

# CANTON CITY INCOME TAX FORM INSTRUCTIONS

## 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).

## **SECTION A** CAN BE USED IN LIEU OF THE EXEMPTION FORM.

## **SECTION B** 2018 TAXABLE INCOME

**LINE 1 - TOTAL WAGES AND SALARIES BEFORE 06/30 AND AFTER 07/01** 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. **PLEASE USE THE WAGES SCHEDULE FROM PAGE TWO OF THE RETURN FOR PRO-RATED WAGES - FOR INCOME EARNED IN ANY PERIOD OTHER THAN 01/01 THROUGH 12/31. OTHERWISE DIVIDE YOUR INCOME IN HALF AND REPORT IT EQUALLY BEFORE 06/30 AND AFTER 07/01, AND THE TAX WILL BE IMPOSED AT 2.25%.**

### **LINE 2 - 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 3 - TAXABLE WAGES** Line 1 less Line 2.

**LINE 4 - 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 5 - TAXABLE INCOME** Line 3 PLUS Line 4.

**LINE 6 - CANTON CITY TAX** Multiply taxable income on Line 5 by 2.25% or **BEFORE 06/30 by 2.0% and AFTER 07/01 by 2.5%.** **PLEASE USE THE WAGES SCHEDULE FROM PAGE TWO OF THE RETURN FOR PRO-RATED WAGES - FOR INCOME EARNED IN ANY PERIOD OTHER THAN 01/01 THROUGH 12/31.**

**LINE 7 - CREDITS** (A) Canton city income tax withheld by employers. (B) Municipal tax paid to other cities. - Not to exceed 2% BEFORE 06/30; Not to exceed 2.5% AFTER 07/01.

(C) Estimated tax payments. *No credit will be given for taxes paid to another city on income not taxable by Canton.* (D) Total credits (A+B+C)

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

**LINE 9 - PENALTY; INTEREST; LATE FEE** If return is filed/paid late and/or if Declaration of Estimated Tax obligation unmet, a 15% PENALTY will be imposed; 0.5% INTEREST per month; and, a \$25.00 LATE FEE per month for the first six months.

**LINE 10 - TOTAL AMOUNT DUE** LINE 8 PLUS LINE 9. (No payment due if \$10.00 or less).

**LINE 11 - OVERPAYMENT** If you have an estimate obligation for 2019, the over payment should be credited to next year. If you would like your refund direct deposited check the box after Line 11 and enter direct deposit information on page 2.

## **SECTION C** DECLARATION OF ESTIMATED TAX FOR 2019

**LINE 12 - TOTAL INCOME SUBJECT TO CANTON TAX** Multiply total estimated income from all sources subject to Canton tax by 2.5%.

**LINE 13 - LESS TAX TO BE WITHHELD** Enter the amount, to be withheld by employer (Not to exceed 2.5%).

**LINE 14 - BALANCE ESTIMATED CANTON TAX** Subtract the amount on line 13 from line 12. This is your gross Canton estimated tax due.

**LINE 15 - QUARTERLY AMOUNT DUE** Line 14 divided by 4.

**LINE 16 - CREDIT FROM LINE 11** (\$10.01 minimum).

**LINE 17 - ESTIMATE AMOUNT PAID WITH THIS RETURN** Not less than Line 15 minus line 16.

**LINE 18 - TOTAL AMOUNT DUE WITH THIS RETURN** Line 10 Plus Line 17.

## **INSTRUCTIONS FOR BACK OF TAX RETURN**

### Part 1. WAGES

Please use this WAGES schedule for pro-rated wages - FOR INCOME EARNED IN ANY PERIOD OTHER THAN 01/01 THROUGH 12/31.

OTHERWISE DIVIDE YOUR INCOME IN HALF AND REPORT IT EQUALLY BEFORE 06/30 AND AFTER 07/01 on the front of the return, SECTION B, Line 1, and the tax will be imposed at 2.25%.

**Part 2. NON-EMPLOYEE INCOME** 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 2.25%.

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

