

# CANTON CITY INCOME TAX FORM INSTRUCTIONS

Name, address, social security number.

Please check your address on the tax return.

**IS ALL THE INFORMATION CORRECT?**

If all information is not correct, please make the necessary corrections.

**FILING, INCOME, RESIDENCY AND AGE STATUS (REQUIRED INFORMATION)**

Filing - Mark the box next to your filing status.

Please note previous or current address after residency line.

Residency - Give the exact date that you moved in or out of Canton. It may affect your taxable income.

Taxpayers under age 18, claiming a refund, must write in birthdate and submit a copy of proof of age. (driver's license or birth certificate).

## LINE INSTRUCTIONS

**LINE 1 - TOTAL WAGES AND SALARIES** Enter the total amount reported in "box 5" of federal form W-2, and add any ordinary income from the exercise of stock options and supplemental unemployment compensation (sub-pay) excluded from Medicare wages. Enter the tax paid to other cities and the Canton City tax withheld as indicated. NOTE: The return is not complete unless all W-2's are attached.

**LINE 2 - TOTAL INCOME FROM BACK OF FORM, LINE 16 G.** Enter the total combined net taxable income from sole proprietorships, rentals, partnerships, S corporations, corporations and other compensation. Only net taxable income is brought forward from back of form. Enter zero for loss.

**LINE 3 - WAGES AND SALARIES EARNED OUTSIDE THE CITY OF CANTON BY A PART YEAR RESIDENT, OR PRIOR TO 18th BIRTHDAY** If you moved into or out of Canton during the taxable year, you may deduct wages earned while you were a non-resident working outside the city of Canton. You also may deduct wages earned prior to your 18th birthday.

**LINE 4 - EMPLOYEE BUSINESS EXPENSES** Only those expenses that have been properly reported to the IRS on Form 2106 are allowed. Attach a copy of Form 2106, Schedule A, and itemized detail of "Other Business Expenses" on 2106 Line 4.

**LINE 5 - TAXABLE INCOME** Add lines 1 and 2 and subtract lines 3 and 4.

**LINE 6 - CANTON CITY TAX** Multiply taxable income on line 5 by 2%.

**LINE 7 - CREDITS** (a) Canton city income tax withheld by employers. (b) Municipal tax paid to other cities. - Not to exceed 2%. (c) Estimated tax payments. (d) Adjustments for local tax refunds, local taxes paid in error, non-applicable taxes, etc. No credit will be given for taxes paid to another city on income not taxable by Canton. (e) Total credits (a+b+c-d)

**LINE 8 - BALANCE DUE** If line 6 is larger than line 7e, you owe more tax. Subtract line 7e from line 6 and enter the balance due on line 8.

**LINE 9 - OVERPAYMENT CLAIMED** If line 7e is greater than Line 6, claim credit or refund on Line 10 or Line 11. No refunds will be issued for \$10.00 or less. Overpayments between \$1.00 and \$10.00 will be credited to 2018.

**LINE 10 - CREDIT TO 2018 ESTIMATE** If you have an estimate obligation for 2018, the over payment should be transferred to the declaration Line 4a. No refunds will be issued for \$10.00 or less. Overpayments between \$1.00 and \$10.00 will be credited to 2018

**LINE 11 - REFUND** If you have an estimate obligation for 2018, the over payment should be transferred using Line 10. If you would like your refund direct deposited check the box after Line 11.

**LINE 12 - LATE FILING FINE** All returns filed after filing deadline will be assessed a \$25.00 per month fine NOTE: Make certain that returns are postmarked on or before filing deadline. File early to avoid this fine.

**LINE 13 - INTEREST** 0.50% per month will be assessed on taxes remaining unpaid after filing deadline NOTE: Send a check or money order for the balance due with your return before filing deadline, to avoid this interest.

**LINE 14 - PENALTY** 15% See general information.

**LINE 15 - TOTAL AMOUNT DUE** Add lines 10, 14, 15 and 16. This amount must be paid in full when you file your return.

When using the services of a tax preparer, our office may need to discuss your tax matters with your preparer. IF YOU WISH TO GRANT SUCH PERMISSION, check  YES in the box on the right-hand side, near the bottom of the tax return.

## MANDATORY DECLARATION OF ESTIMATED TAX

**LINE 1 - TOTAL INCOME SUBJECT TO CANTON TAX** Multiply total estimated income from all sources subject to Canton tax by 2%.

**LINE 2 - LESS TAX TO BE WITHHELD** Enter the amount, to be withheld by employer.

**LINE 3 - BALANCE ESTIMATED CANTON TAX** Subtract the amount, on lines 2 from line 1. This is your gross Canton estimated tax due.

