1. **WHO MUST FILE A RETURN**

The following must file a return WHETHER OR NOT ADDITIONAL TAX IS OWED TO PICKERTON:

- **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.
- **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.
- **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**

- **RETIRED** individuals with no earned income at any time during the tax year are not required to file a return. If you received a notice to file, please send a tax return and select the **Retired with no taxable income** box. Print yes in the upper right part of the form that your account should be deactivated and give reason as retired. Sign at bottom right and return to the Tax Department.
- **Individuals on PERMANENT DISABILITY** with no earned income at any time during the tax year are not required to file a return. If you received a notice to file, please send a tax return and print yes in the upper right part of the form that your account should be deactivated and give reason as **permanent disability**. Provide your disability paperwork, sign at bottom right, and return to the Tax Department.
- **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, are not required to file a return.

3. **WHEN AND WHERE TO FILE THIS RETURN**

The annual income tax return must be filed and paid in full on or before April 15, 2020, 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 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:

- You have requested and are granted an extension of time for Federal tax purposes.
- You have notified the City of Pickerington by sending us a copy of your federal extension.
- You timely file and pay a Declaration of Estimated Tax with the city for the 2019 tax year.

**NOTE:** An Extension is for the time to file only. Interest of 0.58% 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 reported on federal form 4797, line 10.
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.

**NON-TAXABLE INCOME**

The following items are not taxable to the city:

1. Interest or dividend income.
2. Welfare benefits.
3. Social security.
4. Income from qualified pension plans.
5. State unemployment benefits.
6. Worker's compensation.
7. Contributions made by or on behalf of employees to cafeteria plans (Sec. 125, etc.).
8. Proceeds of life insurance.
10. Active duty military pay (including National Guard and reserve pay).
11. Earnings of persons under 18 years of age.
13. Third party sick pay.
14. Prizes or gifts not connected with employment.
15. Income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities.
17. Royalties derived from intangible property.
18. Annuity distributions.
19. Housing allowances for clergy to the extent that the allowance is used to provide a home.
20. Health & welfare benefits distributed by governmental, charitable, religious or educational organizations.
21. Compensatory insurance proceeds derived from property damage or personal injury settlements.
22. Punitive damages awarded in lawsuits.
23. IRA, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans.
24. Scholarships or Work Study Programs exempt with proper submission of paperwork from College indicating type of compensation and amount.
25. Personal earnings of mentally retarded and developmentally disabled employees earning less than the minimum hourly wage while employed at government sponsored sheltered workshops.
26. 1099-G Refunds.
27. Cancellation of indebtedness.

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.
11. PURPOSE OF DECLARATION:
If you expect to have any taxable income in 2020 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 2020 must be filed by April 15, 2020, including payment of the first quarterly amount due.

12. 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, if amount due will be greater than $200.
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, if amount due will be greater than $200.
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, if amount due will be greater than $200.

13. WHEN AND WHERE TO FILE DECLARATION:
File on or before April 15, 2020, 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.

14. 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.

15. SAFE HARBOURS:
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 2019 return and 2020 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 prepaid 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.

16. 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.”

17. DECLARATION OF ESTIMATED TAX PAYMENT TIMETABLE-CALENDAR YEAR TAXPAYERS
April 15, 2020 . . . . . . . . . . . . . . . . . . . . . . . . File Declaration with 1st quarter payment
June 15, 2020 . . . . . . . . . . . . . . . . . . . . . . . Make 2nd quarter payment
Sept 15, 2020 . . . . . . . . . . . . . . . . . . . . . . . Make 3rd quarter payment
Jan 15, 2021 . . . . . . . . . . . . . . . . . . . . . . . Make 4th quarter payment