

INSTRUCTIONS FOR COMPLETING FINAL FORM

LINE 1 Enter all qualifying wages, salaries, commissions and other compensation to include: sick pay, vacation pay, income from wage continuation plans to include retirement incentive plans, stock options, cost of group term life insurance over \$50,000, severance pay, tips, contributions made by or on behalf of employees to tax deferred annuity plan such as 401K, 403B, and the like, income from guaranteed annual wage contracts, third party sick/disability pay when premiums are paid by employer, union steward fees, strike benefits employer paid, compensation paid in property to the same extent as taxable by the IRS and so indicated on W-2 form, profit sharing if from non-qualified plan, ordinary income from Federal form 4797. You are required by the Income Tax Ordinance to provide copies of your W-2s and 1099s.

NOTE: Exempt from Village Tax: Military pay including reserve pay, welfare payments, worker's compensation, disability payments, unemployment compensation, interest, dividends capital gains, cafeteria plan 125, pensions, and annuities at time of distribution. Compensation to persons under 18 years of age.

LINE 2 Business Income: Attachment of all applicable Federal Schedules or Returns to substantiate your profit or loss claimed is required. **Deductions for commissions, sub-contractors, etc. must be supported with copies of 1099s or a list with names, addresses, social security numbers and the amount paid to each.**

NOTE: Business losses cannot be applied to taxes on earned income shown on Line 1.

LINE 3 A. Reconciliation with Federal Return (Complete Schedule X)
B. Other: Partial year liability - show dates and reason income is not taxable.

LINE 4 A. Line 1 plus line 2, plus or minus line 3. **NOTE:** If line 2 is a loss it may not be deducted from line 1.
B. Business return only - complete schedule Y.

LINE 5 Carry taxable income to line 5, multiply by 1.50% (0.015) carry tax to line 5 at the right.

LINE 6 A. Tax withheld by your employer and paid to Gambier.
B. 1.50% maximum deduction, if you are a Gambier Resident and your income is earned in and taxed to another Municipality - you may deduct up to 1.50% of the wages taxed to that Municipality. W-2 must show the other Municipality tax withheld or a copy of the Municipal return must be attached.

LINE 7 Subtract line 6 credits from line 5 tax.

LINE 8 Amount you have on your account to apply to the tax due.

LINE 9 Tax due: Carry to line 11 if filed by due date.

LINE 10 A. For a return filed after due date, penalty of 10% of the amount of the unpaid tax or penalty of twenty-five (25) dollars, whichever is greater.
B. Interest at one percent (1%) per month.

LINE 11 Enter amount due: **PAYMENTS MUST ACCOMPANY RETURN.** A return without payment is not filed. Tax due under \$1.00 - no payment required but return must still be filed.

LINE 12 Overpayment: A. Can be credited to next year's tax liability. If Declaration is filed - apply to amount due.
B. Refund of overpayment (\$1.00 minimum). Proper attachments required.

LINE 13 Estimated gross income before payroll deductions and/or estimated net profits multiplied at 1.50%.

LINE 14 A. Should reflect the amount of tax withheld by your employer for this Village.
B. Refers only to income taxes you expect to pay another municipality.

LINE 15 Estimated tax less applicable credits.

LINE 16 A. You must pay at least 22½% of estimated tax.
B. Previous Tax Year overpayment may be applied to estimated tax due.

LINE 17 First quarter payment. **WITHOUT PAYMENT:** the Declaration is not filed.

NOTE: FEDERAL EXTENSIONS WILL BE HONORED FOR VILLAGE TAX PURPOSES, IF YOUR ACCOUNT IS CURRENT, AND TAX OFFICE IS NOTIFIED BY FILING DEADLINE, AND A COPY IS ATTACHED WHEN RETURN IS FILED. NET LOSSES INCURRED DURING ANY TAXABLE PERIOD ARE DEDUCTIBLE ONLY IN THE TAXABLE PERIOD THEY ARE INCURRED.