**LINE 4 - LESS CREDITS** Enter total applicable credits from lines a and b on the total credits line.

**LINE 5 - NET TAX DUE** Subtract total credits from line 3. This is the net estimated balance due.

**LINE 6 - AMOUNT PAID WITH THIS RETURN** Make check or money order payable to "Kim R. Perez, Canton City Treasurer" for not less than 1/4 x line 3 minus line 4.

**LINE 7 - BALANCE OF TAX** This amount is due in three equal installments on June 15 and September 15, 2018 and January 15, 2019. PAY ONLINE AT CANTONINCOMETAX.COM.

Please mark your calendar and remit installments. A statement will NOT be sent.

## INSTRUCTIONS FOR BACK OF TAX RETURN

IF YOUR ONLY BUSINESS INCOME IS FROM CANTON ACTIVITIES, OR BUSINESS ACTIVITIES FROM OUTSIDE ANY NON-CANTON MUNICIPAL TAXING JURISDICTION, YOU WILL USE COLUMN A ONLY, AND YOU WILL FILL OUT THE FORM ONLY AS FAR AS LINE 10 (Positive number) OR LINE 11 (Negative number).

**Line 1.** Enter the name of each non-Canton taxing jurisdiction where you had separate business or rental activities under Column B, Column C, Column D, Column E, and Column F. ENTER EACH CITY ONLY ONCE, EVEN IF THERE ARE MULTIPLE ACTIVITIES WITHIN THAT CITY.

**Line 2.** Enter the corresponding tax rate beneath each city in Column B, Column C, Column D, Column E, and Column F.

**Line 3.** Enter the total of all Canton Schedule C activities and all Schedule C activities from township and non taxing localities in Column A. Enter the total of all Schedule C activities from non-Canton taxing jurisdictions under the appropriate column.

**Line 4.** Enter the total of all Canton Schedule E activities and all Schedule E activities from township and non taxing localities in Column A. Enter the total of all Schedule E activities from non-Canton taxing jurisdictions under the appropriate column.

**Line 5.** Enter the total of all Canton Partnership/S-Corporation activities and all Partnership/S-Corporation activities from township and non taxing localities in Column A. Enter the total of all Partnership/S-Corporation activities from non-Canton taxing jurisdictions under the appropriate column.

**Line 6.** Enter the total of all Canton 1099 income and all 1099 income from township and non taxing localities in Column A. Enter the total of all 1099 income from non-Canton taxing jurisdictions under the appropriate column.

**Line 7.** Total lines 3, 4, 5, and 6 for each column. Enter the grand total at line 7, Column G.

**Line 8.** Enter any loss carrying forward from a previous tax year under the appropriate city. It is very important that any Louisville loss (for example) goes in the Louisville column, and any North Canton loss goes in the North Canton column, etc.

**Line 9.** Add lines 7 and 8.

**Line 10.** If line 9 is a positive number, enter on Line 10. If it is a negative number, enter zero on Line 10. IF YOUR ONLY INCOME IS UNTAXED BY ANY CITY OTHER THAN CANTON, STOP HERE AND ENTER THE TOTAL FROM Line 10 ON PAGE ONE, LINE 2.

**Line 11.** Apportionable Loss: If line 7 is a LOSS, enter here. IF YOUR ONLY INCOME IS UNTAXED BY ANY CITY OTHER THAN CANTON, STOP HERE AND ENTER A ZERO ON PAGE ONE, LINE 2.

**Line 12.** Apportionment percentage: divide Line 10 in each column by Line 10G. Enter the percentage.

**Line 13.** Must be either a positive number or a zero.

**Line 14.** Apportioned Current loss: multiply Line 11G by Line 12.

**Line 15.** Add lines 12, 13, and 14. If the result is a negative number, enter the NEGATIVE here.

**Line 16.** Add lines 12, 13, and 14. If the result is a POSITIVE number, enter the POSITIVE here and enter Line 16G on PAGE ONE, Line 2.

**Line A.** Total tax paid to non-Canton municipalities, including withholding tax and tax on distributive share of Partnership or S-corporation income.

**Line B.** Tax assessed: multiply Line 10 by the tax rate percentage listed on Line 2.

**Line C.** Tax due to Canton on apportioned income: multiply Line 16 by 2%.

**Line D.** Tax paid to other City on apportioned income: multiply Line 16 by the tax rate percentage listed on Line 2.

**Line E.** Compare lines A, B, C, and D, then enter the SMALLEST amount on Line E.

ENTER LINE 16G ON PAGE ONE, LINE 2.

ENTER LINE E, COLUMN G ON PAGE ONE, LINE 7B.