

GENERAL INSTRUCTIONS FOR 2003 CITY FORM R

1. WHO SHOULD FILE A RETURN:

The return should be used by individuals, partnerships, corporations, and any other entity having income taxable by the City of Greenville **and by all Greenville residents age 18 and over whether they have income or not.**

2. WHEN AND WHERE TO FILE RETURN:

File on or before April 30, following the close of the tax year, with the Department of Taxation, Municipal Building, Greenville, Ohio. All residents must file on a calendar year basis. Fiscal year taxpayers shall file on or before the last day of the fourth month following the close of their fiscal year. **Total amount due as shown must be paid when the return is filed. Checks or money orders should be made payable to the City of Greenville. All extensions shall be filed with the City of Greenville on or before the due date of the return. Failure to do so will result in late charges due.**

3. GREENVILLE CITY INCOME TAX IS LEVIED UPON THE FOLLOWING:

(A) On all salaries, wages, commissions and other compensation received by residents of the City of Greenville or received by non-residents of the City of Greenville for work done or services performed or rendered in the City of Greenville. Other examples of taxable income shall include but are not limited to alimony received and gambling/lottery winnings. These should be reported in Box 1 of Form R.

The following instructions are applicable only to taxpayers having taxable income other than that listed in paragraph 3(A) above.

(B) On the net profits of all unincorporated businesses, partnerships, professions, or other activities conducted by residents of the City of Greenville or conducted by non-residents in the City of Greenville.

(C) On the net profits of all corporations derived from work done or services performed or rendered and business or other activities conducted in the City of Greenville.

(D) Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718.01 of the Revised Code of Ohio which is not exempt from the payment of real estate taxes, is required to file returns and remit the taxes levied under the Greenville City Income Tax Ordinance on all business activities of a type ordinarily conducted for profit by taxpayers operating for profit.

4. WHAT CONSTITUTES NET PROFITS:

Net profits shall be determined on the basis of the information used for Federal Income Tax purposes, adjusted to the requirements of the Greenville City Income Tax Ordinance. Expenses attributable to non-taxable income are not deductible, and where no record is kept of such expenses, a figure equal to 5% of the total non-taxable income is to be inserted on Line B of Schedule X. Gains and losses from the sale or exchange of capital assets are not to be considered in arriving at the net profits.

The following taxes are not deductible in determining net profits for Greenville income tax purposes:

(A) Greenville, Federal or State Income Taxes.

(B) Gift, Estate or Inheritance Taxes.

(C) Taxes for local benefits or improvements to property which tend to increase its value.

(D) Taxes on property producing income not taxable by the Greenville City Income Tax Ordinance.

5. LOSSES:

Net losses incurred in any taxable activity are deductible, in the year incurred, to the extent of the net profits from any source included in the return. Net operating losses may be carried forward for three (3) years but may not be offset against salaries, wages, commissions and other personal service compensation.

6. ALLOCATION OF PROFITS:

The business allocation percentage formula is to be used by unincorporated businesses, partnerships, professions, or other entities and corporations doing business within and outside of Greenville if actual records of their Greenville business are not maintained. Determine the ratio of the Greenville portion of:

(1) Average value of real and tangible property owned, rented or leased by the taxpayer for use in the trade or business. To determine the value of property rented and used in the business, multiply the gross annual rental by 8.

(2) Gross receipts from sales made and services performed, regardless of where made or performed.

(3) Total payroll.

Add the ratios obtained and divide by the number of ratios used to obtain business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside the City of Greenville. The business allocation percentage is to be applied against the total net profits adjusted in accordance with the provisions of the Greenville City Income Tax Ordinance to determine the portion taxable by the City of Greenville.

Schedule Y of Form R, reverse side, is provided for this computation.

7. INCOME NOT TAXABLE:

Taxable income shall not include: poor relief, old age pensions or similar benefits received from any government agency, religious or educational organization.

Unemployment compensation, proceeds of insurance, annuities, workmen's compensation insurance, social security benefits, pensions, compensation for damage for personal injuries and like reimbursements, not including damage for loss of profits, and compensation for damage to property by way of insurance and otherwise.

Interest and dividends from intangible property, personal earnings of all persons under 18 years of age and military pay and allowances received by members of the Armed Forces of the United States, drill and flight pay of the National Guard, organized reserve and air reserves.

Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Section 718.01 of the Revised Code of Ohio which is exempt from payment of real estate taxes.

Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations, and income of the decedent's estate during the period of administration, except income from the operation of a business by the estate.

