

INDIVIDUAL TAX RETURN INSTRUCTIONS

Items taxable by the Village

For residents, all income, salaries, qualifying wages, commissions, tips, and other compensation from whatever source earned or received by the resident, including but not limited to bonuses, incentive and profit-sharing payments, vacation pay, payments received under a wage continuation plan from an employer or third party during the period of disability or sickness, and contributions made by or on behalf of an employee from the employee's gross wages to a tax deferred plan such as a 401k, 403b, IRA, Keogh, SEP or other similar plans, separation pay of any kind.

Employer provided supplemental unemployment benefits.

A resident's distributive share (K-1) of the net profit of pass-through entities owned directly or indirectly by the resident.

Self-employment (Schedule C), rental property and royalties (Schedule E) and farm income (Schedule F).

Other income (please see line 5 instructions)

Items not taxable by the Village

Interest income, dividends, social security, pension distributions (1099-R), military pay, precinct official compensation (up to \$1,000), alimony and child support, State of Ohio unemployment compensation, military pay

W-2 Table Instructions

Should be used by residents (including part year residents) of Walton Hills. Non-residents who earned wages in Walton Hills from which their employer ***did not*** withhold all or part of the Walton Hills tax due should also use the W-2 Table.

Date Wages were earned – Enter dates employed for each W-2.

Employer/Location – Enter name of employer and work municipality.

Column 1a – Enter W-2 Gross Wages from Box 5 or Box 18 whichever is greater.

Column 1b – Enter tax withheld for Walton Hills from Box 19 of W-2.

Column 1c – Enter tax withheld for other localities from Box 19 of W-2.

Column 1d – Multiply gross wages (Column 1a) by Walton Hills tax rate of 2.5%.

Column 1e – Enter the lesser of Column 1c or Column 1d.

Line 1 - W-2 Wages

Enter total W-2 Wages from Column 1a.

Line 2 – Adjustment to Wages

Deductions include:

- Unreimbursed employee (2106) expenses.

Under new State law the amount of the individual's employee business expenses reported on the individual's form 2106 are allowable only to the extent the individual deducted for Federal income tax purposes.

Please review “Worksheet 2106” found below to calculate the amount deductible. Also, please provide Federal Form 1040, Federal Schedule A and Federal Form 2106.

Worksheet 2106			
<i>If using standard deduction on page 2 of line Federal Form 1040, STOP, your 2106 expenses are not allowed</i>			
1 Unreimbursed employee expenses—Federal Form 2106	1		
2 Amount from Line 24 - Federal Form Schedule A	2		
3 Divide Line 1 by Line 2	3	%	
4 Enter amount from Form 1040, line 38 (AGI)	4		
5 Multiply line 4 by 2%	5		
6 Federal Form 1040 Deduction amount allowed (Subtract Line 5 from Line 2)	6		
7 Multiply 2106 expenses (line 1) by allocation percent (line 3)	7		
8 Multiply 1040 deduction allowed (line 6) by allocation percent (Line 3)	8		
9 Enter the lesser amount of line 7 or line 8	9		

- Days worked outside of Walton Hills (Primarily used by non-residents working in Walton Hills). Please complete a “Log of Days Out” worksheet (please request) and a letter from the employer acknowledging the work outside the Village.

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- Over the road truck drivers who are regularly assigned to drive in more than one state.
- Income earned while under 18 years of age. Please provide proof of birthdate. If under 18 for part of tax year 2016, please provide a copy of last pay stub received prior to 18th birthday.
- Military pay or allowances of members of the Armed Forces of the United States or members of their reserve components, including the National Guard of any state.
- Part-year resident, exclude amount of income earned while not residing in the Village

- For part-year residents, please exclude the local taxes withheld and paid to another community while not being considered as a resident of Walton Hills.
- If 2106 deductions are allowed and are entered on Line 2, please exclude the proportionate share of taxes withheld by other municipalities by using the calculation below:

