

## 2017 VILLAGE OF MCCONNELSVILLE INSTRUCTIONS

### WHO MUST FILE VILLAGE OF MCCONNELSVILLE INCOME TAX RETURN

#### Mandatory Filing:

1. All **RESIDENT** individuals of the village must file and pay tax on all income except that listed under "Income Not Taxable" below.
2. Any Non-Resident individual, working more than twenty days in a calendar year, within the Village of McConnelville, whose employer is not withholding must file.
3. All sole proprietorships, owned by a resident of the village, must file and pay tax on the entire net profit, regardless of the business location. All non-resident sole proprietorships that performed work inside McConnelville, regardless of the number of days, must file and use the apportionment formula (O.R.C 718.02) to allocate the amount of taxable income to the Village of McConnelville.
4. All businesses located inside the Village of McConnelville must file regardless of profit or loss.
5. All non-resident businesses working within the Village must file and use the business apportionment formula (O.R.C. 718.02) to allocate the amount of taxable income to the village. Separate accounting based on books and records is no longer permitted. Taxpayers must use the three-factor apportionment formula.

### INCOME NOT TAXABLE

The Following Income is not taxable by the Village of McConnelville:

Welfare, unemployment benefits, insurance proceeds, social security benefits, pensions, compensation for damages for personal injuries and like reimbursement, not including damages for loss of profits. Compensation for damage to property by way of insurance or otherwise, capital gains, interest and dividends from intangible property, alimony, patents, copyrights, earning of individuals under the age of 18. Military pay or allowances received as a member of the U.S. Armed Forces and their reserve components, including the Ohio National Guard.

### WHAT INCOME TO REPORT ON YOUR RETURN

All qualifying wages, commissions, other compensation, and other taxable income earned/received by residents. All qualifying wages, commissions, other compensation, and other taxable income earned/received by non-residents for work/services performed in the village. Profit and/or loss from all businesses and professions, sole proprietors, associations, subchapter s corporations, and corporations; rents, royalties, sick pay, stock options, ordinary gains, employer supplemental benefits(SUB) pay and employee and employer contributions to qualified /non-qualified plans; annuities; IRA plans and deferred compensation plans.

## CREDITS

1. Village of McConnelsville RESIDENTS can receive a half-percent (0.50%) credit on taxes owed to McConnelsville for taxes paid to another municipality **OR** 50% of the taxes paid to another municipality; **WHICHEVER IS LESS. This applies per each W-2.**

**EXAMPLE:** John lives in McConnelsville but works in Zanesville, his employer withholds income tax to Zanesville at their tax rate of 1.90%. John's taxable earnings as reported on his W-2 are \$50,000.00 When John files his taxes with McConnelsville he will be eligible for a credit on his tax due to McConnelsville.

McConnelsville Tax Rate = 1%

$\$50,000.00 \times 1\% = \$500.00$  (Tax Due to McConnelsville)

Zanesville Tax Rate = 1.90%

$\$50,000.00 \times 1.90\% = \$950.00$  (Tax withheld to Zanesville by employer)

John will receive a credit of \$250.00 (0.50%) on his tax return for taxes paid to Zanesville and will owe \$250.00 to McConnelsville.

## FILLING OUT YOUR TAX FORM

Please verify that your full name and current address listed on form are correct. If physical address and mailing address are different please include them both on your form. Please make sure your social security number and/or federal business ID is listed on form in the box provided.

**NOTE:** If you were/are a part-year resident please include the dates you moved into / out of the village along with your current physical and/or mailing address. Part year residents only need to file for the period of time they resided inside the Village of McConnelsville.

**Line 1:** Enter the total wages from your W-2's. **If the wages differ in the boxes always enter the HIGHEST wage amount.** Attach copies of all W-2's to your tax form.

