

**READ BEFORE COMPLETING THE TAX RETURN
INSTRUCTIONS FOR MUNICIPAL IR FORM**

Retired residents without taxable income may simply mark the appropriate boxes in the **SHORT FORM** (upper right) section of the form, sign, date, list a daytime phone number and return the form on or before April 15, 2005.

EXTENSIONS

Extensions will be granted provided a federal extension has been secured, an estimate paid, and all local ordinance requirements have been met. **PLEASE E-MAIL TO citytax@ci.hamilton.oh.us OR FILE A COPY OF THE FEDERAL EXTENSION WITH THE CITY INCOME TAX OFFICE BEFORE APRIL 15, 2005 TO AVOID IMPOSITION OF A LATE FILING PENALTY.**

IDENTIFICATION SECTION

Enter your account number, name, and address in the section provided, if it is not already printed. Make any corrections.

If you moved into or out of Hamilton, Butler County Annex, Phillipsburg, West Milton, Eaton, New Miami, or Oxford during the tax year, give the date.

COMPUTATION SECTION

Line 1. Enter the total qualifying wages from all W-2 forms for the tax year. Usually the amount in Box 5 of the W-2 is the qualifying wage. **INCOME TAXABLE BY THE MUNICIPALITY MAY DIFFER FROM INCOME TAXED BY THE IRS. An example of wages subject to tax not included in Box 5 would be if the employee was hired before April 1, 1986 by a political subdivision or school district. In these situations, qualifying wages should be in Box 1 plus any deferred compensation shown in Box 12. Please attach all W-2s.**

Line 1 A. Line may be used for a reduction of income taxable to the municipality.

1)When used for 2106 expenses, follow these instructions. (These expenses must properly belong on a Form 2106 for Federal reporting purposes and be required by the employer. All pages of Form 2106 or 2106-EZ must be attached.)

Enter the amount from IRS Form 2106 Line 10 or Form 2106-EZ Line 6. **EMPLOYEE BUSINESS EXPENSES MUST FIRST BE CLAIMED AGAINST THE MUNICIPALITY WHERE THE INCOME TAXES ARE BEING WITHHELD. THE BALANCE IF ANY MAY THEN BE CLAIMED AGAINST MUNICIPALITY OF RESIDENCE TAXES. Example: A resident of Hamilton works in Fairfield and incurs \$5,000 in employee expenses. The taxpayer must file for a refund with Fairfield. Because Fairfield's tax rate of 1.5% is 75% of Hamilton's, 25% (\$1,250) is allowable as a deduction against Hamilton Wage Income. EMPLOYEE BUSINESS EXPENSES MUST RELATE DIRECTLY TO THE JOB BEING PERFORMED. THEY MUST NOT BE SUBJECT TO REIMBURSEMENT FROM THE EMPLOYER OR SHOULD BE TAKEN AFTER REIMBURSEMENT. PLEASE ATTACH AN EXPLANATION OF BUSINESS EXPENSES. IF EXPENSES CANNOT BE VERIFIED, THEY WILL NOT BE ALLOWED AS A DEDUCTION AGAINST WAGE INCOME. If only Line 4 is completed, this is considered miscellaneous itemized expenses in Schedule A and a 2106 refund will not be granted nor a deduction be allowed.**

2)When used to reduce income when you moved in or out of the municipality during the year, use these directions: Estimate the nearest whole month that you did not live in the municipality for the tax year. Divide that number by 12. Multiply the result by the total on Line 1. This is the amount that your income will be reduced for the time you lived out of the municipality.

Line 1 B. For Hamilton, Oxford (after March 17, 2004), and West Milton (after September 8, 2004) residents only: Please enter the total of gambling and prize winnings reported on IRS Form W-2G or Form 5754. Attach copy of W-2G or/and form 5754. **GAMBLING LOSSES ARE NOT ALLOWABLE AS A DEDUCTION AGAINST WINNINGS. BUSINESS LOSSES AND RENTAL LOSSES ARE NOT ALLOWABLE AS DEDUCTIONS AGAINST GAMBLING WINNINGS.**

Line 2. Enter other income from Page 2.

IF YOU HAD NO BUSINESS PROFIT OR LOSS OR RENTAL ACTIVITIES, YOU CAN SKIP SECTIONS A THROUGH C.

Section A. Enter the Profit or Loss from any Business Owned. **Please attach copies of Federal Schedule C or Schedule C-EZ.**

Section B. Enter the amounts for each rental property with monthly rents in excess of \$250 (Phillipsburg, West Milton, and Eaton \$100). In lieu of completing Section B, please **attach Federal Schedule(s) E, Page 1.**

Section C. Other taxable income or loss. Please attach a copy of Federal Schedule(s) E, Page 2, Federal Schedule F, 4797, 6252, etc. and any related schedules. **Note: If rental property is sold or exchanged please attach Form 4797 or Form 8824 if applicable.** The ordinary income portion of depreciation recapture is subject to municipal tax for all jurisdictions.

