

WHO IS REQUIRED TO FILE THIS RETURN?

ALL WOOSTER RESIDENTS, and partial year residents age 18 or older, are required to file an income tax return. There are no exceptions to this mandatory filing requirement.

QUESTIONS ABOUT PREPARING THE RETURN?

CONTACT THE CITY OF WOOSTER INCOME TAX OFFICE (330) 263-5226

INDIVIDUAL TAX RETURNS ARE DUE ON OR BEFORE APRIL 18TH OF 2017

- All non-residents of the City of Wooster who receive compensation for work done or services performed in the City of Wooster whose employer has not withheld City of Wooster income tax.
- Non-residents who own rental property located within the City of Wooster.
- Business, contractors, and subcontractors located or doing business within the City of Wooster
- Eligible residents can use the E-Z form; otherwise the standard form is required. Please follow the instructions listed and attach all required documentation.
- Non-residents, who received a Wooster income tax return in the mail or filed a 2015 tax return and are not required to file a 2016 Wooster tax return, may complete the non-filing declaration on page 4 in lieu of filing a tax return.

REQUESTING AN EXTENSION OF TIME TO FILE

In order to receive an extension of time to file a 2016 City of Wooster income tax return the extension form (page 4), a generic form, or a photocopy of your federal extension may be used. **This can be filed, with the City of Wooster's income tax department no later than April 18, 2017.**

An extension of time to file your 2016 tax return does not extend the due date for tax due for 2016, nor the filing or paying quarterly installments of 2017 estimated taxes. Your first quarter installment is due April 18, 2017.

WHO MUST MAKE ESTIMATED PAYMENTS?

Any individual who will owe 2017 Wooster income taxes (less Wooster tax withheld and credit for taxes paid to other cities) of \$200.00 or more is required to file a declaration of estimated taxes, and make quarterly payments on the declaration. There is a penalty of 15% of the amount not paid timely.

To receive payment vouchers for the second, third and fourth quarters for the 2017 tax year, complete line 19 on the Standard Form 2016 Wooster Individual Income Tax Return (page 5) or line 6 of the Declaration of 2017 Wooster Income Tax Estimate (page 4) or contact the tax office. The taxpayer is responsible for filing and paying any quarterly estimated tax due. Non-receipt of forms does not relieve the taxpayer of the responsibility to file forms and pay taxes due.

STANDARD FORM LINE BY LINE INSTRUCTIONS

Income (attach one clear copy of each W-2)

Line 1 - Show the total of all wages, salaries and tips received during 2016.

Wooster residents for all of 2016

For employees subject to medicare taxes, your Wooster taxable wages would be the larger of, (a) box 5 of your W-2 (medicare wages) or (b) total of all box 18(s) of your W-2 (local wages).

Non-residents

Wooster taxable wages is the same as for residents except that wages and benefits earned outside of Wooster should not be included.

Line 2 - If you filed a federal form 2106 for unreimbursed employee business expenses, reduce your 2106 expense by 2% of your Adjusted Gross Income (AGI); therefore any 2106 amount less than 2% of your AGI will not be allowed. Attach photocopy of Federal Form 2106, and Schedule A.

Line 3 - Subtract line 2 from line 1 and enter the difference.

Line 4 - Enter the amount from Worksheet B, Line 12

Line 5 - Enter the amount from Federal 1040, Line 21

Line 6 - Add the amounts in line 3, line 4, & line 5. This is your Wooster taxable income. **Do not** deduct the loss entered on line 4.

Line 7 - Multiply line 6 by 1.5% (.015). This is your Wooster Tax.

Payments

Line 8 - From your W-2(s), enter the amount of **Wooster** tax withheld, should be in box 19, and/or enter the amount from Worksheet A, Column E, and/or Worksheet B, line 8 Column A. Also, include any payments remitted by an entity on your behalf.

Line 9 - Enter the amount from box 19 on your W-2, Worksheet A Column G, and/or the amount from Worksheet B, line 20. See the instructions for Worksheet A and Worksheet B.

Line 10 - Enter the sum of the amount of 2015 overpayment that was credited to your 2016 income tax and the amount of

estimated payments made towards your 2016 income tax. If an extension was filed for your 2016 income taxes, and you made a payment with your extension towards 2016 taxes, include the amount here.

Line 11 - Enter the total of lines 8, 9, & 10.

Refund or Amount Due

Line 12 - Line 7 (Wooster Tax) minus Line 11 (Total payments & credits). If line 7 is greater than line 11 this is your balance due, if line 11 is greater than line 7 you have an (overpayment). **If \$10.00 or less no refund or balance is due.**

Line 13 - If you are filing past the due date, and no extension add \$25.00 for each month your return is late up to \$150.00

Line 14 - Late payment penalty 15% of the tax due paid after the due date.

Line 15 - Interest of .42% of the tax due for each month that your tax is not paid timely.

Line 16 - The total amount due from Line 12, Line 13, Line 14, & Line 15. If Line 12 is \$10.00 or less no amount is due.

Line 17 - Amount from Line 12 over \$10.00 you would like refunded.

Line 18 - Overpayment from Line 12 applied to your 2017 estimate (Line 21)

Declaration of 2017 Estimated Taxes

Line 19 - 2017 Estimated tax due

Line 20 - Amount due with your return 1st quarter 25%, 2nd quarter 50%, 3rd quarter 75%.

Line 21 - Credit from 2016 overpayment, or previous 2017 payments.

Line 22 - Amount of your 2017 estimated tax due with your return.

Line 23 - Total amount due with your return. Add lines 16 and 22.

