GENERAL INSTRUCTIONS FOR THE VILLAGE OF BRADFORD INCOME TAX RETURN

INDIVIDUALS

WHO SHOULD FILE A RETURN:

A return should be filed by all persons eighteen (18) years of age or older living in Bradford whether any income is earned or any tax is due. Persons who have lived in Bradford only a portion of the tax year must file a return on a pro rata basis. Also, persons living outside Bradford corporation limits or entities not located in Bradford but doing business in Bradford and earning income in Bradford must file a return. Anyone owning rental property in Bradford must file a return. Retired taxpayers must register as being retired with no taxable income and then would not need to file. However, if the retiree would start earning taxable income they must notify the tax office and file a return.

WHEN AND WHERE TO FILE RETURN:

File on or before April 15th with the Department of Taxation, PO Box 128, Bradford. In the event the due date falls on a weekend or a legal U.S. holiday, the due date shall be extended until the end of the next business day. All residents must file on a calendar year basis. Total amount due as shown must be paid when the return is filed. Checks or money orders should be made payable to the BRADFORD TAX DEPARTMENT. Any taxpayer that has duly requested an automatic six-month extension for filing their federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. Extensions do not extend the due date for the payment of the tax, hence penalty and interest may be applied to any unpaid tax.

VILLAGE OF BRADFORD TAX IS LEVIED UPON THE FOLLOWING:

(A) On all qualifying wages, commissions, other compensation, and other taxable income earned or received by residents of the Village of Bradford.

(B) On all qualifying wages, commissions, other compensation, and other taxable income earned or received by nonresidents for work done, or services performed or rendered in the Village of Bradford.

(C) Income from Schedules C, E & F, partnerships, trusts, fees, prizes, etc., the losses of which may be carried forward for three (3) years, but may not offset against W-2 income. Ordinary income amounts arising from the sale, exchange or other disposition of a stock option are taxable.

(D) On all income received as gambling winnings as reported on IRS Form W-2 G, Form 5754 and/or any other form required by the Internal Revenue Service that reports winnings from gambling, prizes and lottery winnings.

INCOME NOT TAXABLE

(A) Poor relief, unemployment compensation, old age pensions, or similar benefits received from any government agency, religious or educational organization.

(B) Proceeds of insurance, annuities, workman's compensation insurance, social security benefits, pensions, compensation for damage to property by way of insurances or otherwise. Compensation for damages for personal injuries and like reimbursements, not including damage for loss of profits.

(C) Interest and dividends from intangible property.

(D) Personal earnings of all persons under 18 years of age.

(E) Income of any charitable, educational, fraternal or other type of nonprofit association or organization enumerated in Section 718.01 of the Revised Code of Ohio which is exempt from payment of real estate taxes.

(F) Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations, and income of the decedent's estate during the period of administration, except income from the operation of a business by the estate.

(G) Alimony and Child Support

(H) Active duty military pay and allowances received by members of the Armed Forces of the United States and their reserve components.

I) Third party sick pay. (Payment made to an employee by the employer under a "wage continuation" plan during periods of disability and/or sickness is taxable.

BUSINESSES

WHO SHOULD FILE A RETURN:

A return should be filed by partnerships, corporations, and any other entity having income taxable by the Village of Bradford.

WHEN AND WHERE TO FILE RETURN:

File on or before April 15th with the Bradford Tax Department, PO Box 128, Bradford, OH. Fiscal year and partial year taxpayers shall file on or before the 15th day of the fourth month following the close of their fiscal year or period. In the event the due date falls on a weekend or a legal U.S. holiday, the due date shall be extended until the end of the next business day. Total amount due as shown must be paid when the return is filed. Checks or money orders should be made payable to the **BRADFORD TAX DEPARTMENT.** Any taxpayer that has duly requested an automatic six-month extension for filing their federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. Extensions do not extend the due date for the payment of the tax, hence penalty and interest may be applied to any unpaid tax.

WHAT CONSTITUTES NET PROFITS:

(A) On the portion attributable to the Village of Bradford of the net profits earned by all resident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered, and business or other activities conducted in the Village. On the portion of the distributive s hare of the net profits earned by a resident owner of a resident unincorporated business entity or pass-through entity not attributable to the Village of Bradford and not levied against such unincorporated business entity or pass-through entity.

(B) On the portion attributable to the Village of Bradford on the net profits by all nonresident unincorporated businesses, pass-through entities, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Village of Bradford, whether or not such unincorporated business entity has an office or place of business in the Village of Bradford. On the portion of the distributive share of the net profits earned by a resident owner of a nonresident unincorporated business entity or pass-through entity not attributable to the Village of Bradford and not levied against such unincorporated business entity or pass-through entity.

(C) On the portion attributable to the Village of Bradford of the net profits earned by all corporations that are not pass-through entities from work done or services performed or rendered and business or other activities conducted in the Village of Bradford, whether or not such corporations have an office or place of business in the Village of Bradford.

LOSSES

Net losses incurred in any taxable activity must be reported and are deductible, in the year incurred, to the extent of the net profits from any source included in the return. Net operating losses may be carried forward for five (5) years but may not be offset against wages, salaries, tips, and lottery/gambling winnings. Five year NOL carryforward will be phased in over 5 years starting in taxable year 2018.

