

## VILLAGE OF COLDWATER GENERAL INSTRUCTIONS FOR FILING FINAL INCOME TAX RETURN

1. **WHO MUST FILE** - Individuals, partnerships, corporations, or other entities having taxable income which will not be subject to withholding. All Village residents working outside the Village limits of Coldwater, Ohio, are required to file a return. No final return is required if your only source(s) of income is form W-2 Wages derived from employment within the legal boundaries of the Village of Coldwater, and the entire tax has been fully withheld and paid to the Village of Coldwater. If you receive a return or form and you do not fall under the filing requirements, please notify the TAX OFFICE on the Final Tax Return, or form sent you, or by letter if you have no income to report. (Sign and date before sending in.) **Due April 15th.** If rounding, round off to the nearest dollar on TOTALS only. No refund is given or remittance due on a final return if it is less than \$1.01.
2. **WHEN AND WHERE** - *Your return must be filed by April 15*, or request for extension in lieu of return. Fiscal or partial year must file by fifteenth (15th) day of fourth month following the end of such period. The return is to be filed with **Department of Taxation, 610 W. Sycamore Street, Coldwater, OH 45828.**
3. **TAXABLE INCOME** - The Coldwater Income Tax Rate is 1%.
  - A. On all qualifying wages, commissions, tips, bonuses, incentive payments, severance pay, fees, net profits from the operation, lease or rental of real estate including farms, tangible personal property, and other compensation earned during the effective period of the ordinance by residents and non-residents for work done or services performed or rendered in the Municipality or for work performed or rendered elsewhere under the direct supervision of an employer within the Municipality.
  - B. On the net profits of all unincorporated businesses, partnerships, professions, rentals, farm income or other activities conducted by residents and non-residents of the Municipality.
  - C. On the net profits of all corporations derived from work done or services performed or rendered and business or other activities conducted in the Municipality.
  - D. Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718 of the Revised Code of Ohio which is not exempt from payment of real estate taxes, is required to file returns and remit the taxes levied under the Municipal Tax Ordinance.
  - E. On all income received as gambling winnings as reported on Internal Revenue Service Form W-2G, Form 5754 and/or any other form required by the Internal Revenue Service that reports winnings from gambling, prizes and lottery winnings.
4. **WHAT CONSTITUTES NET PROFITS** - Net profits shall be determined on the basis of the information used for Federal Income Tax Purposes, adjusted to the requirements of the Coldwater Income Tax Ordinance.
5. **INCOME NOT TAXABLE**
  - A. Military Pay.
  - B. Welfare benefits, unemployment insurance benefits, pensions, social security benefits and qualified retirement plans.
  - C. Proceeds of insurance, annuities, workers' compensation insurance, permanent disability benefits, compensation for damages for personal injury and like reimbursements, not including damages for loss of profits and wages.
  - D. Dues, contributions and similar payments received by charitable, religious, educational organizations, or labor unions, or trade professional associations, lodges and similar organizations.
  - E. Any association, organization, corporation, club, or trust which is exempt from Federal taxes or income by reason of its charitable, religious, educational, literary, etc. purposes.
  - F. Interest and Dividends incomes.
  - G. Parsonage allowance pursuant to section 107 of the Internal Revenue Code.
  - H. Certain election precinct earnings.
6. **PARTIAL YEAR RESIDENTS** - If you only lived in Coldwater during part of the taxable year, you must file a tax return covering that time.
7. **EMPLOYEE BUSINESS EXPENSES** - Employee business expenses, as defined on Federal Form 2106. may be deducted against income subject to village taxation. If income is apportioned between cities, 2106 expenses should likewise be apportioned, and tax credit reduced accordingly. Federal Form 2106 MUST be included with the return.
8. **TAX CREDIT** - A tax credit is allowed against the income for which taxes were withheld and/or paid to another City of Village up to and including the maximum rate of the Village of Coldwater. Taxes withheld at a rate greater than that of the Village of Coldwater (1%) may not be used as a credit against other taxable income.
