

GENERAL INSTRUCTIONS

WHO MUST FILE: every resident, 18 years or older, with earned income or net profit from any source whatsoever with the following exceptions:

- Where only one source of income is wages and employer deducted all tax for the Village of Ontario from the employee.
- Individuals whose only income is from annuity retirements of any kind.
- Individuals whose only source of income is Social Security.
- Non-resident military.
- Individuals whose only income is from interest on dividends.

Every business entity (individual, proprietorship, corporation, profession, etc.) whether a resident or non-resident who conducts a business in this municipality must file a return and pay tax on the net profit. (No carry-over or back on losses.)

FILE on or before April 15th following the close of the calendar year. If the return is made for a fiscal year or any period less than a year, file within 3 ½ months from the end of the fiscal year or other period.

EXTENSION OF TIME TO FILE for good cause may be granted by the Administrator. Make written request on or before the due date, stating reason.

ROUNDING OFF TO WHOLE DOLLARS is permitted. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

PENALTIES AND INTEREST are imposed for failure to file a return or pay the tax due.

EXEMPTIONS AND ITEMIZED DEDUCTIONS as available on individual federal income tax returns are not allowed. The municipal income tax is based on gross earnings.

CREDIT FOR MUNICIPAL TAX withheld or paid to other communities, not to exceed 1%, is given and you are not double taxed.

SPECIFIC INSTRUCTIONS

Heading – Print your name, address, social security number, identification number plainly, or make needed corrections if already imprinted. If not liable to file the return, mark reason.

1. Wages – Is for wages earned as an employee. From your W-2, enter your employer's name, the city where you worked, the amount of city tax withheld, and the total wages paid. Include any Sub pay or Sick pay you may have received.

2. Other Taxable Income or deductions from Page 2 – Is the total brought forward from page 2.

3. Taxable Income – Is the result of Line 1, plus Line 2. This is the amount subject to Ontario Income Tax.

4. Municipal Tax – One percent (1%) of line A4.

5. CREDITS - A. Tax withheld by employer – All Ontario income tax withheld by your employer, not to exceed 1% of Line 1.

B. Estimated Tax Paid – All estimated payments made to Ontario for this taxable year

C. Credit for Taxes Paid to Other Cities – All tax withheld by employer or otherwise paid for other municipal income tax.

D. Prior year overpayments – Any overpayment carried over from prior year.

E. Other Credits – Any miscellaneous credits.

F. Total Credits – Total of all Credits

6. **Tax Due** – If line 4 is greater than line 5F, enter difference here. Remittance in this amount must accompany the return when filed. If this amount is less than Three Dollars (\$3.00), you do not have to pay.
7. **Penalty and Interest** – Penalty for failure to file and pay taxes due: \$35.00, plus one percent (1%) per month on all taxes remaining unpaid after they become due shall be fined, unless extension is requested and granted. Add this amount to tax due on Line 6.
8. **Line B6** – If Line B3 is greater than Line B1, enter the difference here. This amount will be credited to next year's tax unless you request a refund. *Note:* No refunds will be made until next year's declaration is filed. Refunds of less than \$2.00 are not made, per the Tax Ordinance, but can be credited toward next year's tax. Mark your request.

SCHEDULE INSTRUCTIONS

Schedule C – All business entities must complete this schedule. If you have more than one business, a separate Schedule C must be completed for each business. An individual taxpayer engaged in two or more taxable business activities in a single municipality may include them in the same return. The net gain of one may be used to offset net loss of the other. Net loss from business may not be offset by earned income such as salaries or wages.

If your business activity was conducted in more than one municipality, figure percentage allocated to Ontario.

Ontario Percentage Business Allocation Formula	a. Located everywhere	b. Located Ontario	c. Percentage (b+a)
Step 1. Avg. Value of Real & Tang. Pers. Prop.	_____	_____	
Gross Annual Rentals Pd. x 8	_____	_____	
Total Step 1	_____	_____	_____ %
Step 2. Gross receipts from Sales, Work or Services performed	_____	_____	_____ %
Step 3. Wages, Salaries, other Compensation pd.	_____	_____	_____ %
Step 4. Total Percentages			_____ %
Step 5. Avg. Percentage (divide total percentages by number of percentage used)			
Carry to Line 11, page 2.			_____ %

Accounting methods used must be identical to that used for federal reporting. Copies of federal return schedules may be attached in lieu of completing Schedule C.

Rent expense on Line 4 will not be allowed unless name(s) of Landlord(s) are furnished.

Schedule D – This section is used to list all other taxable income not reported elsewhere on this return. Types of income to be reported here are partnership, estate, trusts, fees, tips, commissions, and miscellaneous.

Schedule E – When gross monthly rental of any and all real properties aggregates in excess of \$100.00 per month, the owner is considered engaged in business activity and the net income shall be subject to tax. If aggregate gross rentals are less than \$100.00 per month, do not complete this section. Information on this Section must correspond to Schedule E, Part II, as filed with the Internal Revenue Service, using the same method of depreciation. Attach a schedule if you need more space. The net loss from rental property may not be offset by earned income such as salaries and wages.

Total of Schedules – Total Schedules C, D and E and enter on Page 1, Line A2.