**Line 2A:** List any net profits (loss) from rentals and attach all applicable schedules.

**Line 2B:** List any net profits (loss) from businesses and attach all applicable schedules.

**Line 2C:** Total of lines 2A + 2B

**NOTE:** Residents can offset 2017 business and 2017 rental profits/losses against each other.

**LOSSES CANNOT OFFSET WAGES/W-2 INCOME!**

**Line 3:** Add totals on lines 1 and 2C, this is your total income subject to tax.

**Line 4:** Multiply the total on line 3 by 1.0%. This is your Tax Due to McConnelsville

**Line 5A:** Enter McConnelsville taxes withheld by employer. This information will be located in box 19 on your W-2.

**Line 5B:** List credit for income tax paid to other cities. Please refer to the "Credits" section to calculate your proper credit.

**Line 5C:** Estimated tax paid to McConnelsville. Please list any payments you have made on your 2017 tax liability thus far. Please call the Tax Department at 740-962-3163 to verify totals.

**Line 5D:** List any prior years overpayments that you elected to have carried forward. Please call the Tax Department at 740-962-3163 to verify totals.

**Line 5E:** List total credits (add lines 5A through 5D).

**Line 6:** Balance of Tax Due (Subtract total on line 5E from total on line 4).

**NOTE: If you have filed your taxes by April 17, 2018 please skip to line 8.**

**Line 7A:** Penalty for taxes not timely paid; any amount due that is not paid in full by April 17, 2018 will be charged a 15% penalty fee. Balance Due on line 6 x 15% = penalty due.

**Line 7B:** Interest on taxes not timely paid; any amount due that is not paid in full by April 17, 2018 will be charged interest of 0.50% PER MONTH OR FRACTION OF A MONTH up to a total of 6%

**Line 7C:** Late Filing Fee of \$25.00 PER MONTH OR FRACTION OF A MONTH up to \$150.00 will be charged on any return filed or postmarked AFTER April 17, 2018 that does not include a copy of federal/state extension.

**Line 8:** Amount Due before Estimated Taxes, Add totals on lines 6 through 7C. This is your Total Due for Tax Year 2017. **If total is \$10.00 or more payment must be made when filing return.**

**NOTE:** Any Tax Due that is not paid by April 17, 2018 will have a 15% penalty and monthly interest charges assessed to their account.

**Line 9:** Overpayment to be refunded or credited: If Line 4 is LESS than line 5E you have overpaid. You can elect to have your overpayment refunded to you OR credited to the following years tax liability.

**NOTE: REFUNDS OF LESS THAN \$10 WILL NOT BE PAID OUT!**

**DECLARATION OF ESTIMATED TAX FOR YEAR 2018**

**\*\*NOTE\*\* Only fill out this section if you are self-employed or if local taxes are not withheld by your employer. Must make quarterly payments if tax liability is \$200.00 or more!**

**Line 10:** Estimate the amount you expect to appear on Line 3 of you 2018 McConnellsville Income Tax Return and multiply it by 1%. This total is your estimated tax due.

**Line 11A:** Estimate the amount of your tax liability you expect to be met through employer withholding.

**Line 11B:** This line is to be used by residents only. Estimate the amount of your tax liability you expect to be met through withholding by other cities for compensation earned in those cities. The credit here should not exceed 0.50%.

**Line 11C:** List any overpayments from previous tax years that have been carried over.

**Line 11D:** Total of lines 11A through 11C

**Line 12:** Net Tax Due; Total on Line 10 minus Total on Line 11D. If this total is LESS THAN \$200.00 it is not required that you make quarterly payments.

**Line 13:** Amount due with declaration; Total on line 12 divided by 4. This is your first quarter 2018 payment.

**Total any balance due for 2017 with your first quarter 2018 payment together; this makes up the amount you MUST PAY when filing your 2017 McConnellsville Income Tax Return.**

**SIGN AND DATE YOUR RETURN!!!**

**FILE WITH TAX OFFICE BY APRIL 17, 2018!**

**FULL PAYMENT DUE AT TIME OF FILING!**