIRST ESTIMATED PAYMENT WITH YOUR TAX RETURN.

ENTER THE AMOUNT ON LINE 6 ON EACH OF THE VOUCHERS ON THE REVERSE.