

WHAT INCOME IS TAXABLE FOR WOOSTER INCOME TAX?

The City of Wooster taxes all earned income received by residents who are eighteen years of age or older. The income of residents is taxable regardless of where it is earned. Residents will receive credit for taxes paid to other municipalities up to 1.5%.

WHAT IS INCLUDED IN TAXABLE INCOME?

- Wages, salaries and other compensation
- Bonuses, stipends and tip income
- Commissions and fees
- Vacation pay
- Sick pay (unless sick pay is proceeds of employee paid insurance)
- Employer provided supplemental unemployment benefits
- Employee contributions to retirement plans and tax deferred annuity plans (401K, 403b, 457b, etc.)
- Net profits from rental property if monthly rent exceeds \$200 or if rental is a for profit undertaking
- Net royalty income from tangible property
- Net profits of businesses or professions
- Income from partnerships, LLC's, estates and trusts
- Income from S-corps allocable to Ohio
- Contributions made on behalf of employees to the cost of fringe benefits
- Ordinary gains reported on federal form 4797
- Income from non-qualified plans taxable by Medicare
- Income from wage continuation plans (including retirement incentive and severance pay)
- Stocks options when exercised
- Net income from farming
- Fringe benefits taxable for federal tax purposes (including life insurance over \$50,000)
- Housing allowance for clergy included in federal taxable income
- Income from guaranteed annual wage contracts
- Director fees
- Jury duty
- Union steward fees
- Strike pay (if taxable for federal tax purposes)
- Recapture of depreciation on business assets sold
- Employer provided educational assistance included in federal taxable income
- Executor fees
- Lottery and gambling winnings
- Income not specifically exempted below

WHAT INCOME IS NOT TAXABLE?

- Interest or dividend income
- Capital gains
- Social security benefits
- State unemployment benefits
- Welfare benefits
- Worker's compensation
- Income from qualified pension plans
- Proceeds of life insurance
- Alimony
- Earnings of individuals under 18 years of age
- Military pay (including National Guard)
- Patent or copyright income
- Royalties from intangible property
- Annuity distributions
- Housing allowances for clergy to the extent that it is excluded from federal taxable income
- Health and welfare benefits distributed by governmental, charitable, religious or educational organizations
- Compensatory insurance proceeds derived from property damage or personal injury settlements.
- Third party sick pay if proceeds from insurance paid by employee
- Payroll deductions for health care excluded from federal taxable income
- Employee moving expenses received on a reimbursement basis only
- Compensation for working at electoral polls

**The above lists are not all-inclusive. For items not listed, please contact the income tax department:
(330) 263-5226**