

# 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.

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

Please note previous or current address after residency line.

Age - Citizens 65 and over can receive a tax credit up to \$200.00. Write in birthdate and attach a copy of your birth certificate, driver's license, or any document that lists your birthdate. This is only necessary for the first time you claim the credit. 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 ADJUSTMENTS FROM BACK OF FORM, LINE H** 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 - SENIOR CITIZEN TAX CREDIT** If 65 or older on December 31, 2014, deduct the amount of Canton tax due or \$200.00 whichever is less. If not applicable to you, enter zero. (The credit is applied only to seniors' income, it does not transfer to spouses on joint filings.)

**LINE 8 - CANTON CITY TAX LIABILITY** Line 6 less line 7.

### LINE 9 - CREDITS

- (a) Canton city income tax withheld by employers.
- (b) Municipal tax paid to other cities. - Not to exceed 1.7%.
- (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 10 - BALANCE DUE** If line 8 is larger than line 9e, you owe more tax. Subtract line 9e from line 8 and enter the balance due on line 10.

**LINE 11 - OVERPAYMENT CLAIMED** If line 9e is greater than Line 8, claim credit or refund on Line 12 or Line 13..

**LINE 12 - CREDIT TO 2015 ESTIMATE** If you have an estimate obligation for 2015, the over payment should be transferred to the declaration Line 4a.

**LINE 13 - REFUND** If you have an estimate obligation for 2015, the over payment should be transferred using Line 12. If you would like your refund direct deposited check the box after Line 13.

**LINE 14 - LATE FILING FINE** All returns filed after filing deadline will be assessed a \$25.00 fine.

NOTE: Make certain that returns are postmarked on or before filing deadline. File early to avoid this fine.

**LINE 15 - INTEREST PENALTY** 3% per month will be assessed the sixteenth of each month 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 penalty.

**LINE 16 - ESTIMATE FINE & INTEREST PENALTY** See general information.

**LINE 17 - 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 July 31 and October 31, 2015 and January 31, 2016. PAY ONLINE AT CANTONINCOMETAX.COM.

Please mark your calendar and remit installments using enclosed coupons. A statement will **NOT** be sent.

## INSTRUCTIONS FOR BACK OF TAX RETURN

### PART I FOR PASSIVE ACTIVITIES ONLY

### PART II FOR NON-PASSIVE ACTIVITIES ONLY

**LINE a/A.** - Aggregate net profit/loss from activities.

**LINE b/B.** - Net adjustment from Schedule X (attach schedule).

**LINE d/D.** - For business conducted inside and outside city by non residents, apply allocation percentage from Schedule Y (attach schedule).

**LINE f/F.** - Loss carried forward from previous years (please detail).

**LINE g.** - Taxable passive Income Only: If loss, enter zero and carry forward at asterisk (\*).

**LINE G.** - Taxable non passive income or loss: If loss, enter loss amount.

### PART III NET AGGREGATE INCOME FROM BUSINESS ACTIVITIES

**LINE H.** - Net aggregate Income Only: Add lines g and G. If net loss, enter zero and carry forward at asterisk (\*).

**DIRECT DEPOSIT REFUNDS - SEE ENCLOSED INSERT**