VILLAGE OF GRANVILLE
2014 INCOME TAX RETURN AND DECLARATION

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Tax Office Phone: (740) 587-2764

IMPORTANT

THIS IS YOUR 2014 GRANVILLE VILLAGE INCOME TAX RETURN AND 2015 DECLARATION

FILING DUE DATE IS APRIL 15, 2015

FILING INSTRUCTIONS

Filing due date is APRIL 15, 2015. Returns or an extension request must be filed with this office by April 15 to avoid penalty.
Make remittance payable to The Village of Granville. Tax payments are due in full at the time of filing.
Further assistance or additional forms may be obtained by calling the tax office at (740) 587-2764.

GENERAL INSTRUCTIONS

1. **WHO MUST FILE:** All village residents are subject to the village income tax and must file a return, unless all earnings have had Village of Granville income tax withheld by their employer in full. All non-residents, including individuals, businesses, partnerships, corporations, or others, who have income derived from within the Village of Granville, and for whom the tax is not withheld by their employer, must file a return.

2. **WHAT IS TAXABLE:** All qualifying wages, salaries, commissions, and other compensation, including but not limited to bonuses, directors fees, incentive payments, tips, severance pay, sick and vacation pay, lottery & gambling winnings, excess group life insurance premiums, or other compensation earned, received, accrued or deferred before any deductions, and net profits attributable to this municipality. Please call the office for specific inquires as to what is and what is not taxable.

3. **NON-TAXABLE INCOME:** Military pay, social security benefits, interest, dividends, alimony, child support, unemployment compensation, retirement pensions, and the net profits of any civic, charitable, religious, fraternal or other organization as specified in Ohio Revised Code Section 718.01.

4. **DOCUMENTATION:** All returns must be accompanied by legible W-2 forms.

5. **CREDITS:** Granville residents who are employed in another municipality and pay an income tax on wages to the other municipality are allowed a credit. This tax credit cannot exceed .75%. The reduced tax credit can only be taken against the portion of income that is earned and taxed in another municipality. W-2's must show that taxes were withheld for another city. CALCULATION: Qualifying wages X .0075. A copy of the tax return for the other municipality must be attached.

6. **PART YEAR RESIDENTS:** Residents who reside in the village for only part of the tax year must file a return allocating their income on a pro-rata basis. Attach your calculations.

7. **BUSINESS LOSSES:** Losses from self-employment income, partnership interest, rental property or other like businesses may not be used to offset W-2 wage income. Business losses can be carried forward five years.

8. **EXTENSIONS OF TIME TO FILE:** All taxpayers unable to file a completed tax return by the due date must file an extension of time to file with this office by the due date of the return. Copies of federal extension forms or other written requests will be accepted. Interest on unpaid balances will accrue during the period of the extension.

9. **ESTIMATED TAX PAYMENTS:** Any person anticipating a Village of Granville tax liability of $50.00 or more shall file and pay estimated tax payments. Such payments are due in four quarterly installments April 15th, July 15th, October 15, and January 15th.

10. **PENALTIES AND INTEREST:** All returns received after the due date will be subject to penalty and interest charges if an extension has not been filed with this office by the original due date of the return. Interest on unpaid tax is assessed at 1% per month. Penalties on unpaid taxes are assessed at the greater of $5.00 or 1% per month if paid between the 1st and 6th month after the original due date, 2% per month if paid between the 7th and 12th months, and 4% if paid more than 12 months after the original due date. The highest applicable rate is applied from the original date of delinquency. A penalty for failure to file a timely return will also be assessed on any return received after the due date if a timely extension has not been filed with this office as follows: $25.00 if filed not more than 30 days late; $50.00 if filed more than 30 days but not more than 120 days late, and $100.00 if filed more than 120 days after the due date. An extension will considered voided if the return is not received by the extension filing date.

LINE BY LINE INSTRUCTIONS – INDIVIDUAL TAX RETURN

INSTRUCTIONS FOR PAGE 1

LINE 1. Enter total of all qualifying wages, commissions, and other compensation received before any payroll deductions **(income cannot be deferred for municipal tax purposes)**; include 401K, group life insurance, car allowance etc. (Generally the greater of Box 5 or Box 18 of W-2 form)

LINE 2. Enter adjustments to Line 1 income from Page 2, Worksheet A, Line A6. **Attach all documentation necessary to support the adjustment.**

LINE 3. Enter the sum of Lines 1 and 2.

LINE 4. Enter total from Page 2, line 3D. Do not enter less than zero. A net loss from a business activity reported on Schedules C and E on page 2 cannot reduce W-2 or miscellaneous, non business income.

LINE 5. Add lines 3 and 4; this is your Granville taxable income.

LINE 6. Multiply line 5 by 1.5% (.015) and enter gross Granville tax due.

