

ST. BERNARD - TAX YEAR 2019

INDIVIDUAL INCOME TAX RETURN INSTRUCTIONS

OFFICE PHONE: (513) 242-7710 EMAIL: tax@cityofstbernard.org
FAX: (513) 242-5402 WEBSITE: <http://www.cityofstbernard.org/taxforms.htm>

Income

LINE 1: Enter the total qualifying wages, salaries, tips and other compensation (including gambling winnings). "Qualifying wages" generally include amounts reported in the Medicare wage base (The amount is usually listed in Box 5 on the W-2, however it may be the amount listed in Box 18. Use the larger of the two numbers.) plus supplemental unemployment compensation benefits described in Section 3402(o)(2) of the Internal Revenue Code and compensation of pre-1986 employees exempt from Medicare that is not in the Medicare wage base solely because of the Medicare grandfathering provision.

For multiple W-2s complete **Worksheet A** on page 2.

Gambling, prize and lottery winnings reported on IRS form W-2G, Form 5754 and/or any other form required by the IRS to report winnings from gambling are taxable for St. Bernard income tax purposes, regardless of where derived. Gambling losses cannot offset winnings. Business losses cannot offset gambling winnings.

Deferred compensation, i.e., **contributions** to 401K plans, pension plans, etc., is subject to municipal tax. Stock Options are taxable when they are includable on Form W-2 or 1099.

Attach copies of the federal forms and schedules showing all reportable income with the return.

Attach:

- 1) all W-2's;
- 2) Federal Form 1040, 1040A, or 1040EZ page 1-2
- 3) Schedule C - Business Income;
- 4) Schedule E - Rental Income;
- 5) Schedule K-1;
- 6) 1099-MISC.

LINE 2: Complete "**Worksheet B Business/Miscellaneous Income or Loss**", page 2.

1. Schedule C- Business Income: Combine the profits and losses from all businesses reported on Schedule C. Residents are subject to St. Bernard tax on all business income no matter where earned. Nonresidents of St. Bernard must multiply net profits by the apportionment percentage derived on Schedule Y to determine the St. Bernard Taxable Income / (Loss).

2. Schedule E-Rental Income: St. Bernard residents report all profits or losses from rental property no matter where property is located. Nonresidents of St. Bernard report profits or losses only from properties located within St. Bernard.

3. Schedule K-1-Flow-through Profits or Losses: The tax is levied on the partners, members or other owners of a flow-through entity excluding S-Corporations. Businesses operating in St. Bernard are required to report their portion of Net Profit in St. Bernard and remit the tax on behalf of all their partners. Residents of St. Bernard are to report their distributive shares of income or loss that was not withheld on by the business. The resident taxpayer may claim a credit for taxes paid to other localities by the business on their behalf.

4. Miscellaneous Income: Please provide documentation such as copies of federal schedules or Forms 1099-MISC not already reported on Schedule C. (1099s reporting interest, dividends & retirement income are NOT taxable.) Capital Gains from the sale of depreciable property are taxed to the extent of depreciation taken (attach Form 4797).

5. Employment Expense Deduction: Enter the amount of unreimbursed employee business expenses. You must include a copy of Federal Form 2106 or 2106EZ to support the deduction. Deduction will be allowed only when W-2 is attached and all expenses substantiated. Expenses allowable only with respect to wages on which tax is paid to St. Bernard.

6. NOL Carryforward: Enter the amount of net operating losses apportioned to St. Bernard. Operating losses may be carried forward for a maximum period of five tax years. *An explanatory schedule is **required** to support the carry-forward operating losses claimed on the return.*

7. Total Income / (Loss): Add all profits and deduct the losses in the St. Bernard Taxable Income column. Insert amount on Line 2.

NOTE: LOSSES MAY NOT OFFSET INCOME FROM LINE 1!!!

SCHEDULE Y – BUSINESS APPORTIONMENT FORMULA

The St. Bernard taxable income is determined by multiplying the St. Bernard percentage indicated by the net profits from Schedules C, E, F, K-1 or 1099. The Schedule Y- Business Apportionment Formula on page 2 is completed by non-residents that earn a portion of their net profits in St. Bernard.

