

# CANTON CITY INCOME TAX FORM INSTRUCTIONS

Name, address, social security number.

Please check your address on the tax return.

**IS ALL THE INFORMATION CORRECT?**

If all information is not correct, please make the necessary corrections.

**FILING, INCOME, RESIDENCY AND AGE STATUS (REQUIRED INFORMATION)**

Filing - Mark the box next to your filing status

Please note previous or current address after residency line.

Residency - Give the exact date that you moved in or out of Canton. It may affect your taxable income.

Taxpayers under age 18, claiming a refund, must write in birthdate and submit a copy of proof of age. (driver's license or birth certificate)

## LINE INSTRUCTIONS

**LINE 1 - TOTAL WAGES AND SALARIES** Enter the total amount reported in "box 5" of federal form W-2, and add any ordinary income from the exercise of stock options and supplemental unemployment compensation ("sub-pay") excluded from Medicare wages. Enter the tax paid to other cities and the Canton City tax withheld as indicated .NOTE: The return is not complete unless all W-2's are attached.

**LINE 2 - TOTAL INCOME FROM BACK OF FORM, LINE 16 G.** Enter the total combined net taxable income from sole proprietorships, rentals, partnerships, S corporations, corporations and other compensation. Only net taxable income is brought forward from back of form. Enter zero for loss.

**LINE 3 - WAGES AND SALARIES EARNED OUTSIDE THE CITY OF CANTON BY A PART YEAR RESIDENT, OR PRIOR TO 18th BIRTHDAY** If you moved into or out of Canton during the taxable year, you may deduct wages earned while you were a non-resident working outside the city of Canton. You also may deduct wages earned prior to your 18th birthday.

**LINE 4 - TAXABLE INCOME** Add lines 1 and 2 and subtract line 3.

**LINE 5 - CANTON CITY TAX** Multiply taxable income on line 5 by 2.5%.

**LINE 6 - CREDITS** (a) Canton city income tax withheld by employers. (b) Municipal tax paid to other cities. - Not to exceed 2.5%. (c) Estimated tax payments. (d) Adjustments for local tax refunds, local taxes paid in error, non-applicable taxes, etc. No credit will be given for taxes paid to another city on income not taxable by Canton. (e) Total credits (a+b+c-d)

**LINE 7 - BALANCE DUE** If line 5 is larger than line 6e, you owe more tax. Subtract line 6e from line 5 and enter the balance due on line 7.

**LINE 8 - OVERPAYMENT CLAIMED** If line 6e is greater than Line 5, claim credit or refund on Line 9 or Line 10. No refunds will be issued for \$10.00 or less. Overpayments between \$1.00 and \$10.00 will be credited to 2023.

**LINE 9 - CREDIT TO 2023 ESTIMATE** If you have an estimate obligation for 2023, the over payment should be transferred to the declaration Line 4a. No refunds will be issued for \$10.00 or less. Overpayments between \$1.00 and \$10.00 will be credited to 2023.

**LINE 10 - REFUND** If you have an estimate obligation for 2023, the over payment should be transferred using Line 9. If you would like your refund direct deposited check the box after Line 10.

**LINE 11 - LATE FILING FINE** All returns filed after filing deadline will be assessed a \$25.00 per month fine. NOTE: Make certain that returns are postmarked on or before filing deadline. File early to avoid this fine

**LINE 12 - INTEREST** 0.58% per month will be assessed on taxes remaining unpaid after filing deadline NOTE: Send a check or money order for the balance due with your return before filing deadline, to avoid this interest.

**LINE 13 - PENALTY** 15% See general information.

**LINE 14 - TOTAL AMOUNT DUE** Add lines 7, 11, 12 and 13. This amount must be paid in full when you file your return

When using the services of a tax preparer, our office may need to discuss your tax matters with your preparer. IF YOU WISH TO GRANT SUCH PERMISSION, check YES in the box on the right-hand side, near the bottom of the tax return.

## MANDATORY DECLARATION OF ESTIMATED TAX

**LINE 1 - TOTAL INCOME SUBJECT TO CANTON TAX** Multiply total estimated income from all sources subject to Canton tax by 2.5%.

**LINE 2 - LESS TAX TO BE WITHHELD** Enter the amount, to be withheld by employer.

**LINE 3 - BALANCE ESTIMATED CANTON TAX** Subtract the amount, on lines 2 from line 1. This is your gross Canton estimated tax due.

**LINE 4 - LESS CREDITS** Enter total applicable credits from lines a and b on the total credits line.

**LINE 5 - NET TAX DUE** Subtract total credits from line 3. This is the net estimated balance due.

**LINE 6 - AMOUNT PAID WITH THIS RETURN** Make check or money order payable to "Kim R. Perez, Canton City Treasurer" for not less than 1/4 x line 3 minus line 4.

**LINE 7 - BALANCE OF TAX** This amount is due in three equal installments on June 15 and September 15, 2023 and January 15, 2024. PAY ONLINE AT CANTONINCOMETAX.COM.

Please mark your calendar and remit installments. A statement will NOT be sent.

## INSTRUCTIONS FOR BACK OF TAX RETURN

### TAXABLE BUSINESS INCOME

1. Municipality Name; enter each City only once.
2. Tax rate for each City.
3. TOTAL SCHEDULE C INCOME OR (LOSS).
4. TOTAL SCHEDULE E INCOME OR (LOSS).
5. TOTAL PARTNERSHIP/S-CORP INCOME OR (LOSS).
6. MISCELLANEOUS/OTHER INCOME/FORM 1099.
7. AGGREGATE INCOME (ADD LINES 3,4,5, AND 6)
8. ADD COLUMNS A-F. IF LINE 7 IS A GAIN, ENTER EACH COLUMN AND TOTAL ACROSS, AT COLUMN G
9. ADD COLUMNS A-F. IF LINE 7 IS A LOSS, ENTER EACH COLUMN AND TOTAL ACROSS, AT COLUMN G
10. NOL CARRY FORWARD
11. MULTIPLY 7G BY .50 AND MULTIPLY 10G BY .50. ENTER THE LOWER NUMBER ON 11G.
12. GAIN PERCENTAGE (Divide each column amount in Line 8 by the total in Line 8 Column G) This is the percentage which will determine how much of each activities' current and carryforward losses will be deducted from other activities' gains.
13. APPORTIONED CURRENT LOSS (Multiply Loss from Line 9G BY THE GAIN PERCENTAGE AT LINE 12)
14. APPORTIONED NOL CARRY-FORWARD (Multiply Loss from Line 11G BY THE GAIN PERCENTAGE AT LINE 12)
15. DEDUCTIBLE LOSS (Add Line 13 and Line 14)
16. TAXABLE GAIN (Subtract Line 15 from Line 8. Enter 16G on Page 1 of Tax Return, Line 2)

### ALLOWABLE CREDIT FOR TAX PAID TO OTHER CITIES

- A. TOTAL TAX PAID OR WITHHELD (Include distributive share of tax paid by Partnership/S Corp)
- B. TAX ASSESSED BY OTHER CITY (Please attach copies of other City Income Tax Returns)
- C. TAX DUE TO CANTON ON APPORTIONED INCOME (Multiply Line 16 by 2.5%)
- D. TAX PAID TO OTHER CITY ON APPORTIONED INCOME (Multiply Line 16 by Line 2)
- E. COMPARE LINES A, B, C, AND D, AND ENTER SMALLEST AMOUNT

**ENTER LINE 16 G ON PAGE 1, LINE 2**

**ENTER LINE E, COLUMN G, ON PAGE 1, LINE 6 B**