

INSTRUCTIONS FOR CITY IR FORM

CREDIT CARD SECTION

To pay your 2002 taxes by Visa or Mastercard please complete this section. **WE ACCEPT VISA OR MASTERCARD ONLY. WE DO NOT ACCEPT DISCOVER CARD, AMERICAN EXPRESS OR ANY OTHER CREDIT CARD.**

COMPUTATION SECTION

Line 1. Enter the grand total of gross compensation, before any deductions, from all W-2 forms for the tax year. Generally this amount will be reported in Box 18 for municipal tax purposes. Each W-2 form should be examined in all wage areas (Federal, State, Social Security, Medicare and Local wage boxes) for the highest wage received. If there is no amount in Box 18, generally the gross wages, if not stated on the W-2 form, equal Box 5 Medicare Wages plus amounts of income or benefits listed in Box 14. **INCOME TAXABLE BY THE CITY MAY DIFFER FROM INCOME TAXED BY THE IRS. GROSS INCOME FOR THE CITY INCLUDES 401K CONTRIBUTIONS, 403(b) CONTRIBUTIONS, ANY OTHER SALARY REDUCTION PLAN, STOCK OPTIONS, DEFERRED ANNUITY PLANS, SECTION 125 PLANS, CAFETERIA PLAN REDUCTIONS, PRE-TAX HEALTH BENEFITS, ETC. NOTE FOR HAMILTON TAXPAYERS ONLY: STOCK OPTIONS ARE TAXABLE AFTER MARCH 28, 2001.**

Line 1 A. Line may be used for a reduction of income taxable to the city.

1) When used for 2106 expenses, follow these instructions:

Enter the amount from IRS Form 2106 Line 10 or form 2106-EZ Line 6. **EMPLOYEE BUSINESS EXPENSES MUST FIRST BE CLAIMED AGAINST THE CITY WHERE THE INCOME TAXES ARE BEING WITHHELD. THE BALANCE IF ANY MAY THEN BE CLAIMED AGAINST CITY OF RESIDENCE TAXES. Example: A resident of Hamilton works in Fairfield and incurs \$5,000 in employee expenses. The taxpayer must file for a refund with Fairfield. Because Fairfield's tax rate of 1.5% is 75% of Hamilton's, 25% (\$1,250) is allowable as a deduction against Hamilton Wage Income. EMPLOYEE BUSINESS EXPENSES MUST RELATE DIRECTLY TO THE JOB BEING PERFORMED. THEY MUST BE PROPERLY REPORTABLE ON FORM 2106. THEY MUST NOT BE SUBJECT TO REIMBURSEMENT FROM THE EMPLOYER OR SHOULD BE TAKEN AFTER REIMBURSEMENT. PLEASE ATTACH AN EXPLANATION OF BUSINESS EXPENSES. IF EXPENSES CANNOT BE VERIFIED, THEY WILL NOT BE ALLOWED AS A DEDUCTION AGAINST WAGE INCOME.**

2) When used to reduce income because you didn't live in the city for the entire year, use these directions:

Estimate the nearest whole month that you did not live in the city for the tax year. Divide that number by 12. Multiply the result by the total on Line 1. This is the amount that your income will be reduced for the time you lived out of the city.

Line 2. Enter other income from Page 2.

Line 2 A. To be completed only if you are required to complete lines 8 through 11 on Page 2. **A net operating loss by a business or profession is not deductible from W-2 wages, but may be carried forward for three (3) years for Hamilton and five (5) years for Butler County Annex, New Miami and Oxford residents. New Miami, Phillipsburg, West Milton and Eaton allow losses against W-2 wages. Phillipsburg, West Milton, and Eaton allow no loss carry forward.**

Line 2 B. Enter the allocable losses per previous income tax returns. Hamilton's allocable loss carry forward allowed is four (4) years. Butler County Annex, Oxford, and New Miami's allocable loss carry forward is five (5) years. For Phillipsburg, West Milton, and Eaton taxpayers, enter \$0 since allocable loss carry forward is zero (0) years.

Line 2 C. Total lines 2A and 2B.

Line 2 D. For Hamilton, Butler County Annex, and Oxford residents, if Line 2 less Line 2C is a negative number, enter \$0 on Line 2D. Eaton and New Miami residents enter Line 2 less Line 2C.

Line 3. Enter sum of Lines 1 and 2D less line 1A.

Line 4. Multiply Line 3 by 2% for Hamilton and Butler County Annex, 1.75% for Oxford and New Miami and 1.5% for Phillipsburg, West Milton, and Eaton.

Line 5A. Enter taxes withheld by your employer(s) specifically for the resident City of Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami. If your place of employment is not in Hamilton, Butler County Annex, Oxford, Eaton, New Miami, or in a non-taxing location, any taxes withheld from your wages by your employer(s) will be for the city(ies) in which you actually work. Your W-2 form(s) should identify the local taxing city(ies).

