1. WHO MUST FILE A RETURN
The following must file a return WHETHER OR NOT ADDITIONAL TAX IS OWED TO PICKERINGTON:

A. Every Pickerington RESIDENT age 18 or over regardless of income, unless only source of income is from retirement or permanent disability. RESIDENT includes a part-year resident and includes a legally domiciled resident temporarily living away, e.g. college student, construction worker, truck driver.

B. Every sole proprietor, corporation, partnership, trust or other business entity operating in Pickerington, and any owner of Pickerington rental property. Must file even if a loss.

C. NON-RESIDENTS who have earned income in Pickerington for which the total and correct amount of Pickerington tax has not been withheld.

2. WHEN A RETURN IS NOT REQUIRED

A. RETIRED individuals with no earned income at any time during the tax year are not required to file a return. If you received a tax form, check Yes in the upper right part of the form that your account should be deactivated, give reason as Retired and provide date of retirement. Sign at bottom right and return to Tax Department.

B. NON-RESIDENTS who did not live in Pickerington at any time during the year and who had earned income in Pickerington for which the total and correct amount of Pickerington income tax has been withheld.

3. WHEN AND WHERE TO FILE THIS RETURN
The annual income tax return must be filed and paid in full on or before April 17, 2018, with the City of Pickerington, Division of Taxation, 100 Lockville Rd., Pickerington, Ohio 43147. Fiscal year businesses with accounting periods ending other than December 31 must file within 3 1/2 months after the end of the accounting period.

4. EXTENSIONS
Extensions of time to file a return will be granted up to the end of the month for which an approved federal extension is given if you have complied with all of the following requirements:

A. You have requested and are granted an extension of time for Federal tax purposes.

B. You have notified the City of Pickerington by sending us a copy of your federal extension.

C. You timely file and pay a Declaration of Estimated Tax with the city for the 2017 tax year.

NOTE: An Extension is for the time to file only. Interest of 0.5% per month or part month and penalty of 15% of balance owed will be assessed on any balance due if not paid in full by the original due date of the return without extension.

5. TAXABLE INCOME
The following items, although not all inclusive, are examples of income taxed by the city:

1. Qualifying wages, salaries and other compensation.
2. Bonuses, stipends and tip income.
3. Commissions, fees and other income.
4. Sick pay (not including third party sick pay).
5. Employer supplemental unemployment benefits (SUB pay).
6. Employer contributions to retirement plans and tax deferred annuity plans (including Sec. 401k, Sec. 403b, Sec. 457b, etc.)
7. Net rental income.
8. Net profits of businesses, professions, corporations, pass-through-entities, etc.
9. Income from partnerships, estates or trusts.
10. Employee contributions to costs of fringe benefits.
11. Ordinary gains as reports on federal form 4797.
12. Income from wage continuation plans (including retirement incentive plans and severance pay).
14. Stock options (taxed when exercised, usually valued at market price less option price on the date the option is exercised).
15. Farm net income.
16. Employer paid premiums for group term life insurance over $50,000 (PS 58).
17. Compensation paid in goods or services or property usage, taxed at fair market value.
18. Contributions made on behalf of employees to tax deferred annuity programs.
19. Income from guaranteed annual wage contracts.
20. Prizes and gifts if connected with employment to the same extent as taxable for Federal Income Tax purposes.
21. Director fees.
22. Income from jury duty.
23. Union steward fees.
25. Profit sharing, if from a non-qualified plan, or if paid as a type of bonus.
26. Lottery winnings.
27. Reimbursements in excess of deductible expenses.
28. Employer provided educational assistance (taxable to the same extent as for federal taxation pursuant to the Technical & Miscellaneous Revenue Act of 1988).
29. Income deemed as taxable per Federal Code Section 89.
30. Compensatory damages awarded in lawsuits.
31. Income from covenant not to compete clause.
32. Net profits derived from the operation of oil and gas wells.

6. PART-YEAR PRORATION OF WAGES
Wages earned working in Pickerington are subject to Pickerington tax regardless of where you lived. However, if you were a resident of Pickerington for only part of the year and earned any wages working outside of Pickerington while you were a non-resident, only wages earned while a resident of Pickerington are subject to Pickerington tax. The best way to determine Pickerington taxable wages is to use your pay stub closest to the date of your move in or out of Pickerington. If that’s not available, calculate the non-resident portion for Line 5 of your tax return as follows:

If you worked outside of Pickerington for the same employer for the entire year, divide the entire wage from Box 5 of your W2 by 12. Then multiply that by the number of months NOT living in Pickerington. Enter the resulting figure on Line 5.

If you worked outside of Pickerington for an employer for only part of the year, divide the wages from W2 Box 5 by the actual number of months
you worked for that employer. Then multiply that by the number of months
you worked for that employer while NOT living in Pickerington. Enter the
resulting figure on Line 5.

If you are requesting that your account be inactivated due to your moving
from the jurisdiction with no intent to return, although retaining a mailing
address within the jurisdiction as your address of record, please enter the
date of your move and the reason, and attach supporting documentation
with regard to your relocation.

7. CREDIT FOR INCOME TAXES PAID TO OTHER CITIES

Individual taxpayers who are residents of Pickerington are allowed a credit
if their taxable income has been properly taxed by another city where it
was earned.

The credit is the lesser of
(1) actual tax paid or withheld, or
(2) portion of income actually taxed by another city multiplied
by .5% (.005).

