

**CITY OF MORaine 2016**  
**INDIVIDUAL INCOME TAX RETURN INSTRUCTIONS**

Office Phone: (937) 535-1026 Website: [www.ci.moraine.oh.us](http://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. Attach page 1 of your Federal 1040 and supporting documents to verify each income, loss or deduction item reported on your city return. Examples include: Federal Schedule(s) A, C, E or K-1, Form(s) 1099-MISC., Form W-2 and W2G.

**General Instructions:**

1. **ALL FULL YEAR/PART RESIDENTS** (16 and older) of the City of Moraine are required to file a city income tax return with the Tax Division on an annual basis. If you are permanently retired or disabled, AND have NO taxable income, you may complete a one-time Declaration of Exemption Return for a permanent exemption. Per the Ohio Revised Code (ORC) 718, a copy of the Federal 1040 must be attached to the city income tax return.
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. Any taxpayer that has filed a Federal 6-month extension will automatically receive an extension for the filing of a city income tax return. A **COPY** of the Federal extension **MUST** be attached to the city return when filed. **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 amount of Qualifying Wages, which generally includes amounts reported in the Medicare wage base (Box 5 of Form W-2). If you have multiple W-2's, complete Worksheet A on page 2 of this return. Attach all W-2's. If you are a part year resident, report only the wages paid while living in Moraine on Worksheet A. For example, using the wages from Box 5 (Medicare wages) 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.

**LINE 2:** Enter the amount of unreimbursed employee business expenses. You must include a copy of Form 2106 and Federal Schedule A to support the deduction. **Note:** The deduction shall be limited to the amount deducted on your federal income tax return. If wages are allocated between cities, Form 2106 expenses should likewise be allocated, and tax credit reduced accordingly.

**LINE 3:** Line 1 minus Line 2.

**LINE 4:** Enter total other income (or loss) from Worksheet B on Page 2 of this return. Attach all appropriate schedules and documentation.

**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 5:** Line 3 plus Line 4. Losses reported on Line 4 cannot offset W-2 income from Line 3. Allowable losses can be carried forward for a period of five (5) years.

**LINE 6:** Multiply Line 5 by 2.5% (.0250)

**LINE 7a:** Enter the total amount of Moraine Tax withheld from W-2's. If you have multiple W-2's, please refer to Worksheet A.

**LINE 7b:** Enter the total amount of tax withheld for or paid to another city. 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. Attach supporting documentation in the form of W-2's or tax returns submitted to other cities. If you have multiple W-2's, please refer to Worksheet A. Note: County earnings taxes and school district income taxes do not qualify for a municipal tax credit.

**LINE 7c:** Enter the amount of estimated tax payments including any amounts paid with an extension.

**LINE 7d:** Enter any prior year credit.

**LINE 8:** Add Lines 7a through 7d.

**LINE 9:** Line 6 minus Line 8.

**LINE 10:** If the return is past due, a late filing penalty is imposed at the rate of \$25.00 per month (or fraction thereof) not to exceed \$150.00. This penalty is due in addition to all other penalties and is imposed even if no tax is due. Enter the applicable amount.

**LINE 11a:** Enter the amount of penalty, if applicable. The penalty rate is 15% of the amount not timely paid.

**LINE 11b:** Enter the amount of interest, if applicable. Interest is imposed on all tax not timely paid. The rate is adjusted annually based on the federal short-term rate + 5%. Please go to website [ci.moraine.oh.us](http://ci.moraine.oh.us) or call our office at 937-535-1026 for the current rate.

**LINE 12:** Add lines 9-11b. This is your balance due. If the total balance due with your return is \$10.00 or less, payment need not accompany your return. If Line 14 reflects an overpayment, enter this amount on Line 13.

**LINE 13:** Overpayment from Line 12.

**LINE 14:** Enter the amount from Line 13 to be refunded. Amounts \$10.00 or less will not be refunded.

**LINE 15:** Enter the amount to be credited to your 2017 estimated tax liability.

Note: If you are required to pay estimated tax payments (net tax liability of at least \$200), you must continue and complete Part B of this return.

### **Part B - Declaration of Estimated Tax for 2017 (Required if estimated tax liability is \$200 or greater)**

Taxpayers who anticipate a net tax liability of at least \$200 are required under Ohio Law to make estimated tax payments.

**LINE 16:** Enter the amount of estimated income for 2017. Multiply by 2.5% (.025), to determine the total estimated tax due for 2017.

**LINE 17:** Enter the total of Moraine and other allowable municipal taxes estimated to be withheld from wages.

**LINE 18:** Line 16 minus Line 17.

**LINE 19:** Enter the amount of credit from Line 15 above.

**LINE 20:** Net estimated tax due (Line 18 minus 19) if greater than zero.

**LINE 21:** Enter the amount paid with this declaration (not less than ¼ of Line 20)\*

\*Subsequent estimated payments are due by the 15<sup>th</sup> day of the June, September, and December.

**LINE 22: TOTAL AMOUNT DUE WITH RETURN** – Line 20 plus Line 21.

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

Mail to: **4200 Dryden Rd, Moraine, OH 45439**

The 2016 Income Tax Returns are due by: **April 18, 2017**