

IMPORTANT INSTRUCTIONS

IF YOU HAVE RECEIVED THIS BOOKLET AND HAVE NO TAXABLE INCOME TO REPORT YOU MUST FILE THE RETURN AND INCLUDE A STATEMENT WHY YOU ARE NO LONGER SUBJECT TO FOSTORIA CITY INCOME TAX. THE DUE DATE FOR THIS RETURN IS **APRIL 15, 2008.** BE SURE TO INCLUDE YOUR CHECK OR MONEY ORDER FOR THE TAX DUE MADE PAYABLE TO "FOSTORIA CITY INCOME TAX DEPARTMENT" WITH THE RETURN, OR COMPLETE THE CREDIT CARD PAYMENT INFORMATION ON THE FRONT OF THE RETURN. DEBIT CARDS ARE ALSO ACCEPTED IN THE INCOME TAX OFFICE. **IF THE TAX DUE IS LESS THAN \$1.00 NO PAYMENT IS DUE.** The return must be filed even if no tax is due. If an overpayment of tax has occurred a refund will be issued upon the receipt of a complete, signed return. If the amount of refund requested is less than \$1.00 no refund will be issued.

Taxable income includes, but is not limited to, the following items: Wages, salaries, tips, commissions, sick pay, deferred compensation contributions, federally taxable portion of employer paid life insurance premiums, severance pay, supplemental unemployment benefits (SUB pay), strike pay, auto benefits, bonuses and Director's Fees, gambling and lottery winnings.

By making the election in the designated area on the tax return, the taxpayer authorizes the tax administrator to contact the return preparer with questions concerning missing information, mathematical errors, offsets, or status of the taxpayer's refund or payments.

If you need assistance completing the return please stop in our office at the Municipal Building, 213 South Main Street, or call (419) 435-6449. Office hours are Monday, Tuesday, Thursday and Friday 8:00 a.m. to 12:00 noon, 1:00 p.m. to 5:00 p.m.; Wednesday 8:00 a.m. to 12:00 noon.

WHO IS REQUIRED TO FILE THIS RETURN:

This return should be used by individuals, partnerships, corporations and any other entity having income taxable by this municipality. Residents who are employed by a local employer and have no other income subject to the tax are required to file this return. **ALSO IF YOU HAVE RECEIVED THIS FORM AND HAVE NO TAXABLE INCOME TO REPORT, YOU MUST FILE IT STATING WHY YOU ARE NO LONGER SUBJECT TO CITY TAX.**

WHEN AND WHERE TO FILE RETURN:

This return to be filed on or before April 15, 2008 or if you report to the Federal Government on a fiscal basis, 105 days after the end of your fiscal year.

The return is to be filed with the Tax Commissioner, City of Fostoria, 213 S. Main St., Fostoria, OH 44830-2322.

Total amount due as shown on line (9b) must be paid when the return is filed. If the tax amount due is less than \$1.00 no payment is required, but the return must be filed by the due date. CHECKS OR MONEY ORDERS SHOULD BE MADE PAYABLE TO THE FOSTORIA INCOME TAX DEPT.

GENERAL INSTRUCTIONS FOR FOSTORIA INCOME TAX RETURNS

INDIVIDUAL TAXPAYERS

List your employers from all W-2's issued on the lines under the label "NAME OF EMPLOYER" and show the city where you were employed. Any Fostoria tax withheld goes in the column labeled "FOSTORIA INCOME TAX WITHHELD." If you paid city tax in another town list that amount in the column labeled "CITY TAX PAID IN OTHER CITIES." The "GROSS EARNINGS BEFORE DEDUCTIONS" column is for the total amount of your income from the W-2 that is subject to Fostoria city income tax. **You CANNOT reduce your Fostoria taxable income by the amount you contribute to a deferred compensation plan.** Also included in the city taxable amount should be the federally taxable portion of employer paid life insurance premiums.

The amount in the "GROSS EARNINGS BEFORE DEDUCTIONS" column are added and then are to be used on Line 1.

The amounts in the "FOSTORIA INCOME TAX WITHHELD COLUMN" are totaled and used on Line 8a. The amounts in the "CITY TAX PAID IN OTHER CITIES" are totaled (if none exceed the Fostoria tax rate of 2%) and used on Line 8c.

Line 2, Other taxable income to be reported, including income from 1099 forms, federal Schedule C, federal Schedule E, etc. as shown on the reverse side of the tax return. You may complete the reverse side of the form or attach copies of your federal schedules.

Lines 4 and 5 would not normally be used by individual taxpayers. Amounts that would be reported on Line 4b would be from a federal form 2106.

Line 6 would be the total of all preceding lines, with Line 7 the calculation of the tax due (2% times the amount on Line 6).

Line 8 shows the credits for the tax year with the total of all credits to be shown on Line 8e.

Line 9 is the difference of Line 7, Tax Due, and Line 8e, Total Credits. If the tax balance shown on Line 9 is less than \$1.00, no remittance need be made. If an overpayment of less than \$1.00 occurs, no refund or applied credit will be issued. **The return and attachments must be filed even if no additional tax is due.** As always, questions will be answered either in person or over the telephone at (419) 435-6449. Our office is located on the second floor of the Municipal Building.

INCOME TAX IS LEVIED UPON THE FOLLOWING:

(A) On all salaries, wages, commissions and other compensation less expenses directly incurred in connection therewith, received by resident of Fostoria from all sources or received by non-residents of Fostoria for work done or services performed or rendered in Fostoria.

The following instructions are applicable to taxpayers having taxable income other than that listed in the paragraph above:

(B) On the net profits of all unincorporated businesses, partnerships, professions, or other activities conducted by residents of Fostoria or conducted by non-residents in Fostoria

(C) On the net profits of all corporations derived from work done or services performed or rendered and business or other activities conducted in Fostoria whether or not an office or place of business is maintained in Fostoria.

(D) Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718 of the revised Code of Ohio which is not exempt from the payment of real estate taxes is required to file returns and remit the taxes levied under the Ordinance on all business activities of a type ordinarily conducted for profit.

WHAT CONSTITUTES A NET PROFIT:

Net profits of a business shall be the same as reported for federal income tax purposes but adjusted to the requirements of the Ordinance, regulations and rulings of the Tax Commissioner or Board of Review.

THE FOLLOWING ARE NOT DEDUCTIBLE IN DETERMINING NET PROFITS FOR FOSTORIA INCOME TAX PURPOSES:

- (A) The Tax under the Ordinance.
- (B) Any Federal or State taxes based upon income.

5. LOSSES:

Net losses incurred during any taxable period, in a business or other activity subject to the Ordinance, are deductible from all the taxable net profits and earnings, for the same period, included in the taxpayer's return. Losses are deductible only in the taxable period in which they are incurred.

Rental, business and professional activities, the profit of which would be taxable to the city, must complete a return even if a loss is shown.

6. INCOME NOT TAXABLE:

Taxable income shall not include: payments to Section 125 Health Care Plans, poor relief, pensions, social security, unemployment compensation, and disability benefits received from local, state or Federal governments.

Interest and dividends from intangible property, active duty military pay and allowance received by members of the armed forces of the United States.

Income of any charitable, educational, fraternal or other type of non-profit association or organization, enumerated in Section 718.01 of the Revised Code of Ohio "to the extent that such income is derived from tax exempt tangible or intangible property or tax exempt activities."

Gains from involuntary conversions, cancellation of indebtedness, interest on federal obligations, items of income already taxed by State of Ohio as of 12-4-67 and income of a decedent's estate during the period of administration except income from the operation of a business.

Earnings and income of all persons under 18 years of age, whether residents or non-residents.