Line 5B. Enter tax credit for taxes withheld by your employer(s) for cities **OTHER THAN** your resident City of Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami. You are permitted tax credit for other **city** tax withheld up to the tax rate of your resident city (2.0% for Hamilton and Butler County Annex, 1.75% for Oxford and New Miami, and 1.5% for Eaton). For example: A resident of Oxford who has a job in Hamilton and earns \$20,000 would receive credit for \$350 in Hamilton taxes paid even though \$400 was withheld for Hamilton. This is because under Ohio law taxes are withheld by the employer based on the city where the work is performed. Phillipsburg and West Milton residents are permitted a tax credit for other cities up to 1% of the resident village tax rate.

Line 5C. Add Line 5A and 5B. If you reduced your income on Line 1A because you didn't live in the city the entire year, you also need to reduce your credits by the same factor. Enter the credit, as reduced, on this line.

Line 5D. Line 4 less line 5C.

Line 5E. Estimated Tax paid and prior year overpayments carried forward to Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami for the current tax year on an estimate.

Line 6. If Line 5D is greater than Line 5E enter the amount here. If the sum is greater than one dollar (\$1.00), this is your outstanding tax balance for 2002. **Full payment must be received on or before April 30, 2003.** Any tax remaining unpaid after April 30, 2003 is subject to interest and penalties per the City Ordinance.

Line 6A. To be filled in by the tax office. Penalty for filing late without an extension is \$25 for Hamilton residents. Penalty for failure to pay is 1% per month up to a maximum of 50% for Hamilton, Butler County Annex, and Oxford. New Miami is ½% per month up to a maximum of 50%. Eaton charges 10% penalty for the first month and 1% for month 11 and thereafter up to a maximum of 50%. Phillipsburg and West Milton charge 10% penalty for the first month and ½% for month 21 and thereafter up to a maximum of 50%. Interest is 1% per month for Hamilton, Butler County Annex, Oxford and Eaton. Interest for New Miami is ½% per month. Interest for Phillipsburg and West Milton is prime (4.25%) plus 3% for a total of 7.25% annual, 0.006042 monthly for 2003.

Line 7. If Line 5E is greater than Line 5D, you have an overpayment. Please indicate if you wish for the amount to be refunded to you or credited toward Tax Year 2003's tax liability. If the sum is less than one dollar (\$1.00), no refund or credit will be issued.

IF YOU HAD NO BUSINESS PROFIT OR LOSS, GAMBLING INCOME OR RENTAL ACTIVITIES, YOU CAN SKIP LINES 8 THROUGH 11A.

Line 8. Enter the Profit or Loss from any Business Owned. **Please attach copies of Federal Schedule C or Schedule C-EZ.**

Line 9. Enter the amounts for each rental property with monthly rents in excess of \$250 (Phillipsburg, West Milton and Eaton \$100). In lieu of completing line 9, please **attach Federal Schedule(s) E, Page 1.**

Line 10. Other taxable income or loss including gambling winnings. Please attach a copy of Federal Schedule(s) E, Page 2, Federal Schedule F, 4797, 6252, etc. and any related schedules. **Note: If rental property is sold or exchanged please attach Form 4797 or Form 8824 if applicable. Depreciation is subject to recapture up to the amount of gain for all jurisdictions except Eaton. NOTE FOR PHILLIPSBURG, WEST MILTON, AND HAMILTON RESIDENTS ONLY: PLEASE ENTER THE TOTAL OF GAMBLING AND PRIZE WINNINGS AS REPORTED ON IRS FORM W-2G OR FORM 5754. GAMBLING LOSSES ARE NOT ALLOWABLE AS A DEDUCTION AGAINST WINNINGS.**

Line 11. If the total of lines 8 through 10 is positive enter the amount here and on Line 2 of Page 1.

Line 11A. If the total of lines 8 through 10 is negative enter the amount here and on Line 2A of Page 1.

IDENTIFICATION SECTION

Enter your account number, name, and address in the section provided, if it is not already printed. Make any corrections.

Enter your home phone number and a number where you can be reached at work.

If you moved into or out of Hamilton, Butler County Annex, Phillipsburg, West Milton, Eaton, New Miami, or Oxford during the tax year, give the date.

EXTENSIONS

Extensions will be granted provided a federal extension has been secured, an estimate paid, and all local ordinance requirements have been met. **PLEASE E-MAIL TO citytax@ci.hamilton.oh.us OR FILE A COPY OF THE FEDERAL EXTENSION WITH THE CITY INCOME TAX OFFICE BEFORE APRIL 30, 2003 TO AVOID IMPOSITION OF A LATE FILING PENALTY.**

ASSISTANCE

For assistance in completing this return, or if you have any question, please contact the Income Tax Department. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday. Phone: (513) 785-7400 or 1-800-854-1684. Fax (513) 785-7401. Our forms, instructions and street listings are now on the Internet. Visit the City of Hamilton's web page at www.hamilton-city.org Click on the income tax link to reach our site. We are in the process of getting Phillipsburg's and West Milton's ordinances as well as street listings posted to the web page.