

CITY OF STOW

2022 INCOME TAX INFORMATION AND INSTRUCTIONS

WHO MUST FILE: Every resident or part-year resident of the City of Stow, Ohio who is 18 years of age or older must file a City tax return, even if no income was earned in 2022 or no tax is due. Every non-resident who owns rental property and/or operates a business in Stow must also file an annual return. Retired individuals, with no taxable income, should check the "Retired" box in the top right corner, sign and return the form to the City of Stow Income Tax Department.

REFUNDS: Individuals who have had tax withheld for the City of Stow on income earned prior to their eighteenth birthday may request a refund of that tax by contacting the Income Tax office at (330)689-2849. Allow 90 days for your refund.

WHEN YOU MUST FILE: The filing deadline is April 15, 2023 or the IRS Due Date. If you have requested or received an extension to file your federal income tax return, your municipal income tax return is automatically extended. However, you must provide a copy of the federal extension with your tax return for 2022 on or before October 18, 2023. **An extension to file is not an extension to pay. The tax is still due by April 15, 2023 or the IRS Due Date.**

WHERE TO FILE:	Mail forms with payment to:	Mail forms without payment to:
	CITY OF STOW	CITY OF STOW
	INCOME TAX DEPARTMENT	INCOME TAX DEPARTMENT
	P O BOX 3649	P O BOX 1668
	AKRON, OH 44309-3649	STOW, OH 44224-0668

INCOME SUBJECT TO TAX: In general, taxable income includes, but is not limited to: gross compensation, salaries, wages, commissions, bonuses, incentive payments, profit sharing, stipends, stock options, deferred compensation, directors fees, property in lieu of cash, vacation & sick pay, severance pay, tax shelter plans, net profit from business & professional activities, net farm income, net income from rentals, gambling & lottery winnings, unless specifically exempted by the City of Stow or exempted from Ohio municipal income taxes by Ohio law.

NON-TAXABLE INCOME includes dividends, interest, military pay, income from intangible property, pensions, unemployment compensation, certain government assistance payments and social security benefits. This list is not all-inclusive. For a complete definition of taxable and nontaxable income, please refer to the Codified Ordinances of the City of Stow, Section 194.

NAME AND ADDRESS: Put your name, address and social security number for yourself, and your spouse if filing a Joint return, in the designated places on the form. Please provide a daytime phone number, including area code. Check any boxes in the top right section that may apply.

PART YEAR RESIDENTS: You should complete this form using only information on income received and taxes withheld or paid while living or working in Stow. You must also provide the date you moved into or out of Stow.

2021 TAX DUE

- LINE 1: Use **WORKSHEET I** on the back of the form and enter the total from Column C
- LINE 2: Use **WORKSHEET II** on the back of the form and enter the total, (if greater than zero), from Line 5. If **WORKSHEET III** is needed, please contact the Income Tax office for details.
- LINE 3: Add Lines 1 & 2 and enter the sum
- LINE 4: Multiply Line 3 by 2% (.02)
- LINE 5: Enter the total from Column F of **WORKSHEET I**.
- LINE 6: If **WORKSHEET III** was used, enter the total from Line 20 of **WORKSHEET III**.
- LINE 7: Enter the total of all payments you made directly to Stow for 2022 taxes plus any overpayment from 2021 that is being applied to your 2022 taxes
- LINE 8: Add Lines 5, 6 & 7 and enter the sum
- LINE 9: Subtract Line 8 from Line 4
- LINE 10: If the amount on Line 9 results in an overpayment and is \$10.00 or less, the amount will not be credited. If the amount on Line 9 is greater than \$10.00, enter the amount that you want applied to your 2023 Estimated tax
- LINE 11: If the amount on Line 9 results in an overpayment and is \$10.00 or less, the amount will not be refunded. If the amount on Line 9 is greater than \$10.00, enter the amount of the overpayment you want refunded.
- LINE 12: If the amount on Line 9 is greater than \$10.00, enter that amount. This is your 2022 balance due. This amount must be paid with the form on or before April 15, 2023 or the IRS Due Date. No payment is due if \$10.00 or less.
- LINE 13: You do not need to calculate the penalty and interest charges. The City of Stow will calculate any penalties and/or interest due and send you a bill.

2023 ESTIMATED TAX: Lines 14-20 must be completed if Line 7 plus Line 9 exceeds \$200.00. **LEAVE LINES 14-20 BLANK IF YOU WANT THE CITY TO CALCULATE YOUR ESTIMATED TAX FOR 2023 BASED ON YOUR 2022 INCOME.** If you anticipate owing no tax for Tax Year 2023, enter a Zero on Line 17. Quarterly Estimates are due 4/15/2023, 6/15/2023, 9/15/2023 and 1/15/2024.

