

## CITY OF ST. BERNARD INCOME TAX RETURN INSTRUCTIONS – INDIVIDUAL FORM

This form is to be used by individuals who receive income reported on federal forms W-2, 1099-MISC/ NEC, W-2G and/or schedules 1, C, E, F or K-1. Individuals who file as Sole Proprietors or Single Member LLCs should also use this form.

### Important Notes:

All residents are required to file a St. Bernard tax return even if no tax is owed and if no Federal or State return was filed.

Do not forget to include required forms: W-2s, 1099s, Federal 1040 and applicable schedules, especially the Federal Schedule 1. Your filing is not complete and will not be processed without the required forms.

If you have losses from individual business income, see the instructions for Line 4/Worksheet B. St. Bernard allows a 5-year loss carry-forward.

## GENERAL INFORMATION

**Extension Requests:** Federal extensions will extend to the St. Bernard return (6 months). If no federal extension is granted, a taxpayer may request a St. Bernard extension by the filing due date. An extension to file is not an extension to pay. Penalty and interest will apply to all payments received after the return due date.

**Estimated Payments:** First quarter due with return, quarters 2, 3, 4 due by June 15<sup>th</sup>, September 15<sup>th</sup>, January 15<sup>th</sup>.

**Qualifying wages:** include amounts reported in the Medicare wage base (the amount in Box 5 on the W-2) 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 included in the Medicare wage base solely because of the Medicare grandfathering provision.

**Supporting Documents:** All supporting documents **must** be included. Examples:

- Federal 1040, Page 1-2 and Federal Schedule 1 (no exceptions)
- Fed Sched C, E, F (if applicable)
- all pages of W-2s, W-2G
- 1099MISC/ NEC
- 4797
- any other documents supporting your return

### Part A - Tax Calculation

**LINE 1:** Enter the total qualifying wages, usually the amount shown on the W-2 in Box 5 Medicare wages. For multiple W-2's complete Worksheet A on page 2 of return.

**LINE 2:** Part year or nonresidents only: For partial year residents deduct the amount of gross wages included on Part A, Line 1 that was earned outside of St. Bernard during the period when you were not a resident. If accurate records are not available, you may prorate your taxable income by dividing the number of months lived in St. Bernard by the total months in the year. For nonresidents, include a schedule of calculations and an itinerary of days worked outside St. Bernard, listing the dates and the location of the worksite.

**LINE 3:** Line 1 minus Line 2.

**LINE 4:** Other Income and Business Income or Loss. Complete **Worksheet B** on page 2 of return

- B1. Schedule C- Business Income: Residents are subject to St. Bernard tax on all business income no matter where earned. Nonresidents of St. Bernard must multiply the net profit or loss from each Schedule C by the apportionment percentage derived on Schedule Y to determine the St. Bernard Taxable Income (Loss). Combine the profits and losses from all businesses reported on Schedule C.
- B2. Schedule E-Rental Income: St. Bernard residents report all profits or losses from rental property located in St. Bernard. Nonresidents of St. Bernard report profits or losses only from properties located within St. Bernard.
- B3. 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 the portion of net profit earned in St. Bernard and to remit the tax on behalf of all their partners. Residents of St. Bernard are to report their distributive shares of income or loss.
- B4. Other Income: Please provide documentation such as copies of federal schedules or Forms 1099-MISC not already reported on Schedule C. Also taxable are all prizes, awards and income derived from gaming, wagering, lotteries or games of chance by residents, regardless of where derived or by nonresidents from sources in the municipality and as reported on IRS Forms W-2G, 5754, 4797 or any other form required by the Internal Revenue Service to report such prizes, awards, and income. (1099s reporting interest, dividends & retirement income are NOT taxable.)
- B5. Sum lines B1 to B4. If the total is negative, you have a loss. STOP. Enter the current year loss on page 1 Line 4b.
- B6. NOL Carryforward from tax years 2017-2021: State law changes limit the deduction allowed for operating losses carried forward from tax years 2017-2021. There is a 5-year limitation.

B7. Total Income: B7 less B6 Column C. Enter total income on Part A, Line 4a.

