

2024 Tipp City Individual Income Tax Return Instructions

Section A

2024 Tax Calculations

Line 1: Enter total amount of qualifying wages (usually found in box 5 of your W-2, if box 5 is blank, use the highest wage found on the W-2). If you have multiple W-2s, you can use worksheet A on page 2 of the return to generate totals. Attach originals or copies of all your W-2 forms to the return. W-2s will need to show the tax amounts withheld and paid to another city. Credit claimed for taxes withheld and paid to the other city will be denied without proper verification.

Note: Part-year residents can calculate their Tipp City taxable income using either a 365-day, 52-week or 12-month proration. We also accept a paystub that reports year-to-date income totals on or about the time of the move. Please show how you arrived at your Tipp City taxable income and if you used a paystub, please attach a copy.

Line 2: Enter total other income (or loss) from worksheet B on page 2 of the return. Attach all applicable Federal schedules and documentation. Losses reported on line 2 may not be used to offset W-2 income reported on line 1, but may be carried forward and used to reduce future taxable "other income."

Note: Net Operating Loss (NOL) Deduction – A taxpayer may deduct enough NOL to bring their Tipp City taxable "other income" to zero. Losses from the prior five tax years (2019, 2020, 2021, 2022 and 2023) can be claimed on the 2024 Tipp City return. Any unused net operating loss from tax years 2020, 2021, 2022 and 2023 will carry forward to tax year 2025, but any unused 2019 net operating loss will expire.

Line 3: Add the amounts reported on lines 1 and 2 (only add line 2 if it is positive). This is your total taxable income.

Line 4: Multiply the amount reported on line 3 by 1.5%. This is the total tax due before credits.

Line 5a: Enter the total amount of Tipp City tax withheld from your W-2s. If you have multiple W-2s, you can use worksheet A on page 2 of the return to generate totals. Attach originals or copies of the W-2s that show the Tipp City taxes withheld to your return.

Line 5b: Enter the allowable (limited to 1.5% of each wage) amount of income tax withheld or paid to another municipality. Tipp City residents may claim a non-refundable credit for municipal income taxes paid to the work city. The amount of credit allowed shall not exceed the tax that would be due to Tipp City on the same income. If you have multiple W-2s, you can use worksheet A on page 2 of the return to generate totals. Attach originals or copies of all the W-2s and or other city returns to verify the credit claimed.

Line 5c: Enter the amount of 2024 estimated tax payments and/or prior-year credits. If you are unsure how much you have paid in or how much your 2023 carry forward was, you may contact the tax department using the contact information found at the end of these instructions.

Line 6: Add the amounts reported on lines 5a, 5b and 5c. This is your total credit.

Line 7: Subtract line 6 from the amount reported on line 4. A positive result indicates the amount of tax due. No tax is due if this amount is \$10.00 or less. If the result is negative, enter a zero on line 7 and proceed to line 8.

Line 8: If line 6 is greater than line 4, you have an overpayment. If the overpayment amount is \$10.00 or less, no refund or credit will be issued. For amounts greater than \$10.00, please indicate the amount to be refunded and/or credited to the next year's taxes directly below line 8.

Line 9a: A taxpayer may be subject to underpayment penalty and interest if an insufficient amount of estimated income taxes were not paid to the tax department by January 15, 2024 (due date of the last quarterly installment). Estimated tax payments are required whenever the amount of taxes due is expected to be \$200 or more. The penalty is 15% of the amount underpaid and interest is charged at the rate of .83% per month and begins on January 16th up to the day the return is filed and paid. If unsure of underpayment penalty calculations, leave blank and the tax department will notify you of penalties, if they're applicable.

Note: There are three instances (safe harbors) where these penalties would not apply. 1. Taxpayer was not a resident of Tipp City at the beginning of the tax year. 2. The amount of estimated taxes that were paid equals at least 90% of the tax liability for the current taxable year and 3. The amount of estimated taxes that are paid equals at least 100% of the tax liability shown on the return of the taxpayer for the preceding taxable year.

Line 9b: If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 7.