Make check payable to "City of Wooster".

Worksheet A- Wooster Resident Only

Column (A) List all cities, in which you had taxes withheld or have paid income tax for 2016. Attach schedule if necessary.

Column (B) List W-2 income: Report wages, box 5 of W-2, unless you worked in multiple municipalities then list all income reported in box 18 reporting the various locations. Attach W-2.

Column (C) List 2106 expense, reported on your Schedule A, reduced by 2% of your adjusted gross income (AGI); therefore any amount less than 2% of your AGI will not be deducted. Attach Schedule A, Federal form 2106, & Federal 1040.

Column (D) Subtract Column C from Column B. Enter the difference.

Column (E) Wooster tax withheld and reported on W-2, Box 19

Column (F) Other City tax withheld- Reported on W-2 or paid. Attach copy of W-2 or return in order to receive credit. Enter the amount of tax withheld or paid to that city for 2016. **If your tax withheld was less than 1.5% enter that amount in column G.** If

your wages were allocated because you were a part year resident, you must allocate the withholding paid to this city by the same allocation factor, to arrive at wages paid to this city while living in Wooster.

Column (G) Figure the allowable credit for taxes paid to another city. **If your tax withheld was less than 1.5%, skip this step and enter the amount in Box 19 of your W-2.** If your W-2 was withheld greater than 1.5%, multiply Column D by 1.5%. Total this column and enter this amount on line 9 on the front of the return.

Worksheet B Instructions

Line 1- List the municipality where the income/(loss) was earned.

Line 2- Enter the tax rate for each municipality where the income/(loss) was earned.

Line 3- Enter your Schedule C income/(loss), detailing the amounts earned in each municipality. Attach a copy of your Schedule C, as well as your federal return showing this income (Schedule C's, or 1099's, etc.). Residents report 100% of their income. Non-residents may then allocate their Schedule C income based on their Schedule Y percentage (see below), in Column A.

Line 4- List all Schedule E rental income/loss or royalties from tangible property. Attach a copy of your Schedule E. Residents should include all Schedule E income/loss. Non-residents should only include income from property located in Wooster, and report this income in Column A.

Line 5- List any partnership, Limited Liability Company or S-Corporation income and attach a photocopy of the K-1 received from partnership/LLC/S-Corp. Income or loss should be on a current basis with no passive loss restriction or carry forwards. You should also attach a photocopy of the complete Schedule E filed with your 2016 federal return, **including any accompanying statements.** Residents should include all partnership/LLC income and S-corp. income allocable. Non-residents should only include income from partnerships/LLC's/S-Corp.'s that did business in the city and may allocate per Schedule Y, and report in Column A.

Line 6- List all Schedule F income/loss. Attach Federal F schedule(s) or other documentation for this income. List ordinary income/loss. Attach Federal 4797

Line 7- Total each column for each municipality.

Line 8- List available carryforward loss for Wooster. Show carry forward losses allowed from the previous five years filed with the City of Wooster. Attach a detailed list.

Line 9- Enter amounts greater than \$0 from line 7. **Do not** include losses. Column A, subtract any carryforward loss before this total.

Line 10-Total all profits listed on line 9, and report this total.

Line 11-Total all losses reported on line 7, and report this total.

Line 12- Total taxable income, your profit totaled on line 10 less your losses totaled on line 11. If this number is a loss, report 0 on page 5, line 4 and this amount (line 12) is your loss carryforward to 2017. If this amount is a profit, report this amount on page 5, line 4.

Line 13- If there is no loss reported on line 11, skip this step. In each column, divide amount of positive net profit (line 9) by total positive net profits (line 12) to get percentage of total positive net profits for each municipality.

Line 14- If there is no loss reported on line 11, skip this step. Multiply amount on line 11 by the percentage of profit calculation figured for line 13. This is your allowable loss for each column.

Line 15- If there is no loss reported on line 11, skip this step and report the amount on line 9 in each column. Subtract amount of allowable loss on line 14 in each applicable column from line 9 to calculate net profit after loss application.

Line 16- Multiply the amount reported on line 15 by the City of Wooster tax rate of 1.5%.

Line 17- Multiply the amount reported on line 15 by the tax rate reported on line 2, this is your credit for taxes paid.

Line 18- Credit for taxes paid to Wooster. Partner/Shareholder's distributive share of taxes paid by the business entity to the Resident Municipality.

Line 19- Credit for taxes paid, smaller amount reported on line 16 or line 17.

Line 20- Total tax credit for taxes paid to other cities, Add columns B, C, D, E, & F. Report this amount on page 5, line 9.

Schedule Y Instructions

Line 1- Enter the original cost of all tangible real and personal property related to the business for which allocation is made in column a, and then the same for property located in Wooster in column b. Enter any annual rental amounts paid multiplied by eight for the second line. Total the columns on the third line, and divide column b by a. Enter the percentage in column c.

Line 2- Enter all receipts from the sale of goods or services in column a, and those for inside of Wooster in column b. Section 1701.062 of the Wooster Codified Ordinances sets forth the method for determining sales of goods inside and outside the City. Call our tax office at (330) 263-5226 for a copy or an explanation. Divide column b by a, and enter percentage in c.

Line 3- Do the same for line 3 as line 2 for wages.

Line 4- Total the percentages in column c.

Line 5- Divide line 4 by the number of percentages in column c. If there is an amount in column a, and none in column b, the percentage is -0-, and should be counted in determining the average. If both a, and b are -0-, it should not be used in calculating the average.

*****You Must Sign Your Return (If joint filing, both you and your spouse must sign)*****