If the total of Sections A through C is positive enter the amount here and on Line 2 of Page 1.

If the total of Sections A through C is negative enter the amount here and on Line 2A of Page 1.

Line 2 A. To be completed only if you are required to complete sections A through C on Page 2. **A net operating loss by a business or profession is not deductible from W-2 wages, but may be carried forward for three (3) years for Hamilton and five (5) years for Butler County Annex, New Miami, and Oxford residents. New Miami, Phillipsburg, West Milton, and Eaton allow losses against W-2 wages. (Note: No refund will be issued for non-resident withholding.) Phillipsburg, West Milton, and Eaton allow no loss carry forward.**

Line 2 B. Enter the allocable losses per previous income tax returns. Net operating loss may be carried forward for three (3) years for Hamilton for tax year 2002 and after; four (4) years for tax year 2001; and five (5) years for tax year 2000 and prior years. Butler County Annex, Oxford, and New Miami allocable loss carry forward is five (5) years. For Phillipsburg, West Milton, and Eaton taxpayers, enter \$0 since allocable loss carry forward is zero (0) years.

Line 2 C. Total lines 2A and 2B.

Line 2 D. For Hamilton, Butler County Annex, and Oxford residents, if Line 2 less Line 2C is a negative number, enter \$0 on Line 2D. Eaton, New Miami, Phillipsburg, and West Milton residents enter Line 2 less Line 2C.

Line 3. Enter sum of Lines 1 and 2D and 1B less line 1A.

Line 4. Multiply Line 3 by 2% for Hamilton and Butler County Annex, 1.75% for Oxford and New Miami, and 1.5% for Phillipsburg, West Milton, and Eaton.

Line 5A. Enter taxes withheld by your employer(s) specifically for the resident City of Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami. If your place of employment is not in Hamilton, Butler County Annex, Oxford, Eaton, New Miami, or in a non-taxing location, any taxes withheld from your wages by your employer(s) will be for the municipality(ies) in which you actually work. Your W-2 form(s) should identify the local taxing municipality(ies).

Line 5B. Enter tax credit for taxes withheld by your employer(s) for municipalities **OTHER THAN** your resident Municipality of Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami. You are permitted tax credit for other **municipal** tax withheld up to the tax rate of your resident municipality (2.0% for Hamilton and Butler County Annex, 1.75% for Oxford and New Miami, and 1.5% for Eaton). For example: A resident of Oxford who has a job in Hamilton and earns \$20,000 would receive credit for \$350 in Hamilton taxes paid even though \$400 was withheld for Hamilton. This is because under Ohio law taxes are withheld by the employer based on the municipality where the work is performed. **Phillipsburg and West Milton residents are permitted a tax credit for other municipalities up to 1% of the wages withheld on for other municipalities.** If your W-2(s) is marked "Various" or "All Cities", you should request an itemized breakdown by city from your employer(s). Attach the itemized list to your tax return. School tax is not allowed as a credit on a municipality tax return. No county tax is allowed except for Eaton.

Refunds of tax withheld or paid to another municipality: You cannot take credit for taxes that will be refunded to you.

Line 5C. Add Line 5A and 5B. If you reduced your income on Line 1A because you didn't live in the municipality the entire year, you also need to reduce your credits by the same factor. Enter the credit, as reduced, on this line.

Line 5D. Line 4 less line 5C.

Line 5E. Estimated Tax paid and prior year overpayments carried forward to Hamilton, Butler County Annex, Oxford, Phillipsburg, West Milton, Eaton, or New Miami for the current tax year on an estimate.

Line 6. If Line 5D is greater than Line 5E enter the amount here. If the sum is greater than one dollar (\$1.00), this is your outstanding tax balance for 2004. **Full payment must be received on or before April 15, 2005.** Any tax remaining unpaid after April 15, 2005 is subject to interest and penalties per the Income Tax Ordinance.

Line 6A. To be filled in by the tax office. Penalty for filing late without an extension is \$25 for Hamilton residents. Penalty for failure to pay is 1% per month up to a maximum of 50% for Hamilton, Butler County Annex, and Oxford. New Miami is ½% per month up to a maximum of 50%. Eaton charges 10% penalty for the first month and 1% for month 11 and thereafter up to a maximum of 50%. Phillipsburg and West Milton charge 10% penalty for the first month and ½% for month 21 and thereafter up to a maximum of 50%. Interest is 1% per month for Hamilton, Butler County Annex, Oxford, and Eaton. Interest for New Miami is ½% per month. Interest for Phillipsburg and West Milton is prime (5.00%) plus 3% for a total of 8.00% annual, 0.006667 monthly for 2005.

Line 6B. Enter the total of Line 6 plus Line 6A.

Line 7. If Line 5E is greater than Line 5D, you have an overpayment. Please indicate if you wish for the amount to be refunded to you or credited toward Tax Year 2005's tax liability (Line 12A). If the sum is less than one dollar (\$1.00), no refund or credit will be issued.