INSTRUCTIONS FOR PAGE 1, CITY FORM R, GREENVILLE INCOME TAX RETURN

If the return is made for a period other than the calendar year, insert the beginning and ending date of the period.

Only one return is to be filed by each taxpayer. If you are an employee, state your social security number.

BOX 1. List the total of all gross wages, tips, compensation, 1099 MISC., lottery/gambling winnings and alimony received. Use the highest amount of income on the W-2 (**usually Box 5 or Box 20**).

BOX 2. List taxable income or deductions from reverse side of Form R. **Business or rental deductions cannot be taken against W-2 income.**

BOX 3. Total of Box 1 plus Box 2.

BOX 4. Multiply Box 3 by .01 (which is 1% of Box 3) and place in box.

BOX 5. A. List Greenville City Tax withheld by employer. Do not include taxes paid to another city and Greenville School tax.

B. List Estimated Greenville tax paid during the year, if any (do not round).

C. List prior year overpayment, if any (do not round).

D. Total of Boxes 5A, 5B and 5C.

BOX 6. List tax due (if Box 4 is greater than 5D). Payment of tax due must accompany this return.

BOX 7. Penalty is 10% of tax due and interest is 1/2% per each month late.

BOX 8. **IN ADDITION:** Even if no tax is due, a late filing fee of \$25.00 is charged if not filed by the due date of the return. After 30 days, the fee is increased to \$50.00.

BOX 9. Amount due (Box 6 plus Boxes 7 and 8).

BOX 10. Any overpayment, list amount to be refunded and/or credited; however, **there will be no refunds or credits issued under the amount of one dollar (\$1.00).**

DECLARATION

BOX 11. List total income subject to tax (gross income) times .01 (1%) for gross tax.

BOX 12. List Greenville City Tax withheld by employer. Do not include taxes paid to another city and Greenville School tax.

BOX 13. Box 11 minus Box 12.

BOX 14. List any overpayment credit from prior year return (do not round).

BOX 15. Box 13 minus Box 14.

BOX 16. List amount paid with this declaration (not less than 1/4 of Box 15).

BOX 17. Balance of estimated tax is amount remaining to be paid the rest of year.

Total amount due is the total payment to the city due by April 30. (Final return amount due, Box 9, plus declaration 1/4 amount due, Box 16).

SIGNATURE

Sign and date your return before submitting it to the Department of Taxation. A return is not "filed" within the meaning of the law, until signed by the taxpayer or an agent legally authorized to sign returns for such taxpayer. If the return is prepared by someone other than the taxpayer, such person should also sign the return and include their address and telephone number.

INSTRUCTIONS FOR REVERSE SIDE OF CITY FORM R

SCHEDULE C. PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION.

If you operate under the same or different trade names at more than one location, and separate books are kept for each location, a separate copy of Schedule C should be attached for each location, in which case the amount entered in Box 5 represents the total net profit or loss from all locations. Do not include in this schedule the cost of goods withdrawn for personal use or deductions not connected with the business or profession. Use Statement for cost of goods sold or cost of operations, when applicable. **NOTE: Business losses are not deductible from W-2 income.**

SCHEDULE E. INCOME FROM RENTS.

This schedule corresponds to the rent schedule of Federal Form 1040. If space is inadequate, attach a separate sheet giving additional detail or use Statement for depreciation and other required schedules. **NOTE: Rental losses are not deductible from W-2 income.**

SCHEDULE H. INCOME FROM OTHER SOURCES.

Report in this schedule any other income you may have which is subject to Greenville tax. For example, a Greenville resident may be a member of a partnership not located or doing business in Greenville. Such a

partnership, as a business entity, is not required to file returns and pay the tax. This Greenville resident, nevertheless, is subject to tax on the income he enjoys from that partnership and must report the income in Schedule H. List fees that are not included as part of the net profits of a trade, business or profession, tips, bonuses and partnership income on which the tax has not been paid by the partnership entity.

SCHEDULE X. RECONCILIATION WITH FEDERAL INCOME TAX RETURN.

This schedule is to be used to adjust the Federal net income to the Greenville taxable income. The total of the items listed to the left hand column (A through H as shown on line M) are to be added to the Federal net income. The total of the items listed in the right hand column (N through T as shown on line Z) are to be deducted from the federal net income.

SCHEDULE Y. BUSINESS ALLOCATION FORMULA

See General Instruction No. 6 for method of allocating profits.

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**FOR MORE INFORMATION:
VISIT OUR WEBSITE @ www.cityofgreenville.org**