

# INSTRUCTIONS FOR COMPLETING YOUR CITY OF FRANKLIN TAX RETURN

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**HEADING** Print your name, address, and Social Security number plainly or make needed corrections if already printed. If you have moved, indicate date of move and present address.

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**SECTION A** If you have reviewed the taxable/non-taxable income listings and your only source of income is non-taxable, or if any of the exemptions apply and you have no taxable or reportable income, complete Section A. If you have taxable income, you must complete Section B.

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**SECTION B**

1. QUALIFYING WAGES

(A) Total income (QUALIFYING WAGES) earned prior to July 1, 2011.

(B) Total income (QUALIFYING WAGES) earned after June 30, 2011.

1. Total qualifying wages equal Line 1A + Line 1B (attach all W/2s, W/2g – not 1099-R, 1099 INT, 1099-DIV, or 1099-G)

Attach 1099-MISC to Schedule C or C-EZ.

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2. OTHER INCOME

(A) Total taxable income (from worksheet A) amount earned prior to July 1, 2011.

(B) Total taxable income (from worksheet A) amount earned after June 30, 2011.

2. Total other income equals Line 2A + Line 2B (Attach Federal Schedules C, E, F, K-1 and/or gambling forms)

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3. Add Line 1 and 2. This is the amount of income subject to tax.

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4. TAX

(A) Multiply Line 1A + 2A times 1.5% (prior to July 1, 2011).

(B) Multiply Line 1B + 2B times 2.0% (after June 30, 2011).

4. TOTAL TAX EQUALS LINE 4A + LINE 4B

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5. CREDITS

(A) Enter total Franklin tax withheld.

(B) Enter estimated tax payments that you paid and credit carryover from prior year.

(C) Credit for other city tax withheld/paid prior to July 1, 2011 (not to exceed 1.5% per city per W/2)

(D) Credit for other city tax withheld/paid after June 30, 2011 (not to exceed 2% per city per W/2)

5. Total Credits equals Line 5A + Line 5B + Line 5C + Line 5D

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6. Subtract Line 5 from Line 4. If Line 4 is greater than Line 5, you have a balance due. Payment in full is due by April 17.

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7. If Line 5 is greater than Line 4, you have an overpayment of tax. Indicate whether you prefer to credit this to next year, or have this overpayment refunded. Allow 45 days for processing of the requested refund.

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8. Late payment and/or late filing will result in the assessment of late filing fees, penalty and interest charges.

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9. Balance due equals Line 6 + Line 8.

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**INSTRUCTIONS FOR DECLARATION OF ESTIMATED TAXES ARE ON BACK OF BLANK VOUCHER PAGE.**

# INCOME TAX INFORMATION

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<b>GENERAL INFORMATION</b>	Please contact 937-746-9921 for further information, or log onto <a href="http://www.franklinohio.org">www.franklinohio.org</a>
<b>WHO MUST FILE</b>	All residents 18 years of age and older, except as herein provided, shall, whether or not a tax is due here on, make and file a return on or before April 17 of each year. Also, any person(s) owning residential or business property, or has business or professional income (or loss) within the city, as well as non-residents working within the city and not withheld at 1.5% tax rate before July 1, 2011 and 2% after June 30, 2011. If you are retired or have no taxable income, you may complete Section A and return to us.
<b>EXTENSIONS</b>	Extension requests must be <u>received by 4/17</u> accompanied by a copy of a Federal Extension and payment in full of any current year tax deemed to be due.
<b>OPERATING INCOME/LOSSES</b>	Partnerships are reportable on this return when the partnership is located in Franklin or when the partnership is outside Franklin, and is not reportable to another municipality that has a tax. An individual who operates two or more sole proprietorships, rentals or farm income may offset them against each other to arrive at a total reportable net profit or loss. A net loss <u>cannot</u> be used to offset W-2 income or other compensation.
<b>DECLARATIONS</b>	Vouchers for 1st, 2nd, 3rd and 4th quarter remittances are included in this package.
<b>SUPPORTING DOCUMENTS</b>	Documentation is necessary to verify all amounts of taxable or non-taxable incomes, expenses, and deductions, as applicable. Federal schedules, W-2's, 1099's, etc. are necessary for your return to be accepted.
<b>AMENDED RETURNS</b>	An amended return is needed for any year in which an Amended Federal Return is filed or in which your Federal or any other city tax liability has changed. An amended return must be filed within ninety days of the filing of any amended Federal Return.
<b>METHOD OF PAYMENT</b>	Payment in full is required. You may pay by cash, (paid in person), check, money order or credit card.
<b>BUSINESS ENTITIES</b>	Business entities that are required to file as such must use a Business Income Tax Return, obtainable from the Income Tax Department or city website. Business entities include (but are not limited to) corporations, S-corporations, partnerships, limited liability companies, limited liability partnerships, etc.