**LINE 5:** Line 3 plus Line 4a. (**A net loss reported on Line 4b may not be used to offset W-2 income from Line 1**).

**LINE 6:** Multiply Line 5 by 2.1% [.021].

**LINE 7a:** Enter the amount of St. Bernard Tax withheld by employers. Worksheet A, Column C.

**LINE 7b:** Enter the total amount of paid estimated tax payments, any amounts paid with an extension and any prior year overpayments. Estimated payments may be subject to the underpayment of estimated tax penalty.

**LINE 7c:** From **Worksheet A, Column D** on page 2 of return

Enter the amount of taxes withheld for, or paid to, another municipality subject to the following limitations.

Residents of the City of St. Bernard may claim a credit for taxes paid to another municipality up to 2.1% of those wages actually taxed on the W-2. Credit is limited to the other local tax rate used (no more than 2.1%) multiplied by the wages actually taxed per each individual W-2. Credit is not allowed for the portion of taxes withheld exceeding 2.1% paid to municipalities with higher tax rates (example; City of Newport, Ky tax rate is 2.5%. The difference of .4% excess may not be used as credit to offset other W-2 income).

Part-year residents may claim taxes paid to other cities for the part of the year they were a St. Bernard resident. Provide documentation in the form of W-2s or tax returns submitted to other municipalities. Partners claiming credit for taxes withheld or otherwise paid to another municipality by a partnership must provide documentation to support this credit. Nonresidents may not claim taxes paid to another municipality.

Please note: if any other wage base is used besides total Qualifying Wages (usually Box 5 of a W2) and/or if it is not fully withheld at that municipality's tax rate, adjustments could be made to your tax return.

**LINE 7d:** Complete **Worksheet C** on page 2 of return and provide copies of other municipal filings for which you are claiming credit.

Enter the amount of taxes paid to another municipality, subject to the following limitations.

Residents of the City of St. Bernard may claim a credit for taxes paid to another municipality up to 2.1% of the non-W-2 income actually taxed per the other municipality's return. Credit is limited to the local tax rate used (no more than 2.1%) multiplied by the income actually taxed per each individual municipal return.

Nonresidents may not claim taxes paid to another municipality.

**LINE 8:** Add Lines 7a, 7b, 7c and 7d.

**LINE 9:** If Line 6 is greater than Line 8, enter the tax due. Payment is not required if the amount is \$10 or less.

**LINE 10:** If Line 8 is greater than Line 6, enter the overpayment.

**LINE 11:** Enter the amount from Line 10 to be refunded. Amounts \$10 or less will not be refunded.

**LINE 12:** Enter the amount from Line 10 to be credited to the next year's estimated tax liability. Amounts \$10 or less will not be credited.

### **Part B - Declaration of Estimated Tax for Next Year – Mandatory if estimated liability is \$200 or more** **LINE**

**13:** Enter the amount of estimated taxable income for next year.

**LINE 14:** Multiply Line 13 by 2.1% [.021] to determine the total estimated tax due for next year.

**LINE 15:** Enter the estimated amount of St. Bernard and other allowable municipal taxes to be withheld from wages.

**LINE 16:** Line 14 minus Line 15

**LINE 17:** Option 1 – Divide line 16 by 4 to pay 25%, to be on track to pay 100% of the estimated liability by January.

Option 2 – Multiply Line 16 by 22.5% [.225] to be on track to pay 90% of the tax liability by January.

**LINE 18:** Enter the amount of credits from Line 12.

**LINE 19:** Enter and remit the net estimated tax due if Line 17 minus Line 18 is greater than zero.

This is the first of four quarterly estimated tax payments. The second payment is due on **June 15<sup>th</sup>** and is equal to the amount on line 19 less any overpayment still available from prior years. The third payment is due **September 15<sup>th</sup>**, and the final estimated payment is due **January 15<sup>th</sup>**. The total amount paid by January 15<sup>th</sup> must equal a minimum of 90% of the tax liability. Failure to remit timely estimated payments may result in charges of interest and penalties.

**LINE 20: Total amount due with return - Combine Line 9 and Line 19**

Make Checks Payable to: **The City of St. Bernard**  
Mail to **110 Washington Avenue, St. Bernard, Ohio 45217**

