

City of Northwood Individual & Business Tax Form Instructions

The Tax Office offers assistance preparing Northwood returns at no cost and no appointment is necessary.

Individual Tax Return: Attach all W-2 Form(s), page one of the Federal Form (1040, 1040A, 1040EZ, 2106, 4835, 4797, or 3903) and the appropriate Federal Schedules (A, C, E, F, K-1 or any other applicable forms) if there any income shown on Line(s) 12, 17, 18 or 21 of the Federal 1040 form.

Business Tax Return: Attach the appropriate Federal Form(s) 1041, 1065, 1120-REIT, 1120F, 1120S, or 1065 along with any additional form(s) associated with return (i.e. 8825, K-1, etc.....).

****** 1099-INT, 1099-DIV, 1099-R, or 1099-G are not taxable. ******

Line 1: List total of all qualifying wages from all W-2 form(s). “Qualifying wages” generally includes amounts reported in the Medicare wage base (the amount in Box 5 of the W-2) which should be included in PART C – Salaries, Wages and Tips Section (C6) Page 2 of the Tax form. Qualifying wages include, but are not limited to: Commissions, tips, settlements, 401-K (Deferred Compensation, deferred annuity plans, stock options, and any other kind of compensation before any payroll deductions received between January 01st thru December 31st of the current tax year from each employer or source.

Line 2: Enter total LOSSES from PART C – Other Compensation. These Losses are not to be deducted from other income. They will be carried forward for a period of five (5) years to apply against subsequent profits. All appropriate Federal Schedules must be attached.

Less Nontaxable Income - Indicate net wages after deduction of Form 2106 expenses and/or part-year residency (if applicable).

NOTE *Your Form 2106 expenses may not exceed your earnings from the job to which the expenses relate.*

Line 3: Enter total PROFITS from PART C – Other Compensation.

Line 4: Enter the total of Lines 1, 2 and 3.

Line 5: Enter total of the non-deductible items from Line M, Schedule X.

Line 6: Enter total of non-taxable items from Line Z Schedule X.

Line 7: Difference between Lines 5 and 6 to be added or subtracted from Line 4.

Line 8: Adjusted Net income (Line 4 plus or minus Line 7 if Schedule X is used).

Line 9: Amount of Line 8 apportioned (_____ % from Step 7. Schedule Y, page 2).

Line 10 : Less allocable loss per previous income tax return (submit schedule).

Line 11: Amount Subject to Northwood Income Tax (Lines 4, 8, 9 or 10) (Multiply Line 4, 8, 9 or 10).

Line 12: Northwood Income Tax (Multiply Line 11 by 1.5% [0.015]).

Line 13: Credits:

- a. Northwood tax withheld per W-2(s)
- b. Other city tax withheld on W-2(s) Wages (Limit up to 1.5%)
- c. Estimated payments & credits paid to Northwood
- d. Prior year Overpayment

Line 14: Total Lines 13a through 13d.

Line 15: If Line 14 is less than Line 12, the difference should be entered on Line 15 as a **Balance Due** if it is \$10 or more.

Line 16: Failure to file before the Due Date a Late Filing fee will be \$25 per month or fraction of a month, not to exceed \$150.

Line 17: **PENALTY:** Failure to pay an outstanding tax liability before the Tax Due Date will be assessed a onetime 15% Penalty.
INTEREST RATE: the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. For tax year 2016, the rate is 5% and for 2017 the rate is 6%. The interest rate is calculated in the same manner prescribed for State Tax Commissioner except the municipal rate adds 5 points while the State adds 3 points (ORC 5703.47 (B)).

Line 18: Add Lines 15 through 17.

Line 19: If Line 14 is greater than 12, enter it as on Line 19 as a Refund or a Credit for next year.

PART B: Declaration of Estimated Tax

Line 20: Enter the amount of Income Subject to Tax for the upcoming Tax Year and multiply it by 1.5% (0.015).

Line 21: Estimated Taxes withheld from Wages

Line 22: Tax Due after Withholding (Line 20 minus Line 21) STOP if this amount is less than \$0.00.

Line 23: Enter any overpayment from Line 19b.

Line 24: Net estimated tax due (Line 22 minus Line 23 if greater than zero).

Line 25: Calculate the declaration by multiply Line 24 by 22.5% (0.225).

Line 26: Enter Total Amount Due of Lines 17 and 25.

PART C – Salaries, Wages and Tips

All Salaries, Wages and Tips are to be listed individually in this section of the Tax form. The following fields must be completed along with W-2(s) to accompany this form:

(C1) – List Name of Employer

(C2) - List City of Employment, if none, use “TWP”

(C3) Fill in if any Northwood Tax was withheld. *** **PLEASE NOTE the State of OH School District withholding Tax for the City of Northwood, Code “8706” is not a local tax but a State Tax and should not be included as withheld Tax for the City of Northwood.*****

(C4) List any City Tax withheld outside the City of Northwood

(C5) The City of Northwood will give credit for any taxes paid outside the City of Northwood up to 1.5%. i.e. If you work in a municipality with a rate of 2.25% you will only get credit up to 1.5%. But if you work in a municipality with a rate of 1.00% , you will only get a credit of 1.00% and you will be responsible for the difference of 0.5%.

(C6) Total Wages: Box 5 (Medicare Wages) should match Box 18 of the W-2.

PART C (continued) – Other Compensation

List all the taxable income from Federal schedules and/or 1099's. You must attach appropriate schedules.
