

GENERAL INFORMATION

INDIVIDUALS AND BUSINESSES USE THE SAME TAX FORM

FILING DEADLINE: APRIL 15, 2009

Due date for Fiscal year-end taxpayers is the 15th day of the fourth month after the fiscal year end.

Additional forms and/or assistance, please contact:

City of Canal Fulton
Income Tax Department
155 East Market Street, Suite C
Canal Fulton, OH 44614
330.854.9448

Website: www.cityofcanalfulton-oh.gov
Email: incometax@cityofcanalfulton-oh.gov

KEEP ONE COPY OF THE COMPLETED TAX FORM FOR YOUR RECORDS

MANDATORY FILING: WHO MUST FILE A TAX RETURN?

ALL RESIDENTS AND PARTIAL YEAR RESIDENTS of the City of Canal Fulton who are 18 years of age or older as of the end of the tax year must file a return regardless of whether or not there is any tax due. Partial year residents owe tax on income earned while living in Canal Fulton. If you are retired, unemployed or had no taxable income according to ordinance, you are still required to file.

ALL NON-RESIDENTS OF THE CITY OF CANAL FULTON WHO RECEIVE COMPENSATION for work done or services performed within the City of Canal Fulton whose employer has not withheld Canal Fulton income tax.

NON-RESIDENTS WHO OWN RENTAL PROPERTY situated within the City of Canal Fulton.

REAL ESTATE AGENTS AND INSURANCE AGENTS who work for a broker located within the City of Canal Fulton. Total commissions earned are attributable to Canal Fulton regardless of where property is sold or where the agent resides.

BUSINESSES, CONTRACTORS, AND SUBCONTRACTORS who are located or doing business within the City of Canal Fulton.

CANAL FULTON RESIDENTS WHO ARE MARRIED ARE ENCOURAGED TO FILE A JOINT TAX RETURN! IF YOU HAVE PREVIOUSLY FILED SEPARATELY AND ARE NOW FILING JOINTLY, PLEASE INDICATE ON THE INDIVIDUAL DECLARATION OF EXEMPTION #7

WHERE AND WHEN TO FILE: File with the Tax Administrator, City of Canal Fulton, 155 East Market Street, Canal Fulton, Ohio 44614, on or before April 15, 2009. Be sure the return is POSTMARKED by the U.S. POSTAL SERVICE NO LATER THAN April 15, 2009. Returns deposited in the Canal Fulton Post office after 5:00 p.m., on April 15th, will not be postmarked until April 16th. Postage machine cancellations will NOT be accepted. Only US Postal Service postmarks are accepted proof of mailing.

RETURNS POSTMARKED AND/OR RECEIVED AFTER APRIL 15th, will be subject to a \$25.00 late filing penalty.

TAXABLE INCOME: Taxable income means wages, salaries and other compensation paid by an employer BEFORE ANY DEDUCTION. Other compensation includes, but is not limited to, bonuses; commissions; incentive payments; directors fees; property in lieu of cash; tips; dismissal or severance pay; supplemental income benefits for early retirement regardless of their label; tax shelter plans; vacation and sick pay regardless of label such as sick leave, disability, vacation pay, etc.; wage continuation plans; supplemental unemployment benefits (Sub Pay); depreciation recapture; gifts and gratuities in connection with employment, fellowships, grants and stipends; group term life insurance protection over fifty thousand dollars (\$50,000) (Taxed on the entire cost); benefits resulting from an employer's assumption of a tax; stock options given as compensation; net profits from the operation of a business, profession or other enterprise or activity; and all other compensation earned, received or accrued.

INCOME NOT SUBJECT TO THE TAX: Pensions received, annuities received, interest income, dividend income, social security income, capital gains on investments, Medicare, ADC, alimony, child support, proceeds from insurance, welfare, unemployment benefit payments paid by the State of Ohio, Active Duty military pay, gifts, inheritances and scholarships.

EXEMPTIONS AND ITEMIZED DEDUCTIONS: Municipal income tax is based on GROSS EARNINGS before deductions. Exemptions and itemized deductions as available on the Individual Federal Income tax return are NOT ALLOWED.

RETIREMENT PLANS: Contributions to Retirement Plans, i.e. IRA, Keogh, Annuities, Deferred compensation, 401K, etc., are taxable (whether or not your W-2 form shows this income as taxable). City taxes are paid on gross income (wages, salaries, profits, and other compensation) when it is earned not when it is received in retirement.

CREDIT FOR MUNICIPAL TAX: Canal Fulton residents who are employed or conduct a business activity in a city OTHER than Canal Fulton and pay a Municipal tax to that City, shall be allowed a 50% credit of the 1.5% Canal Fulton tax. Credit cannot exceed the 50% of the 1.5% tax rate of each W-2 form you receive. There is NO reciprocity between cities.

REFUND OR OVERPAYMENT: An overpayment less than \$5.00 shall not be refunded but will be credited toward next year's tax liability. If you have no tax liability in subsequent years (no longer a resident or retired, etc.) a refund of any overpayment of \$3.00 or more will be made. For persons under 18 years of age, a refund will not be issued if W-2's or required schedules, are missing.

UNREIMBURSED EMPLOYEE BUSINESS EXPENSE: You may deduct unreimbursed employee business expenses in excess of 2% of Federal Adjusted Gross Income. If you were a resident of Canal Fulton for a portion of the year and have prorated your income, your business expenses must also be prorated.

ATTACHMENTS ARE REQUIRED ON ALL RETURNS: W-2's, 1099's, 2106 AND ALL FEDERAL SCHEDULES. WHEN UTILIZING FORM 2106, REMIT FEDERAL FORM 1040 AND SCHEDULE A. NO DEDUCTIONS WILL BE GRANTED UNLESS ALL THE REQUIRED FORMS AND INFORMATION ARE PROVIDED. THIS RETURN IS NOT COMPLETE AND WILL NOT BE ACCEPTED UNLESS THE SOURCE DATA IS PROVIDED.

EXTENSION REQUEST: An Extension Request must be filed with this office by the original due date of the return to avoid the \$25.00 late filing penalty. Any anticipated tax due must be paid with the extension request since an extension of time to file does not extend the length in time to pay the tax. Request for an extension will be denied if account is delinquent in any way. An Annual Declaration of tax and payment for first quarter taxes may also be due at this time; see Requirement for Declaration of Estimated Tax on the Instructions for Preparing Canal Fulton Tax Return.