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## TAXABLE INCOME

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| 1. Wages, salaries and other compensation.  | 17. Employer paid premium for group term life insurance over \$50,000.00.  |
| 2. Bonuses, stipends and tip income.  | 18. Compensation paid in goods or services or property usage. Taxed at fair market value.  |
| 3. Commissions, fees and other earned income.   | 19. Income from wage continuation plans (including retirement incentive plans & severance pay.)  |
| 4. Sick pay (including third party sick pay).   | 20. Income from guaranteed annual wage contracts.  |
| 5. Employer supplemental unemployment benefits (SUB).   | 21. Prizes and gifts if connected with employment.   |
| 6. Strike pay.  | 22. Director fees.   |
| 7. Vacation pay.  | 23. Income from jury duty.   |
| 8. Employee contributions to retirement plans & tax deferred annuity plans (including Sec. 401k, 403b, 457b, etc.)      | 24. Executor fees.   |
| 9. Profit sharing.  | 25. Union steward fees.  |
| 10. Contributions made on behalf of employees to tax deferred annuity programs.   | 26. Income from partnerships, estates or trusts.   |
| 11. Uniform, automobile, moving and travel expenses.  | 27. Net profits of businesses, professions, sole proprietorships, etc.   |
| 12. Reimbursements in excess of deductible expenses.  | 28. Net rental income. (Schedule E required)   |
| 13. Employee contributions to costs of fringe benefits.   | 29. Net farm income. (Schedule F required)   |
| 14. Employer provided educational assistance, taxable to the same extent as for federal taxation.                       | 30. Ordinary gains as reported on federal form 4797 and 6252.  |
| 15. <b>Lottery and Gambling Winnings.</b>   | 31. Compensation of pre-1986 employees exempt from medicare that is not in the medicare wage base solely because of the medicare grandfathering provision. |
| 16. Stock options (taxed when exercised, valued at market price less option price on the date the option is exercised.) |  |
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## NON-TAXABLE INCOME

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| 1. Interest or dividend income.   | 11. Capital gains, except #30 above.  |
| 2. Welfare benefits.  | 12. Gifts not connected with employment.  |
| 3. Social Security.   | 13. Patent or copyright income.   |
| 4. Income from qualified pension plans, when drawn out; section 125 cafeteria plan. | 14. Royalties derived from intangible property  |
| 5. State unemployment benefits.   | 15. Annuity distributions   |
| 6. Worker's compensation.   | 16. Housing allowances for clergy to the extent that the allowance is used to provide a home.                   |
| 7. Proceeds from life insurance.  | 17. Health & welfare benefits distributed by governmental, charitable, religious, or educational organizations. |
| 8. Alimony.   | 18. Compensatory insurance proceeds derived from property damage or personal injury settlements.                |
| 9. Active duty military pay (including National Guard when on active duty.)         |   |
| 10. Earnings of persons under 18 years of age.                                      |   |
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