GENERAL INFORMATION FOR DECLARATION OF ESTIMATED INCOME TAX

Everyone whose entire tax liability will not be withheld by an employer must file a Declaration of Estimated Income Tax with the tax division (address at upper left front corner) within three and one-half (3-1/2) months of the beginning of the taxable year or period, at the beginning of a new business or taking of a new job, etc.

Please note: Declaration of Estimated Income Tax is required for Hamilton and Butler County Annex taxpayers if your 2005 tax liability will be \$200.00 or more; for West Milton and Phillipsburg taxpayers if your 2005 tax liability will be \$150.00 or more; for all businesses if your 2005 tax liability will be \$200.00 or more. Note: Failure to file and to pay estimate timely will result in a penalty.

To avoid being penalized a taxpayer must have 100% of the previous year's tax liability paid in (Line 5D) or 90% (for Hamilton, Phillipsburg, West Milton, J.E.D.D., J.E.D.D. II, and Butler County Annex) or 70% (for Oxford, Eaton, and New Miami) of the current year's tax liability completely paid in by the last estimated tax due date. Since it is difficult to determine your 2005 tax liability, using your 2004 liability, or an amount greater, is insurance against any penalty or underestimating for Hamilton, Eaton, Oxford, New Miami, Phillipsburg, West Milton, J.E.D.D., J.E.D.D. II, or Butler County Annex purposes. A new taxpayer without basis on which to make a better estimate may make a valid estimate by declaring \$200.00 as the first year's tax estimate (\$150.00 for West Milton and Phillipsburg).

Line 8. Enter your estimate of the income subject to tax which you expect to receive in 2005.

Line 9. If you are a Hamilton, J.E.D.D., J.E.D.D. II or Butler County Annex taxpayer, enter 2% of the amount on Line 8. If you are a New Miami or Oxford taxpayer, enter 1.75% of the amount on Line 8. If you are an Eaton, Phillipsburg, or West Milton taxpayer, enter 1.5% of the amount on Line 8.

Line 10. Enter the amount your employer will withhold for you up to your resident municipality's rate. **For Phillipsburg and West Milton taxpayers, limit to 1% for other municipalities.**

Line 11. Enter the amount of your estimated tax liability over and above that which your employer will withhold for you (Line 9 less Line 10).

Line 12A. List any allowable credits which can be applied from your 2004 tax (from Line 7).

Line 12B. Enter previous 2005 declaration payments if any.

Line 13. Enter the balance of Line 11 after subtracting any amount on Lines 12a & 12b. This is your estimated tax for the year.

Line 14. Enter the amount you will pay with the filing of this declaration or spread equally over the payment dates of 4/15/05, 7/31/05, 10/31/05, and 1/31/06 for all taxpayers. Fiscal year taxpayers should file within 3-1/2 months after the beginning of the fiscal year and adjust quarterly payments accordingly.

*Please note: We do not bill for the first quarter which is due 4/15/05 or within 3-1/2 months after your tax period begins. Once you file this declaration of estimated income tax form, the system will generate quarterly payment vouchers for you to use in remitting your second, third, and fourth quarter tax payments. If not paid timely you may receive delinquent notices. The return, unless signed, dated, and accompanied by payment of the balance due on Line 15 does not constitute a legal final return.

**The amount of each quarterly billing will be determined by dividing Line 11 by four. Any credit or previous payments received will be deducted from the most current payment due.

***J.E.D.D. is defined as Joint Economic Development District.

Line 15. Enter the total of Line 6B plus Line 14.

Signature. The tax return must be signed and dated. Please provide the daytime phone numbers for the taxpayer and tax preparer.

CREDIT CARD SECTION

To pay your 2004 taxes and/or 2005 estimate payment by Visa or Mastercard please complete this section. **WE ACCEPT VISA OR MASTERCARD ONLY. WE DO NOT ACCEPT DISCOVER CARD, AMERICAN EXPRESS OR ANY OTHER CREDIT CARD.**

ASSISTANCE

For assistance in completing this return, or if you have any questions, please contact the Income Tax Department.

Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday.

E-mail: citytax@ci.hamilton.oh.us

Phone numbers: (513) 785-7400 or 1-800-854-1684 extension 0. Fax (513) 785-7401.

Visit the City of Hamilton's web page at www.hamilton-city.org Click on the income tax link to reach our site. Our forms, instructions and street listings are now on the Internet. We are in the process of getting Phillipsburg's and West Milton's ordinances as well as street listings posted to the web page.

2005 Declaration and Return Payment Calendar

April 15, 2005	July 31, 2005	October 31, 2005	January 31, 2006	April 15, 2006
File 2004 Return with final payment	Make 2 nd quarter estimated tax payment	Make 3 rd quarter estimated tax payment	Make 4 th quarter estimated tax payment	File 2005 Return with final payment
File 2005 Declaration of Estimated Tax with 1 st quarter payment				File 2005 Declaration of Estimated Tax with 1 st quarter payment