

GENERAL INSTRUCTIONS FOR 2008 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, 2009 following the close of the tax year, with the Department of Taxation, 100 Public Square, 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. Post marks are checked to determine if a return or extension request is timely filed.

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) Income from Schedules C, E & F, partnerships, estates, trusts, fees, prizes, etc., the losses of which may be carried forward for three (3) years, but may not be offset against W-2 income.
- (D) 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 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.
- (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.
- (F) Alimony

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, 2009 with the Department of Taxation, 100 Public Square, Greenville, Ohio. Fiscal year and partial year taxpayers shall file on or before the 15th day of the fourth month following the close of their fiscal year or period. 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.** Post marks are checked to determine if a return or extension request is timely filed.

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 must be reported and 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 wages, salaries, tips, and lottery/gambling winnings.

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.

If you are an employee, enter your social security number.

LINE 1. List the total of all qualifying wages, salaries, tips, and lottery/gambling winnings, **using the income reported in Box 5 (Medicare Wage) of the W-2 form.** Those exempt from Medicare tax will use the highest wage reported on the W-2.

LINE 2. List taxable income or deductions from reverse side of Form R. **Business or rental deductions cannot be taken against W-2 income.** Income/losses from schedules C, E, and H can be netted. As of January 1, 2005 the 1/2 SE tax and 1/2 SEHID are no longer allowed.

LINE 3. Total of Line 1 plus Line 2.

LINE 4. Multiply Line 3 by .015 (which is 1.5% of Line 3).

- LINE 5. A. List Greenville city tax withheld by employer. Do not include Greenville school tax.
- B. List city tax paid to another municipality. Can not exceed 1.5% of each wage. No credit is allowed for Indiana County tax paid.
- C. List estimated Greenville tax paid during the year, if any, and include prior year overpayment, if any.
- D. Total of Lines 5A, 5B, and 5C.

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

LINE 7. Penalty and interest are assessed if the return is filed after April 15th. Penalty is 10% of tax due (Line 6) and interest is 1% of tax due (Line 6) multiplied by the number of months the return is filed late.

LINE 8. IN ADDITION: Even if no tax is due, a late filing fee of \$25.00 is charged on returns that are filed up to 30 days late. After 30 days, the fee is increased to \$50.00.

LINE 9. Amount due (Line 6 plus Lines 7 and 8). Make check or money order payable to City of Greenville.

LINE 10. Any overpayment, list amount to be refunded, and/or credited.

DECLARATION

LINE 11. List total income subject to tax (taxable income) times 1.5% for gross tax.

LINE 12. List Greenville City Tax withheld by employer. (Do not include Greenville School taxes paid.)

LINE 13. List city tax paid to another municipality (not to exceed 1.5% of each wage). No credit is allowed for Indiana County tax paid.

LINE 14. Line 11 less Lines 12 and 13.

LINE 15. Calculate 25% of Line 14.

LINE 16. Subtract overpayment credit from 2008 return from Line 15.

LINE 17. List amount paid with this declaration (Line 15 minus Line 16). If Line 16 is greater than Line 15, enter zero on Line 17.

LINE 18. Balance of estimated tax is amount remaining to be paid the rest of the year. Quarterly statements will be mailed out 4-6 weeks prior to each due date.

Amount due with this return is the total found on Line 9 plus the total on Line 17. Check or money order should be made payable to the City of Greenville.

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 Line 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, prizes and partnership income on which the tax has not been paid by the partnership entity. **Note: Losses are not deductible from W-2 income.**

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 I 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 FOR A COMPLETE READING OF THE GREENVILLE TAX ORDINANCE.