

**City of Orrville, Ohio**  
**Income Tax**  
**General Information**

This is your City of Orrville income tax package. Included are general information, completion instructions and an annual return (form IR). The lower portion of the form IR is the declaration of estimated tax for the next taxable year.

The Orrville income tax department is located on the first floor in Orrville City Hall at 207 North Main Street. Office hours are Monday through Friday from 8 AM to 5 PM. Telephone at (330) 684 5008 or fax at (330) 684 5023. You may call or stop in with questions or assistance with your tax forms.

When you have completed your return, make sure your return is signed, include copies of all W2 forms, schedules and worksheets that support your return. Remittance of all tax due must be included when the tax return is filed. Make checks payable to **CITY OF ORRVILLE – INCOME TAX**.

**WHO IS REQUIRED TO FILE:**

1. Every resident, full or partial year, 18 years of age and older, must file a tax return, whether or not taxes are due.
2. Persons not required by law to file a State of Ohio income tax return and who otherwise have no income taxable by the City of Orrville, shall not be required to file an Orrville income tax return. This change will primarily affect retired and disabled residents.
3. College students whose parents claim as dependents on their federal income tax return are considered residents of Orrville for municipal tax purposes and must file a return.
4. Nonresident individuals with income earned from work or services performed in the City of Orrville and not covered by an employer withholding plan.
5. Every business entity (individual proprietorship, partnership, corporation, profession, etc.) whether a resident or nonresident who conducts a business in Orrville must file a return and pay any tax on net profit. If you have a loss you are still required to file a return.

**W2 TAXABLE INCOME:**

Orrville's tax is a "gross earnings" tax. The wages subject to Orrville city tax are those shown in box #5, (Medicare Wages) of the Federal W2 form, or box #18, (Local Wages), whichever is larger.

**UNDER AGE 18:**

For persons under age 18, that were employed in the City of Orrville and mistakenly had Orrville tax withheld from their earnings. The employer, by tax ordinance, is required to refund the tax to the employee.

**RETIREES:**

In most cases, retirees will not be required to file annual tax returns. Retirees who are actively earning wages, operating a business, owning and renting property or earning other income, are required to file tax returns. Income solely from pensions, interest, dividends, IRA's or 401K plans are not taxable and do not require filings. If you receive an Orrville income tax return form in the mail and you are not required to file a State income tax return and otherwise have no income taxable to the City of Orrville, you may check the box on the front of the return indicating that you are fully retired or disabled, sign and mail the return back to the Orrville tax office. Your account will then be inactivated. You must notify the tax office if your income situation changes.

**PARTIAL YEAR RESIDENTS:**

If you were a resident of Orrville for a portion of the year, you are subject to tax on the income earned during the period of your residency. You may break down your earnings by the number of months employed to calculate a monthly earnings figure. Use the monthly earnings figure, multiplied by the number of months of residency in Orrville. If you pro-rate your income you must also pro-rate your city tax that was withheld on the same income when taking the credit on line #9 of the return form. Attach a worksheet of this calculation.

**DECLARATION OF ESTIMATED TAX FOR THE COMING YEAR:**

Taxpayers who expect to receive untaxed income for the coming year may declare estimated tax payments. 25% of the full amount should be paid at the time of filing the annual return – April 15<sup>th</sup>. The remaining estimated tax payments, which are due on July 31, October 31, and January 31, will be billed. This declaration is not mandatory.

**EXTENSIONS:**

To receive an extension of time to file a City of Orrville income tax return, a copy of the taxpayers' Federal Extension form must be filed with the tax office on or before April 15<sup>th</sup> for calendar year filers and on or before 105 days following the close of a fiscal year. **An extension request is not an extension of time to pay the due tax.**

**WHEN TO FILE:**

Taxpayers who end their year on December 31, must file on or before April 15<sup>th</sup>. Taxpayers on a fiscal year must file on or before the 15<sup>th</sup> day of the fourth month after the close of that fiscal year.

**NET OPERATING LOSS:**

No carry forward or carry back is allowed per tax ordinance.

**FEDERAL SELF EMPLOYMENT TAX:**

No credit or deduction is allowed for any portion of federal self-employment tax paid by sole proprietor taxpayers.

**FILING STATUS:**

Joint or separate returns are permissible for married taxpayers. The amount of tax is generally the same regardless of filing status.

**REFUNDS:**

Per section 181.05(g) of the Orrville Income Tax Ordinance, refunds of less than five dollars (\$5.00) shall not be made.

**TAX CREDITS:**

Residents of Orrville are allowed a credit for taxes paid to another city. This credit is limited to 1.0% of the wages earned within another city, when at least 1.0% of that city's tax has been withheld. When computing this credit, calculate the earnings and credit for each city separately.

**PENALTY AND INTEREST:**

Except in those cases where an extension was filed, a late fee of \$50.00 shall be due on returns filed after the due date. Interest at a rate of .5% per month shall additionally be assessed.

**ATTACHMENTS:**

Documentation supporting all income shown on your return must accompany the return. This included all W2 forms, 1099's, copies of Federal schedules C, E F, etc. Worksheets used to calculate earnings for partial year residents and calculations of credits for tax paid to other cities must be attached to the return.

**SCHEDULE Y – BUSINESS ALLOCATION:**

To be used by non-resident businesses who performed business activity both inside and outside Orrville. This schedule enables the business to pro-portion taxable income to Orrville based on:

1. Average value of real and tangible property, gross rentals paid.
2. Gross receipts from sales made and/or work or services performed.
3. Wages, salaries, etc.

Total the percentages, divide by the number of percentages used, to determine the average percentage.

**TAXABLE INCOME:**

Wages, salaries and other compensation  
 Bonuses, stipends and tip income  
 Commissions, fees and other earned income  
 Sick pay (including third party sick pay)  
 Vacation pay  
 Stock options  
 Net rental income  
 Income from partnerships, s-corporations,  
 estates and trusts  
 Net farm income  
 Employee contributions to retirement plan and  
 tax deferred annuity plan including (deferred  
 compensation, 401k, 403b, 457b, etc.)  
 Employee contribution to fringe benefits (except  
 for section 125)  
 Lottery and gambling winnings (losses not  
 deductible)  
 Executor fees  
 Disability payments from employers  
 Guaranteed annual wage contracts  
 Union steward fees

**NON-TAXABLE INCOME:**

Interest and dividends  
 Capital gains  
 Qualified pension plan income  
 Welfare benefits  
 Social Security  
 State Unemployment benefits  
 Workers Compensation  
 Proceeds from life insurance  
 Alimony  
 Government disability payments  
 Election worker income  
 Jury pay  
 Active military duty pay  
 Earnings of persons under 18 yrs.  
 Patent and copyright income  
 Royalty income  
 Annuity distributions  
 Housing allowance for clergy  
 Health and welfare benefits distributed  
 by governmental, charitable, religious  
 or educational organizations  
 Employee contributions made to cafeteria  
 plan  
 Compensatory insurance proceeds from  
 property damage or personal injury  
 settlement