

CITY OF CAMBRIDGE INCOME TAX RETURN 2015 GENERAL INSTRUCTIONS

1. WHO MUST PAY CAMBRIDGE TAX?

- Residents:**
- A) Residents and businesses of the City of Cambridge who **receive taxable income** as shown below for work done or services performed or rendered from all sources of income received inside and outside the city.
 - B) Residents owning rental property located in or outside the city pay on the net income as reported on the Federal return.
 - C) Partial year residents must figure both their tax liability and credit only on the portion of their income earned as a Cambridge resident. Wages earned in Cambridge may not be pro-rated. To pro-rate resident income, divide the income earned by the number of months worked and multiply by the number of months lived in Cambridge. If actual amount earned while a Cambridge resident is known, provide verification such as a check stub or W-2 showing Cambridge Wages.
- Non-Residents:**
- A) Non-residents of the City of Cambridge who receive salaries, wages, commissions or other income for work performed within the City or whose employer did not withhold tax.
 - B) Non-residents owning rental property situated within the City of Cambridge must pay on the net income as reported on the Federal return.

2. WHO MUST FILE A TAX RETURN? All Cambridge residents, age 18 and over, and businesses are required to file a Cambridge Income tax return by April 18th, even if no tax is due. All new residents must register with the tax department. Taxable status will be determined upon providing the proper documentation, according to the table below. Failure to comply will result in a delinquent account status. Appeals may be submitted to the Board of Appeals Income Tax office.

3. WHAT IS THE TAX RATE? The Tax rate effective 1/1/2010 is 2.0%.

4. WHEN TO FILE RETURN: DUE DATES: Taxpayers whose year ends December 31 must file on or before April 18th. Fiscal year taxpayer's returns are due four months from the date of the year-end.

EXTENSIONS: Requests for extensions must be received by the due date of the return. An extension request is not an extension of time to pay. Extensions received after April 18th have \$25.00 penalty charges.

5. WHERE TO FILE: Returns must be filed with **The City of Cambridge Income Tax Department, 1131 Steubenville Avenue, Cambridge, OH 43725.** The total balance due, including penalty and interest charges and Estimated tax payments must accompany the return.

Returns may be mailed, but must be post marked on or before April 18th. Returns must be completed before filing and can be filed in person at the income tax office, or a night deposit is available at the main entrance of City Hall. Please pay by check or money order if using the night deposit, no cash. **Penalty will be assessed on late returns received.**

6. ATTACHMENTS: Documentation supporting all income shown on your return must be attached. This includes a copy of the front page of your Federal tax return. Your return will be considered incomplete if all documentation is not attached.

7. DISCLAIMER: Definitions and instructions are illustrative only. The Income tax ordinance supercedes any interpretation presented.

8. CONTACT INFORMATION: For additional information, you may contact the Income Tax Department at (740) 439-2355 from 8:30 am until 4:30 pm Monday thru Friday. Our forms are available on-line at www.cambridgeoh.org, then click on the Treasurer's Office link, or e-mail us at treas-itax@cambridgeoh.org.

9. ON-LINE SERVICES: E-Filing (Short Form) and online payments are available at www.cambridgeoh.org.

10. METHODS OF PAYMENT: Cash, check or credit card (Mastercard, Visa, Discover). **Checks or Money-Orders should be made payable to City of Cambridge Income Tax.**

TAXABLE INCOME

- Wages, Salaries, Bonuses, Tips and other compensations, Commissions, fees and other earned income.
- Lottery and Gambling winnings over \$1,200.00.
- Sub Pay, Vacation Pay, Strike Pay, Directors fees, Income from Jury Duty, Union Steward fees, Third Party Sick Pay.
- Employee contributions to retirement plans and tax deferred annuity plans (including sec. 401K, 403b, 457b, etc.).
- Net profits of business, professions, corporations, partnerships, etc., Income from partnerships, estates, or trusts.
- Employee contributions to costs of fringe benefits. Income from wage continuation plans (including retirement incentive plans and severance pay).
- Stock options (taxed when exercised, usually valued at market price less option price on date option is exercised).
- Farm net income.
- Employer paid premiums for group term life insurance over \$50,000.00 (PS58).
- Compensation paid in goods or services or property usage. Taxes at fair market value.
- Contributions made on behalf of employees to tax deferred annuity programs. Income from guaranteed annual wage contracts.
- Prizes and gifts connected with employment taxed to the same extent for Federal Income Tax purposes.
- Profit sharing from a non-qualified plan or if received as a bonus.
- Uniform, automobile, moving and travel allowances, Reimbursements in excess of deductible expenses.
- Bonuses from oil and gas are taxable. Royalties are not.

