

# GENERAL INSTRUCTIONS FOR 2004 GREENVILLE CITY FORM R

## INDIVIDUALS

### **WHO SHOULD FILE A RETURN:**

A return should be filed by individuals having income taxable by the City of Greenville and by all Greenville residents age 18 and over whether they have income or not. Part year residents must file, as well as college students and those serving in the U.S. Armed Forces, who maintain a Greenville mailing address (within the corporation limits).

### **WHEN AND WHERE TO FILE RETURN:**

File on or before April 15, 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. 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 to avoid late charges.

### **GREENVILLE CITY INCOME TAX IS LEVIED UPON THE FOLLOWING:**

- (A) On all qualifying wages, commissions, other compensation, and other taxable income earned or received by residents of the City of Greenville.
- (B) On all qualifying wages, commissions, other compensation, and other taxable income earned or received by nonresidents for work done, or services performed or rendered in the City of Greenville.
- (C) On all income received as gambling winnings as reported on IRS Form W-2 G, Form 5754 and/or any other form required by the Internal Revenue Service that reports winnings from gambling, prizes and lottery winnings.

### **INCOME NOT TAXABLE**

- (A) Taxable income shall not include: poor relief, old age pensions or similar benefits received from any government agency, religious or educational organization.
- (B) 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.
- (C) Interest and dividends from intangible property, personal earnings of all persons under 18 years of age and military pay and allowance received by members of the Armed Forces of the United States, drill and flight pay of the National Guard, organized reserve and air reserves.
- (D) 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. (E) 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.

## BUSINESSES

### **WHO SHOULD FILE A RETURN:**

A return should be filed by partnerships, corporations, and any other entity having income taxable by the City of Greenville.

### **WHEN AND WHERE TO FILE RETURN:**

File on or before April 15, with the Department of Taxation, Municipal Building, Greenville, Ohio. Fiscal year taxpayers shall file on or before the 15th 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 to avoid late charges.

### **WHAT CONSTITUTES NET PROFITS:**

- (A) On the portion attributable to the City of Greenville of the net profits earned by all resident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered, and business or other activities conducted in the City of Greenville. On the portion of the distributive share of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity not attributable to the City of Greenville and not levied against such unincorporated business entity or pass-through entity.
- (B) On the portion attributable to the City of Greenville on the net profits by all nonresident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City of Greenville, whether or not such unincorporated business entity has an office or place of business in the City of Greenville. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to the City of Greenville and not levied against such unincorporated business entity or pass-through entity.
- (C) On the portion attributable to the City of Greenville of the net profits earned by all corporations that are not pass-through entities from work done or services performed or rendered and business or other activities conducted in the City of Greenville, whether or not such corporations have an office or place of business in the City of Greenville.

### **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, which includes 1099-Misc income.

### **BUSINESS APPORTIONMENT FORMULA**

The business apportionment formula is to be used by nonresident 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) Original cost 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) Total wages, salaries, commissions and other compensation paid to all employees.
- (3) Gross receipts from sales and work/services performed.
- (4) Total percentages obtained in steps 1, 2 and 3. Divide total of percentages by the number of percentages used to obtain business apportionment percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside the City of Greenville. The business apportionment 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.

## 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, enter your social security number.

BOX 1. List the total of all qualifying wages, tips, compensation, 1099 MISC., lottery/gambling winnings and alimony received. Use the income from Box 5 (Medicare wage) of the W-2 form.

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% 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.

### DECLARATION

BOX 11. List total income subject to tax (taxable income) times 1.5% for gross tax. **(Note: Tax rate beginning January 1, 2005 is 1.5%).**

BOX 12. List Greenville City Tax withheld by employer. **Do not include Greenville School taxes paid.**

BOX 13. List city tax paid to another municipality (not to exceed 1.5%).

BOX 14. Box 11 less Boxes 12 and 13.

BOX 15. List any overpayment credit from 2004 return (do not round).

BOX 16. Box 14 less Box 15.

BOX 17. List amount paid with this declaration (not less than 1/4 of Box 16).

BOX 18. 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 15**. (Final return amount due, Box 9, plus declaration 1/4 amount due, Box 17).

### 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 the 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; income from estates, trusts, fees, tips, prizes, bonuses, etc. 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 U as shown on line Z) are to be deducted from the federal net income.

### SCHEDULE Y. BUSINESS APPORTIONMENT FORMULA

See General Instructions on reverse side.

**FOR MORE INFORMATION CALL 937-548-5747 MONDAY-FRIDAY, 8:00 A.M. TO 4:30 P.M. OR VISIT OUR WEBSITE @[www.cityofgreenville.org](http://www.cityofgreenville.org) FOR A COMPLETE READING OF THE GREENVILLE TAX ORDINANCE.**