- LINE 14: Estimated taxable income for 2023 tax year
- LINE 15: Estimated tax due (multiply Line 14 by 2%.)
- LINE 16: Taxes to be withheld during 2023 for Stow and other municipalities
- LINE 17: Estimated tax due for 2023 tax year (subtract Line 16 from Line 15)
- LINE 18: First quarter of estimated tax payable to City of Stow (multiply Line 17 by 25%.)
- LINE 19: 2022 overpayment (from Line 10) applied to 2023 estimated taxes
- LINE 20: Net amount due for first quarter 2023 (subtract Line 19 from Line 18)
- LINE 21: **TOTAL AMOUNT DUE WITH FORM.** Add Lines 12, 13 and 20 and enter the sum. This is the total amount due with the form on or before April 15, 2023 or the IRS Due Date.

WORKSHEET I INSTRUCTIONS

When entering wage income on this schedule, use Box 5 on your W-2 form. Deferred compensation and retirement plan contributions **MAY NOT** be deducted from your taxable income.

Column A: If your income was not earned evenly throughout the year, enter the from/to dates in Column A.

Column B: Enter the name of the municipality in which the income entered in Column C was earned.

Column C: Enter the gross income actually earned in this municipality. Enter the total from Column C on Line 1 on the front of the form.

Column D: Multiply the amount in Column C by the tax rate for the municipality named in Column B and enter the result in Column D.

If this amount was not withheld or paid to your work city, enter zero.

Column E: Multiply the amount in Column C by 2% and enter the result in Column E.

Column F: Compare the amounts in Columns D & E and enter the smaller amount in Column F. Enter the total from Column F on Line 5 on the front of the form. **NOTE: If the tax withheld was paid to the City of Stow, enter the actual tax withheld for Stow, as it is reported on the W-2, and ignore the amounts in Columns D & E.**

WORKSHEET II INSTRUCTIONS

For use by Individuals with Net Profit/Distributed Share income sourced only within the City of Stow

All income, other than wages, if only sourced within the City of Stow should be reported on this worksheet. Enter income and losses derived from activities sourced within the City of Stow. Use **WORKSHEET III** if you have Net Profit/Distributive Share income/loss sourced in multiple municipalities.

Net profits shall be determined on the basis of the information used for Federal Income Tax purposes, adjusted to the requirements of the City of Stow Income Tax Ordinance. Expenses attributable to nontaxable income are not deductible. Gains and losses from the sale or exchange of capital assets, to the extent recognized as capital gains or losses for Federal Income Tax purposes, are generally not to be considered in arriving at net profits.

The net loss from a business activity may not be used to offset earned income from salaries and wages.

Line 1: Enter net profit (loss) sourced within the City of Stow from Federal Schedule C. If your business operates in multiple cities, stop here and use **WORKSHEET III**.

Line 2: Enter all rental income (loss) sourced within the City of Stow from federal Schedule E. The complete address must be provided for each rental property. If rental properties are located in multiple cities, stop here and use **WORKSHEET III**.

Line 3: Enter any non-wage income not included on Schedule C or E, such as ordinary gains and losses as reported on Federal Form 4797, director's fees and lottery winnings. An explanation of the income listed must be attached.

Line 4: Enter any losses sourced within the City of Stow carried forward from a prior year. Net losses may be carried forward for up to five years. A complete schedule of all prior year losses must be attached for any loss claimed on the form. Failure to attach the schedule will result in the loss being disallowed. Beginning with losses incurred in 2017, a net operating loss may be carried forward for 5 years. For losses incurred in tax year 2017, 2018, 2019, 2020 and 2021, only 50% of the carried forward loss may be deducted in each subsequent year. If your NOL usage schedule differs from the one above, please provide for our review. The NOL calculation is subject to change pending changes to ORC 178.

Line 5: Total column, if the result is less than zero, enter zero. Carry this total from Line 5 to front of City of Stow return Line 2.

WORKSHEET III INSTRUCTIONS

For use by Individuals with Net Profit/Distributed Share income sourced in multiple municipalities. To obtain this WORKSHEET, please contact the City of Stow income tax office.

PENALTY AND INTEREST

You do not need to calculate penalty and interest charges. The City of Stow will calculate any penalties and/or interest due and send you a bill.

PENALTIES

- A penalty may be imposed on a municipal income tax return, not filed timely, of twenty-five (\$25.00) each month or any fraction, during which the return remains unfiled regardless of the liability. The penalty shall not exceed \$150.00 for each return not filed timely
- A penalty may be imposed on the unpaid income tax balance and on the unpaid estimated income tax balance, equal to fifteen percent (15%) of the amount not timely paid.

INTEREST

- Interest shall be imposed on all unpaid income tax and unpaid estimated income tax. The interest rate used shall be established per Ohio Revised Code Section 718.27. The interest rate applied to outstanding liabilities incurred on or after 1/1/2017 during 2017 and 2018 shall be 6%, on or after 1/1/2019 during 2019 and 2020 shall be 7% and on or after 1/1/2021 during 2021 and 2022 shall be 5%.