2014 INSTRUCTIONS FOR COMPLETING YOUR CITY OF FRANKLIN TAX RETURN

HEADING	Print your name, address, and Social Security number plainly. Include spouse if applicable. If you have moved, indicate date of move, present address, and old address.		
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.		
SECTION B	**LINE 1**	Add the totals of all W-2's and 1099's misc. (Attach all W-2's & 1099-MISC & W2-G – NOT 1099-R, 1099INT, 1099DIV, 1099G)	
	LINE 2	Enter the total of all income, from reverse of tax form (worksheet A). Attach Federal Schedules (Schedule C or E, etc.)	
		2B	Enter Adjustment to income (include 2106 and Schedule A). Expense allowed only for 2106 Expense less 2% of Schedule A. From worksheet B on reverse of Tax Form.
	LINE 3	Add lines 1 and 2. Subtract line 2B. This is the amount of income subject to tax.	
	LINE 4	Multiply the amount of line 3 by 2.00% (.020).	
	LINE 5	Credits	
		5A	Enter total Franklin tax withheld.
		5B	Total estimated tax payments that you paid and credit carryover from prior year.
		5C	Enter a credit for the total taxes you paid to other cities on the income you have reported on this return. DO NOT ENTER THE ACTUAL AMOUNT OF TAX YOU PAID. You must calculate your credit by using the following steps:
		STEP 1	If all your income was earned in a city with a tax rate less than 2% or equal to 2%, your credit is the amount of tax that was withheld (provided the amount withheld was correct).
		STEP 2	If your income was earned in a city with a tax rate that is greater than 2% (Dayton, Oakwood, etc.), determine what portion of your W-2 had tax withheld at the greater rate. Then multiply that part of your W-2 by 2% to find your credit. This step must be completed for each W-2 and each applicable city. Please note that for both steps 1 and 2 if income has been prorated, credits must also be prorated.
		5D	Add 5A through 5C.
	LINE 6	Subtract line 5D from line 4. If line 4 is greater that line 5D, you have a balance due. Payment in full is due by April 15.	
	LINE 7	If line 5D is greater that line 4, you have a overpayment of tax. Indicate whether or not you prefer to credit this to next year, or have this overpayment refunded. Allow 90 days for processing of the refund requested.	
	LINE 8	Late payment and/or late filing will result in the assessment of late filing fees, penalty and interest charges. Contact our office for appropriate rates for late filing.	
	LINE 9	Balance due. Line 6 plus line 8.	
	LINE 10	Total estimated tax due is _____ (2% x Income). Mandatory if liability exceeds $100.	
	LINE 11	Less credits for estimated tax withheld by employers, and prior year credit carried forward.	
	LINE 12	Net tax due (line 10 minus line 11C).	
	LINE 13	First quarter estimated tax due (1/4 of line 12).	
	LINE 14	TOTAL DUE – line 9 plus line 13 – Payment in full is due by April 15. A $30.00 late filing penalty will be applied to all returns filed after April 15.	

YOU MUST FILE EVEN IF YOU DID NOT WORK

Sign and date and return along with remittance on or before April 15.

COMMON CITY INCOME TAX QUESTIONS

WHICH AMOUNT DO I USE FOR CITY WAGES?

Usually box 5, Medicare wages reported on your W2, however if that is blank, use box 18, local wages. If box 18 is greater than box 5 explain the difference and use the greater.

I MOVED INTO/OUT OF FRANKLIN DURING THE TAX YEAR. DO I NEED TO FILE CITY TAXES?

If you lived in Franklin 30 days or more during year, you are required to file city taxes. Your income and credits will be prorated for the time you were in Franklin. One month could be 30 or 31 days. One month could be 28 or 29 days in February.

I WORK IN A CITY WITH A HIGHER TAX RATE THAN FRANKLIN. DO I QUALIFY FOR A REFUND?

No, your first city tax obligation is to the city where you work. Franklin will give you credit up to 2% for any city in which you work. Any city you work in keeps the city tax monies you pay. This is not paid to Franklin, so we cannot offer refunds.

I WORKED AT TWO DIFFERENT COMPANIES. ONE PAID CITY TAXES AT A HIGHER RATE THAN FRANKLIN AND ONE AT A LOWER RATE THAN FRANKLIN. CAN I USE THE HIGHER WITHHOLDING TO COVER THE LOWER ONE?

No, each W-2, and each city stand alone.

I DON'T FILE FEDERAL OR STATE TAXES. DO I NEED TO FILE CITY TAXES?

Franklin has mandatory filing for all adults 18 or older, employed or not. The exception is for retired individuals who have only retirement income, although if new to Franklin, an initial return must be filed to establish the source of income.

I'M FILING AN EXTENSION FOR MY FEDERAL TAXES. WHEN MUST I PAY CITY TAXES?

Your tax is still due by April 15 in order to avoid interest and penalty charges. Also you must file a copy of your Federal extension with our office by April 15.

WHAT ARE THE LATE CHARGES FOR NOT FILING OR PAYING ON TIME?

Tax returns are late if received at the City Building after 5pm on the due date of the return. April 15, 2015 is the due date for your 2014 City Income Tax Return. Mailed returns post marked after April 15, 2015 are considered late. Late filings are subject to a late filing fee of $30.00. Penalty and interest on any unpaid tax balance is calculated at a rate of 3% per month.

WHY DO I HAVE TO FILE QUARTERLY PAYMENTS?

If you owe over $100.00 in taxes, you must pay quarterly taxes. Normally, this is because your employer won't withhold city tax or you work in a city with a lower tax rate or you have a business/rental. These payments must be made April 15, July 31, October 31, and January 31.