Worksheet 2106 for tax credits paid to other municipalities			
<i>Use only for wages earned outside of Walton Hills</i>			
1	Total W-2 wages related to 2106 expenses	1	
2	2106 expenses allowed for Walton Hills	2	
3	Tax rate of work city/village (please do not enter a percentage over 2.5%).	3	%
4	Multiply line 2 by line 3. This amount should be deducted from your tax credits on line 1 of your Village tax return and may be refunded by your work city/village	4	

Line 3 – Adjusted W-2 Wages

Subtract line 2 (adjustments to wages) from line 1 (total gross wages).

Line 4 – Business/Rental Income

Utilize Schedule B of Resident Business Income Worksheet found on back of return. If profit on line 16 column G enter amount. If loss on line 15 column G enter \$0.

Line 5 – Other Income

Enter miscellaneous income (1099 - Miscellaneous) not entered on Schedule B of Resident Business Income Worksheet.

Income derived from prizes, awards, gambling, wagering, lotteries, sports winnings or other similar games of chance by residents or nonresidents of the Village within the Village in an amount in excess of ten thousand dollars (\$10,000) or on the basis of activities conducted within the Village.

Line 6 – Total Taxable Income

Add lines 3, 4, and 5.

Line 7 – Tax Due

Multiply line 6 by 2.5%.

Line 8 – Walton Hills Tax Withheld

Enter the total tax withheld from the W-2 Table Column 1b.

Line 9 – Other Localities Taxes Withheld

Enter the other localities total tax withheld from the W-2 Table Column 1e.

Line 9a – Credit for Business Taxes Paid

Utilize Schedule B of Resident Business Income Worksheet found on back of return. Enter amount from Column G line 21.

Line 10 – Estimated Taxes Paid to Walton Hills

Enter estimated taxes paid to the Village of Walton Hills for tax year 2016.

Line 11 – Overpayment from Prior Year

Enter any overpayment or tax credit from prior year.

Line 12 – Total Credits

Add lines 8, 9, 10, and 11.

Line 13 – Tax Due after Credits

If line 7 is greater than line 12 (if not skip to line 15), then enter the difference on line 13 only if amount is greater than \$10.00. If amount is \$10.00 or less, enter \$0.

Line 14 – Penalty & Interest

For office use only.

Line 15 – Overpayment

If line 7 is less than line 12 (if not skip to line 18), then enter the difference on line 15 only if amount is greater than \$10.00. If amount is \$10.00 or less, enter \$0.

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Line 16 - Credit Carryforward to Next Year

Enter the amount of overpayment (line 15) to apply to next year's annual return. Also enter this amount on Line 23.

Line 17 – Amount of Refund

Subtract line 16 from line 15. Note: Amounts \$10.00 or less may not be refunded.

Line 18 – Estimated Taxable Income for 2017

Enter your 2017 taxable income and then multiply by 2.5% and enter on line 18.

Line 19 – Estimated Taxes Withheld for Walton Hills

Enter the amount of taxes you estimate to be withheld for Walton Hills.

Line 20 – Estimated Taxes Withheld by Other Municipalities

Enter the amount of taxes you expect to be withheld for other municipalities. Note: this amount cannot exceed 2.5%.

Line 21 – Net Estimated Taxes

Subtract lines 19 & 20 from line 18. This is your full-year 2017 estimated taxes due. If amount is \$200 or less, you are not required to submit estimated taxes.

Line 22 – 1st Quarter Estimated Taxes Due

Multiply line 21 by 25%.

Line 23 – Credit for 2016 overpayment

Enter amount from line 16.

Line 24 – Estimate Due

Subtract line 23 from line 22. If less than zero, then enter \$0.00.

Line 25 – Total Amount Due

Add lines 13, 14, and 24. This is the amount due to the Village of Walton Hills. Please make your check payable to the **Village of Walton Hills**.