In the computation you may not include income that wasn’t taxed by
another city, or income that was taxed but for which a refund would
be available from another city if properly applied for. Also, each source of
income and each work city is looked at separately in the calculation.

EXAMPLE 1: An employee who lives in Pickerington earns $20,000
working in Columbus. Since the Columbus tax rate is 2.5%, the
employer withholds and pays to Columbus a tax of $500.00 ($20,000 x
2.5%), Pickerington gives tax credit on line 10 of the return of $100.00
(.5% times $20,000 earned).

8. EMPLOYEE BUSINESS EXPENSES

Employee business expenses incurred to earn Pickerington taxable wages
and properly reported to the IRS on form 2106 may be
deducted from taxable wages by taxpayers who itemize deductions for
federal taxes. Attach form 2106, Schedule A and page 2 of form 1040.

Business expenses incurred to earn income for work done in another city
must be allocated to the city where the income was earned. In calculating
credit for tax paid to other cities, net taxable income, after deducting
allocated 2106 expenses, is the basis for determining the credit allowed.

For tax year 2016 and after, the 2106 expense is limited to after the 2%
AGI Reduction (as allowed on the Federal Return). Calculation is: [Form(s)]
2106, Line 10 minus Schedule A, Line 26

NOTE: Per IRS Instructions, if line 4 is your only entry, do not complete
Form 2106 unless you are claiming:
- Performing-arts-related business expenses as a qualified
  performing artist,
- Expenses for performing your job as a fee-basis state or local
  government official, or
- Impairment-related work expenses as an individual with a disability.

Educator expenses deducted directly on the first page of federal form
1040 are NOT deductible for tax year 2017.

9. PICKERINGTON SCHOOL DISTRICT 2307 INCOME TAX: School income
tax is not a municipal income tax; therefore, it cannot be used as a credit
against Pickerington City income tax. The State of Ohio collects the school
income tax.

MANDATORY DECLARATION OF ESTIMATED TAX - GENERAL INFORMATION

10. PURPOSE OF DECLARATION:

If you expect to have any taxable income in 2018 on which the proper
amount of Pickerington tax will not be withheld by your employer and the
estimated amount due will be greater than $200, you must file a
Declaration of Estimated Tax. It must be filed by the due date of the prior
year’s final tax return without extension, and you must pay at least one-
quarter of the tax due by that date. Failure of a taxpayer to file a
Declaration of Estimated Tax and pay quarterly installments of estimated
tax will result in interest and penalty charges – see Instruction 13. Such
taxpayers must also file an annual return of actual taxable income and pay
any balance of tax due. For example for individuals, a Declaration of
Estimated Tax for 2018 must be filed by April 17, 2018, including payment
of the first quarterly amount due.

11. WHO MUST MAKE A DECLARATION:

a. Every resident of the City of Pickerington, who expects to receive
taxable income, wherever earned, from which the City of
Pickerington Income Tax will not be withheld.
b. Every non-resident of the City of Pickerington, who expects to
receive taxable income, earned or derived from within the City, from
which the City of Pickerington Income Tax will not be withheld.
c. Every business entity, such as corporations, partnerships,
fiduciary of active trusts, unincorporated businesses or
professional entities conducting activities or producing income from
within the City.

12. WHEN AND WHERE TO FILE DECLARATION:

File on or before April 17, 2018, with the City of Pickerington, Division of
Taxation, 100 Lockville Rd., Pickerington, Ohio 43147. All wage earners
must file on a calendar year basis. Fiscal year taxpayers shall file on or
before the 15th day of the 4th month measured from the beginning day of
their fiscal year.

13. LATE FEE, PENALTY AND INTEREST:

A $25.00 per month late fee is charged for failure to file a tax return by the
due date up to a maximum of $150. Penalty of 15% will be assessed on
any unpaid tax due if the total tax liability is greater than $200. Any
quarterly estimated tax installment or final tax amount that is not paid
when it is due will be assessed interest of 5%
per annum.

14. SAFE HARBORS:

Pickerington uses safe harbor approaches under which penalty and
interest will not be charged. Safe harbors require that the annual tax return
be timely filed (recognizing valid extensions) including both the 2017 return
and 2018 Declaration of Estimated Tax (no extension allowed). All required
payments must be timely paid in full including each quarterly estimate
payment and the balance due by the original due date of the return. If
those requirements are met, the safe harbor will apply and no penalty and
interest will be charged if any one of the following conditions is met:
(a) if credits total at least 100% of the preceding year’s tax liability
(on line 8), or
(b) if at least 90% of the current year’s tax liability has been timely
paid and/or withheld.

This section relates only to required declarations and payments, and not
to the final amount due with the tax return for the year... see Instructions 3
and 4.

15. AMENDMENTS TO DECLARATION:

If your income situation changes materially from the estimate made on
your original declaration, an amended declaration is required. You may use
a new form and write across the face of it the word “Amended.”

16. DECLARATION OF ESTIMATED TAX PAYMENT TIMETABLE-
CALENDAR YEAR TAXPAYERS

April 17, 2018 . . . . . . . . . . . File Declaration with 1st quarter payment
June 15, 2018 . . . . . . . . . . . Make 2nd quarter payment
Sept 15, 2018 . . . . . . . . . . . Make 3rd quarter payment
Jan 15, 2019 . . . . . . . . . . . Make 4th quarter payment