9. Legible copies of each W-2, 1099, W-2G and/or 5754 and Federal Schedules must be attached to your return. A return will not be considered "filed" unless the above mentioned are included.
10. The failure of any employer or person to receive or procure a return, declaration or other required form shall not excuse him/her from making any information return, return or declaration, from filing such form or from paying or withholding or remitting the tax.
11. **BUSINESS RETURNS ONLY** - Local independent contracts and non-employee expenditures claimed on the Village of Coldwater Income Tax Return must have copies of 1099 MISC Returns attached or a fully written explanation submitted before the expense will be allowed as a deduction.
12. **Penalty:** Minimum of \$10.00 or 2% per month or fraction thereof whichever is greater.  
**Interest:** 2% per month or fraction thereof regardless of extension after original due date. These charges are for any filing or taxes paid after the due date.
13. **EXTENSIONS** - A copy of the Federal request for extension or a letter requesting an extension which includes name, address, social security or federal identification number **MUST BE FILED WITH THE COLDWATER TAX DEPARTMENT BY THE ORIGINAL DUE DATE OF THE RETURN.** An extension request is not an extension of time to pay. Payment of any estimated tax due should accompany the extension request. If no extension is filed, penalty and interest charges will apply. A copy of the extension request should also be attached to the return when it is filed.
14. **S-CORPORATIONS:** The Village of Coldwater does not recognize corporate income at the individual level. S-Corporation doing business in Coldwater must file a Village of Coldwater Income Tax Return. S-Corporation income is not taxable at the individual level.
15. **DECLARATION OF ESTIMATED TAX** - A prepayment plan of the year following your final income tax return.
  1. **WHO MUST MAKE A DECLARATION OF ESTIMATED TAX FOR THE NEXT YEAR** - Individuals, partnerships, estates, trusts, S-corporations, corporations or any other entities having taxable income which will not be subject to withholding shall file and pay estimated tax, if the amount of tax estimated is \$100 or more.
  2. **WHEN AND WHERE TO FILE DECLARATION** - The declaration for a calendar year must be filed on or before April 15th with the Department of Taxation in Coldwater, OH. All wage earners must file on a calendar year basis. Fiscal year taxpayers shall file on or before the fifteenth (15th) day of the fourth month following the beginning of their fiscal year.
  3. **PAYMENTS OF ESTIMATED TAX** - The estimated tax payment may be paid in full with the declaration or in equal quarterly payments of at least 22.5% of the estimated tax liability for the current year. Quarterly payments for individuals are due and shall be paid on or before April 15, July 31, October 31, and January 31. Quarterly payments for corporations or non-individual filers are due and shall be paid on or before April 15, June 15, September 15 and December 15. Fiscal year filers shall substitute the months which correspond to the months shown above. The estimate may be amended at the time of making any quarterly payment. The estimated tax paid should be equal to a minimum of 90% of the final tax due Coldwater or 100% of the previous year's tax liability on a 12 month basis. Check or money orders should be made payable in **Coldwater - Income Tax.**

**HEADING INSTRUCTIONS** - If this return is made for a period other than the calendar year, note the beginning and ending date of the fiscal year. Enter your name, address, social security number or federal identification number if it is not already imprinted on your return. Please make any changes of return address on the Final Return next to the imprinted address. Income other than wages should include profit or loss from businesses or professions which include Schedule C, E, F, K-1 and any other taxable federal schedules including schedule of other income, schedule of other deductions, schedule of schedule A other costs. Forms 1041, 1065, applicable 1099s, 1120, 1120S, 4835, 8825, and 4797 showing ordinary income and any other taxable forms. Income other than wages also includes income from Partnerships, Estates, Trusts, fees, tips, commissions, taxable miscellaneous income, gambling, prize, and lottery winnings.

**SIGNATURE** - A return is not "filed" within the meaning of the law, until signed and dated by the taxpayer or an agent legally authorized to sign tax forms for such taxpayer.