LINE 3: Line 1 plus/minus Line 2. NOTE: Losses on Line 2 do not offset income from Line 1.

Tax and Credits

LINE 4: The tax rate is 2.1%. Multiply Line 3 by .021 and enter on Line 4.

LINE 5: Enter the amount of estimated tax payments including any amounts paid with an extension

LINE 6: Enter the amount of tax withheld and paid to St. Bernard Tax by all employers.

LINE 7: Enter the amount of prior year overpayments.

LINE 8: Enter the amount of taxes withheld for or paid to another city. Residents of St. Bernard may claim taxes paid to another city up to 2.1% of the Qualifying Wages reported on the W-2. Credit is limited to the local tax rate used (2.1% or less) multiplied by the Qualifying Wages. (For example: if the other city tax rate is 1.0%, credit is limited to the 1.0% of taxes paid to that city. If the other city tax rate is 2.5%, the credit is limited up to only 2.1% of the taxes paid to that city). The credit of each W-2 must be computed individually and is not transferable to other W-2's. Part year residents may claim taxes paid to other cities for the part of the year they were a resident. Non-residents may not claim taxes paid to another municipality. (Provide documentation in the form of W-2s or tax returns submitted to other municipalities). Partners claiming credit for taxes withheld by a partnership must provide documentation to support this credit.

LINE 9: Add Lines 5 through 8.

Refund

LINE 10: If Line 9 is greater than Line 4, enter the overpayment. Refunds are limited to the taxes paid to St. Bernard. Taxes paid to other cities will not be refunded since St. Bernard did not receive the tax. Amounts ten dollars (\$10) or less will not be refunded.

LINE 11: If you want your overpayment credited to next year's estimate, enter it on this line and skip Line 12. If you want a refund skip this Line and go to Line 12. Go to Line 15 to make a declaration of estimate for 2019.

LINE 12: If you want your overpayment refunded, enter it on Line 12. Go to Line 15 only if you want to make estimated payments for 2019.

Tax Due

LINE 13: Subtract line 9 from line 4, if line 4 is greater, enter tax due. Payment must be enclosed with this form. Amounts ten dollars (\$10.00) or less shall not be required to be remitted.

LINE 14: Section 182.10 St. Bernard Codified Ordinance. (Source ORC 718.27)

- 1) Interest shall be imposed at the rate defined as "interest rate as described in division (A) of this section", per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. This imposition of interest shall be assessed per month, or fraction of a month.
- (2) With respect to unpaid income tax and unpaid estimated income tax, a penalty equal to fifteen percent of the amount not timely paid shall be imposed.
- (3) With respect to any unpaid withholding tax, a penalty equal to fifty percent of the amount not timely paid shall be imposed.
- (4) With respect to returns other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars in assessed penalty for each failure to timely file a return.

Declaration of Estimate for 2020

LINE 15: Enter the amount of estimated income for 2020. *The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual St. Bernard tax liability to be ultimately determined shall have been paid by estimate within one month following the close of each such period so applicable.*

LINE 16: Enter the total estimated tax due for 2020 by multiplying Line 15 by 2.1%.

LINE 17: Enter the total of St. Bernard and other allowable municipal taxes estimated to be withheld from wages.

LINE 18: Enter the amount of credits from Line 11.

LINE 19: Subtract line 17 and 18 from 16 and enter it here.

LINE 20: Multiple Line 19 by 25% and enter it here. This is the first of four quarterly estimated tax payments due April 15, 2020. The second payment is due on July 15, 2020, third payment is due October 15, 2020 and the final estimated payment is due January 15, 2021. Failure to remit timely estimated payments will result in the assessment of interest and penalties.

Amount You Owe

LINE 21: TOTAL AMOUNT DUE WITH RETURN

Combine Line 13, 14 and 20

Make Checks Payable to: Village of St. Bernard

Mail to: 110 Washington Avenue, St. Bernard OH 45217

2019 Taxes Due Date: April 15, 2020

Tax Department Hours 9AM – 5PM Monday through Friday

OFFICE PHONE: (513) 242-7710 OFFICE FAX: (513) 242-5402

Email: tax@cityofstbernard.org Website: www.cityofstbernard.org

Leighanne Helmes- Tax Administrator

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