NON-TAXABLE INCOME

- Interest and dividend income, Annuity distributions, Capital gains.
- Welfare benefits, Social Security benefits, State unemployment benefits, Worker's compensation, Alimony.
- Active duty military pay (including National Guard active duty).
- Patent and copyright income, Royalties derived from intangible income.
- Proceeds of life insurance, Compensatory insurance proceeds from property damage or personal injury settlements.
- Housing allowances for clergy to the extent that the allowance is used to provide a home.
- Prizes or gifts not connected with employment.
- Income from qualified pension plans.
- Sect. 125 Cafeteria Plans

CITY OF CAMBRIDGE INCOME TAX TAX RATE 2.0% EFFECTIVE 1/1/2010 LINE BY LINE INSTRUCTIONS

PLEASE NOTE: A COPY OF THE FRONT PAGE OF YOUR 2015 FEDERAL INCOME TAX RETURN MUST BE ATTACHED

YOUR RETURN IS INCOMPLETE IF THE REQUIRED DOCUMENTATION IS NOT ATTACHED

- LINE 1.** Enter total gross wages, salaries and other employee compensation before deductions. (Use box 5 Medicare Wages or Box 18 Local Wages, whichever figure is larger. **Attach all W-2's and/or 1099's**) If part-year resident, refer to general instructions on pro-rating income, under 1(c).
- LINE 2.**
- A.** Enter business income or loss – Business or Rental losses cannot be deducted from income on line 1, however a business or rental loss may be used to offset a business or rental profit. *NOL 3yr. carry forward.
 - B.** Enter rental income or loss. (Include Oil/Gas bonus)
 - C.** Enter gambling & lottery winnings over \$1,200.00 – (including winnings within city limits). For non-residents.
 - D.** Enter total of other taxable income (Add lines 2A thru 2C) **ATTACH ALL SCHEDULES PERTAINING TO INCOME USED.**

NOTE: If the business is a resident business and the allocation formula is used, verification of taxes paid to other cities must be attached.

- LINE 3.**
- A.** Senior Citizen Allowance – deduct \$2,000.00 from income (Taxpayer must be 65 in taxable year and must list Date of Birth.)
 - B.** Deduct 2106 employee business expenses. (Attach 2106 and Schedule A.)
 - C.** 1/2 self employment not deductible.
 - D.** Enter total deductions – Add lines 3 A & B.
- LINE 4.** Enter total taxable income, Add lines 1 & 2D, Subtract line 3C.
- LINE 5.** Multiply line 4 by 2.0% (.02). This is the Cambridge tax due before credits.
- LINE 6.**
- A.** Enter Cambridge Income Tax withheld from W-2
 - B.** Enter income tax paid to other cities. (Cannot exceed 2.0% even if paid at a higher rate)
 - C.** Enter estimated Cambridge tax payments.
 - D.** Enter prior year carryover.
 - E.** Enter total credits (Add lines 6A thru 6D.)
- LINE 7.** Enter balance of tax due – Subtract Line 6E from line 5. If line 7 shows an overpayment/credit, enter the amount to be refunded or carried over to next year, on line 10.
- LINE 8.** Penalty of \$25.00 or 12% of tax due, whichever is greater, is assessed on returns filed after April 18th or extension date. Interest is assessed at 1% per month to the balance of tax due, including the penalty charge. If no tax is due, but return is filed after April 18th, a \$25.00 late filing penalty is assessed.
- LINE 9.** Enter total amount due, add lines 7 and 8.
- LINE 10.** Enter overpayment to be refunded or credited to next year's taxes. NOTE: No refund will be issued until next year's Declaration of Estimated Taxes are filed and first quarter payment is received. SIGN, DATE AND RETURN WITH PAYMENT OF ANY TAX DUE BY APRIL 18th. (**REQUESTS FOR EXTENSIONS MUST BE RECEIVED BY APRIL 18th.**)

INSTRUCTIONS FOR DECLARATION OF ESTIMATED INCOME TAX

VOUCHERS AVAILABLE ON-LINE AT www.cambridgeoh.org OR IN OFFICE AT 1131 STEUBENVILLE AVE., CAMBRIDGE, OH 43725.

WHO MUST FILE A DECLARATION OF ESTIMATED INCOME TAX: Every taxpayer who anticipates receiving taxable income subject to Cambridge Income tax, which is not subject to withholdings, and has a balance of tax due of \$100.00 or more must file a Declaration of Estimated Income tax and make quarterly payments. The estimate may be amended at any time. **Payments not received by the due dates are subject to penalty charges.**

- LINE 1.** Enter income subject to Cambridge tax, multiply by 2.0% (.02) and enter estimated tax due.
- LINE 2.**
- (A)** Enter taxes withheld by employer.
 - (B)** Enter payments made to other cities – not to exceed 2.0% (.02), even if paid at a higher rate.
 - (C)** Overpayment of taxes carried over from previous year
 - (D)** Total credits. (Add lines 2A, B & C)
- LINE 3.** Net Tax Due (line 1 less line 2D)
- LINE 4.** Enter 4 of line 3 – this is the amount to be paid with this return, and/or copy of federal extension.

NON PAYMENT WILL INCUR PENALTY & INTEREST CHARGES