

**CITY OF MORAINE 2015
INDIVIDUAL INCOME TAX RETURN INSTRUCTIONS**

Office Phone: (937) 535-1026 Website: www.ci.moraine.oh.us

Mail to: 4200 Dryden Rd, Moraine, OH 45439

This form is to be used by individuals who receive income reported on federal forms W-2, 1099-MISC, or schedules C, E, F, or K-1. Individuals who file as Sole Proprietors or Single Member LLC's should also use this form. Please send us a copy of all federal forms used to compute your local tax.

General Instructions:

1. **ALL RESIDENTS** of the City of Moraine are required to file a city income tax return with the Tax Division on an annual basis.
2. If you moved in or out of the city during the year, enter the date. Complete the box that pertains to the filing of a city return in the previous year and whether or not the account should be inactivated. If your account should be inactivated, provide an explanation.
3. Extensions may, upon request, be granted for filing of the annual return provided an IRS extension has been secured. Extension requests must be submitted in writing and received by the tax office on or before April 18, 2016. Extension requests may be denied if the taxpayer fails to file a timely request, fails to file a copy of the federal extension request, owes any delinquent tax, penalty, interest, assessments or has failed to file any required return report or other related documents. **The granting of an extension does not extend the due date for paying the tax without penalty and interest unless the City grants an extension of that date.**

Part A –TAX CALCULATION

LINE 1: Enter the total wage from Worksheet A, Box 1a. If you are a partial year resident, report only the wages paid while living in Moraine on Worksheet A. For example, using the wages from Box 5 on your W-2, divide by 12 then multiply that number by the months you were a resident. If you prorate your income, you must also prorate any city tax that was withheld for another city on the same income. Be sure to include a worksheet showing your calculation along with a copy of the W-2. Residency pro-rating only applies if the income was **not** earned within the City of Moraine. Pay statements showing year to date wages and tax withheld at the time of your move may be submitted if available.

Complete Worksheet B Business Income or Loss.

The Schedule Y- Business Apportionment Formula, on page 2 Worksheet B is used to determine the income taxable to the City of Moraine by multiplying the Moraine percentage indicated by the net profits from Schedules C, E, F, K-1 or 1099.

The apportionment worksheet is used when the income was earned in more than one city. **(If 100% of the income was earned in Moraine the apportionment worksheet is not needed.)**

Schedule C- Business Income: Combine the profits and losses from all businesses reported on Schedule C. Multiply net profits by the apportionment percentage derived on Schedule Y to determine the Moraine Taxable Income / (Loss).

Schedule E-Rental Income: Moraine residents report **all** profits or losses from rental property even if the property is not located in Moraine. Nonresidents of Moraine report profits or losses only from properties located within Moraine.

Schedule E-Flow-through Profits or Losses: The tax is levied on the partners, members or other owners of a flow-through entity excluding S-Corporations. Businesses operating in Moraine are required to report their portion of Net Profit in Moraine and remit the tax on behalf of all their partners. Residents of Moraine are to report their distributive shares of income or loss that was not withheld on by the business.

Other Income: Please provide documentation such as copies of federal schedules or Forms 1099-MISC not already reported on Schedule C. Also taxable are all prizes, awards and income derived from gaming, wagering, lotteries or schemes of chance by residents, regardless of where derived or by non-residents from sources in the municipality and as reported on IRS Form W-2G, IRS Form 5754 or any other form required by the Internal Revenue Service to report such prizes, awards and income, (1099s reporting interest, dividends & retirement income are **NOT** taxable.)

NOL Carryforward: Enter the amount of net operating losses apportioned to Moraine. Operating losses may be carried forward for a maximum period of five (5) tax years. *A copy of the federal schedule is **required** to support the carry-forward operating losses claimed on the return.*

LINE 2: Total Income / (Loss): Add all the profits and deduct the losses in the Moraine Taxable Income column from Worksheet B, Box 6. Enter on page 1, Part A, Line 2.

LINE 3: Line 1 plus or Line 2. **(Losses may not be used to offset W-2 income from Line 1)**

LINE 4: Multiply Line 3 by **2.5%** (.0250)

LINE 5a: Enter the amount of Moraine Tax withheld by employers, page 2, Worksheet A, Box 1b.

LINE 5b: Enter the amount of taxes withheld for or paid to another city, page 2, Worksheet A, Box 1c. Residents of the City of Moraine may claim taxes paid to another city up to **2.5%** of the Qualifying Wages reported on each W-2. Credit is limited to the local tax rate used (**2.5%** or less) multiplied by the Qualifying Wages. (Provide documentation in the form of W-2s)

County earnings taxes and school district income taxes do not qualify for a municipal tax credit

LINE 5c: Enter the amount of estimated tax payments including any amounts paid with an extension. The total of the quarterly estimates should equal 100% of the prior year's tax or 70% of the current year's tax.

LINE 5d: Enter any prior year credit.

LINE 6: Add Lines 5a through 5d.

LINE 7: If Line 6 is less than Line 4, enter the tax due. Amounts less than \$1.00 are not payable.

LINE 8: Add \$25.00 For Failure to File Penalty (assessed when return is not filed by the due date).

LINE 9: Add Lines 7 & 8. This is your balance due. Make checks payable to City of Moraine.

LINE 10: If Line 8 is greater than Line 6, enter the overpayment.

LINE 10a: Enter the amount to be refunded. **Attach Refund Request Form.** (Amounts less than \$1.00 will not be refunded.)

LINE 10b: Enter the amount to be credited to the tax year 2016 estimated tax liability.

Part B - Declaration of Estimated Tax for 2016 (Required if estimated tax liability is \$200 or greater)

The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual Moraine tax liability to be ultimately determined shall have been paid by estimate within one month following the close of each such period so applicable.

LINE 11: Enter the amount of estimated income for 2016. Multiply by 2.5%, then enter the total tax due for 2016

LINE 12: Enter the total of Moraine and other allowable municipal taxes, estimated to be withheld from wages.

LINE 13: Line 11 minus Line 12

LINE 14: Enter the amount of credits from Line 10b.

LINE 15: Enter and remit the net estimated tax due if Line 13 minus Line 14 is greater than zero.

LINE 16: The total estimated tax on Line 15 divided by 4 is the estimated tax due. The first of four quarterly estimated tax payments is due with this return. Subsequent estimated payments are due by the 15th day of the June, September, and December. Enter and remit the amount of estimated tax for the first quarter.

LINE 17: TOTAL AMOUNT DUE WITH RETURN -Combine Line 9 and Line 16

Make checks payable to: **City of Moraine**

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The 2015 Income Tax Returns are due by: **April 18, 2016**