LINE 7. CREDITS:

- **(a)** Enter amount withheld by employer for Granville, as shown on Form W-2.
- **(b)** Enter amount paid to Granville Village in estimated payments for the effected period.
- **(c)** Enter lesser of .75% of income earned and taxed by another city/village or actual tax paid. A Granville resident may take this credit if you owed and paid tax to another city for work in, services rendered in, or from business activity in another city. Credit for tax paid to another city will not be allowed if W-2's and/or other city tax return are not attached. You may attach a separate worksheet to explain your calculation of the .75% tax credit. Only Granville residents/resident businesses can take this credit.
  - **A.** If you reduced Line 1 income by 2106 employee business expenses, and that income was earned in another city, you must reduce the other city income by the same 2106 expense before calculating the .75% credit.
  - **B.** A partial year Granville resident can only take .75% credit on income taxable to another city if that same income is taxed to Granville as a resident.
  - **C.** You cannot take credit for tax paid to another city if you are eligible for, or receive a refund of tax paid to the other city (whether or not refund is required or received). A pending refund from another city cannot delay payment of tax owed to Granville.
- **(d)** Enter overpayments from pervious years NOT included in (B).
- **(e)** Add lines 7A, 7B, 7C and 7D for a total of all credits. This amount shall be applied to total liability on LINE 6.

LINE 8. Tax balance due. LINE 6 less LINE 7(E). If overpayment, go to Line 11. NOTICE: Overpayment will be reduced by penalty if this return is filed after the due date.

LINE 9. Enter late filing penalties and interest. See General Instructions.

LINE 10. Enter total tax due including any penalties and interest due for filing after due date.

LINE 11. Overpayments will be credited to the following year unless a refund is requested. Carry over payments should be entered on LINE 16. No overpayment under $5.00 will be refunded or carried over.

LINE 12. Every person who anticipates taxable income not subject to Village withholding shall file a declaration of estimated tax for the current tax year. Enter anticipated taxable income for year and multiply by .015; enter gross tax for year.

LINE 13. Credits:

- **(a)** Enter tax to be withheld for Granville by Employer.
- **(b)** Enter .75% of income expected to be earned and taxed in another city/village.
- **(c)** Enter sum of Line 13A and 13B.

LINE 14. LINE 12 less LINE 13 (C) = Net tax due after credits

LINE 15. LINE 14 ÷ 4 = Amount of quarterly payments.

LINE 16. Overpayments from prior years applied to estimate. Overpayments are generally applied to first quarter estimate.

LINE 17. LINE 15 less LINE 16 = Balance of first quarter payment. First quarter payment is due with the filing of this return.

LINE 18. Enter balance of estimated taxes to be paid in three quarterly installments. Statements will be mailed according to the schedule at the bottom of page 2 of the tax form.

INSTRUCTIONS FOR PAGE 2

Worksheet A: Is for reporting income not subject to Granville tax because of partial year residency or because of employee business expenses (Form 2106) not reimbursed by your employer or otherwise deductible on the return, and for reporting gambling or prize winnings, miscellaneous non-business income not included in W-2 wages such as tips, bonuses and awards, commissions, any income reported as misc. income to the IRS and subject to Granville taxation. If you have no income to report, stop here and return to Page 1.

Schedule C: is for reporting income earned from self-employment activity, usually reported on Federal Schedule C, indicating 100% taxable to Granville or allocate, if applicable. Update business information in area provided. If you take a deduction for commissions, sub-contractor labor, misc. labor, etc., you must file copies of Form 1099-misc., with the Tax Div. by February 28.

Schedule E: Is for reporting all other business income taxable to Granville and not reported on Schedule C such as rental income, farm income, partnership income, estate/trust income etc. Deductions taken for labor, commissions, management fees, etc., must be documented with copies of Form 1099 misc. and/or W-2's filed with the Tax Div no later than February 28.

Summary of Business Income: Total of business income reported on Schedule C & E above. Net losses may offset net gain of income reported on Page 2, Schedules C & E to arrive at overall net gain or net loss. Loss carryforwards are limited to five consecutive years from the year of loss. Losses may not be carried back to any prior years. Carry net gain to Page 1, Line 4; if result is a net loss, enter zero on page 1, Line 4.

Schedule Y: Business allocation formula is provided for non-resident individuals with income earned within and outside of Granville to determine percentage of income taxable to Granville. Follow each step as indicated and enter Step 5 percentage on Line 1B of Schedule C above.

IMPORTANT NOTE: If you fail to date and sign the return, attach all required W-2's, 1099's and federal schedules, as well as, complete page two of the return as applicable, your return will not be considered a true and complete filing. An incomplete return will be retuned to you and possibly subject you to penalty and interest.