Line 9c: If filed after the due date, enter the amount of interest due. The interest rate for late returns filed in 2025 is .83% per month. When calculating the interest charge, one month past due runs from the 16th day (the day after the due date) to the 15th day of the following month. Fractions of a month will be counted as an additional month late.

Line 9d: A return filed after the due date shall be subject to a late filing fee of \$25. Said fee is due whether or not there is tax due on the return.

Please Note: Accounts on a Federal extension are asked to attach a copy of the extension to the Tipp return when submitted. The Tipp City Tax Department does not have access to IRS data to know if you were on a valid Federal extension.

Line 10: Add the amounts reported on lines 9a, 9b, 9c and 9d. This is your total penalty, interest and late filing fee.

Line 11: Add the amounts reported on lines 7 and 10. This is the balance of tax, penalty, interest and late filing fees due. No payment is due if this balance is \$10 or less.

Section B

2025 Declaration of Estimated Tax

Taxpayers who anticipate owing \$200 or more in Tipp City income tax in tax year 2025 should complete the 2025 declaration of estimated tax.

Note: A taxpayer can be subject to underpayment penalty and interest if estimated taxes are not paid as outlined in Section 718.08 of the Ohio Revised Code. Estimated payments for individuals are due 4/15, 6/15, 9/15 and 1/15 of the following year. The tax department will send you 2nd, 3rd and 4th quarter estimated tax statements (1st quarter due with prior year return) and taxpayers should expect to receive their statement two to three weeks prior to the due date.

Line 12: Enter the amount of estimated income for tax year 2025 and multiply by 1.5%.

Line 13: Enter the total amount of Tipp City and other city tax withheld or paid.

Line 14: Line 12 less line 13. If the result is less than \$200, estimated payments are not required.

Line 15: Multiply line 14 by 25% to determine the amount of estimated tax due for the first quarter.

Line 16: Enter the amount of credit carryforward from 2024.

Line 17: Enter the net estimated tax due for the first quarter of 2025 (line 15 minus line 16). Payment is not required at this time if the amount due is less than \$10.00.

Total due with this return: Add line 11 and line 17. **Make checks payable to Tipp City Tax.** Online payments can be made on our website via electronic check, credit card or debit card. A convenience fee will be added to all online payments. To pay online visit www.tippcityohio.gov, click on City Services, Make a Tax Payment and then scroll down to the payment portal link. You will need your assigned Tipp City account number. This is the five-digit number followed by either a -R, -N or -B.

Sign and date your return. Your Tipp City return is not considered a complete return unless you sign it and attach all applicable W-2 forms and Federal tax documents. If you are filing jointly, both of you should sign the return.

Mail completed return and attachments to:

**Tipp City Tax Department
260 S. Garber Dr.
Tipp City, OH 45371**

Attachments to include with return, if applicable:

1. **Page one of your 2024 Federal income tax return (if filed)** - If you have income reported on line 8 of your 2024 Federal return (additional income from Schedule 1, line10), you should also include a copy of your 2024 Federal Schedule 1.
2. **W-2 forms (if applicable)** – Include original or copies of all W-2 forms reported on your return. These W-2's will need to show the local income taxes withheld for the cities in which you have claimed a credit. The withholding information for local taxes withheld usually appears in boxes 18, 19 and 20 of the W-2 form.
3. **Other forms to include (if applicable)** - Federal Schedules C (business), E (rent/partnership) and F (farm), 1099-MISC and 1099-NEC (if not reported on a Schedule C), W-2G forms (gambling) and copies of other city municipal income tax returns if claiming a credit for taxes paid to that city.
4. **Payment** – if payment is due, make check payable to Tipp City Tax. Amounts \$10 or less need not be paid.

Disclaimer: Directions are instructional only. The Tipp City Income Tax Code and the Ohio Revised Code supersede any interpretation presented.

Questions can be directed to the tax department anytime Monday through Thursday between the hours of 7:00 a.m. and 6:00 p.m. using the contact information below:

Phone: (937) 667-8426
Fax: (937) 667-6734
Email: incometax@tippcity.net