BUSINESS APPORTIONMENT FORMULA

The business apportionment formula is to be used by corporations, non-resident sole proprietorships, partnerships, professionals and other entities doing business both within and outside the boundaries of the Village of Bradford.

A municipal corporation shall be considered as having a taxable situs in such municipal corporation for purposes of municipal income taxation in the same proportion as the average ratio of the following:

(1) The average original cost of the real and tangible personal property owned or used by the taxpayer in the business or profession in such municipal corporation during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.
As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight;

(2) Wages, salaries, and other compensation paid during the taxable period to persons employed in the business or profession for services performed in such municipal corporation to wages, salaries, and other compensation paid during the same peri-od to persons employed in the business or profession, wherever their services are performed, excluding compensation that is not taxable by the municipal corporation under section 718.011 of the Revised Code;

(3) Gross receipts of the business or profession from sales made and services performed during the taxable period in such municipal corporation to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.

INSTRUCTIONS FOR PAGE 1 BRADFORD INCOME TAX RETURN

If the return is made for a period other than the calendar year , insert the beginning and ending date.

Enter your social security number(s) or business Federal ID number.

LINE 1. List the total of all qualifying wages, salaries, tips, and other compensation, using the income reported in Box 5 (Medicare Wage) of the W-2 form. Those exempt from Medicare tax will use the highest wage reported on the W-2. Attach all W-2's

LINE 2. List lottery winnings and other taxable income from reverse side. Business or rental deductions cannot offset W-2 income. Income/losses from schedules C, E, and H can be netted.

LINE 3. Total of Line 1 plus Line 2.

LINE 4. Multiply Line 3 by .010 (which is 1.0% of Line 3). (Round amount to nearest dollar)

LINE 5. A. List Bradford tax withheld by employer. DO NOT include Bradford school tax -SD 5502

B. List estimated Bradford tax paid during the year, if any.

C. List city tax paid to another municipality. **ONLY CREDIT OF UP TO 1.0% PAID TO ANOTHER MUNICIPALITY MAY BE APPLIED.**

D. List prior year overpayment, if any.

E. Total of Lines 5A, 5B, 5C and 5D. (Round to nearest dollar.)

LINE 6. List tax due (if Line 4 is greater than 5E). Payment of tax due must accompany this return.

LINE 7. Late fees, penalty, and interest are assessed if filing is incomplete. $25 per month ($150 maximum) late filing fee. One time 15% penalty on amount not timely paid. Monthly interest applied.

LINE 8. Amount due (Line 6 plus Line 7). Make check or money order payable to the **Bradford Tax Department.**

LINE 9. Overpayment, list amount to be refunded, and/or credited. Note: If balance due or overpayment is less than $10.01 - No tax, refund or credit carry-over is due.

DECLARATION OF ESTIMATED TAX

Note: Every person who anticipates any taxable income which is not subject to withholding or who engages in any business, profession, enterprise or activity subject to Bradford income tax, shall file a declaration and make estimated payments if the estimated taxes due are $200 or more for the calendar year.

LINE 10. List total income subject to tax (taxable income) times 1.0% for gross tax.

LINE 11. List Bradford Tax withheld by employer. (Do not include Bradford School tax paid - SD 5502).

LINE 12. List city tax paid to another municipality (not to exceed 1.0% of each wage).

LINE 13. Line 10 less Lines 11 and 12.

LINE 14. Calculate 25% of Line 13.

LINE 15. Record overpayment credit from previous year' s return.

LINE 16. List amount paid with this declaration (Line 14 minus Line 15). If line 15 is greater than Line 14, enter zero on Line 16.

LINE 17. Balance of estimated tax is amount remaining to be paid the rest of the year in quarterly installments.

Amount Due with this return is the total found on Line 8 plus the total on Line 16. Check or money order should be made payable to the **Village of Bradford.**

Sign and date your return and remit to:

Village of Bradford
Department of Taxation
P.O. Box 128
Bradford, OH 45308

INSTRUCTIONS FOR PAGE 2 BRADFORD INCOME TAX RETURN

SCHEDULE C. PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

If you operate under the same or different trade names at more than one location, and separate books are kept for each location, a separate copy of the Schedule C should be attached for each location, in which case the amount entered on Line 5 represents the total net profit or loss from all locations. Do not include in this schedule the cost of goods withdrawn for personal use or deductions not connected with the business or profession. Use Statement for cost of goods sold or cost of operations, when applicable.

NOTE: Business losses are not deductible from W-2 income.

SCHEDULE E. INCOME FROM RENTS

This schedule corresponds to the rent schedule of Federal Form 1040. If space is inadequate, attach a separate sheet giving additional detail or use statement for depreciation and other required schedules.

NOTE: Rental losses are not deductible from W-2 income.

SCHEDULE H. INCOME FROM OTHER SOURCES

Report in this schedule any other income you may have which is subject to Bradford tax. For example, a Bradford resident may be a member of a partnership not located or doing business in Bradford. Such a partnership, as a business entity, is not required to file returns and pay the tax. This Bradford resident, nevertheless, is subject to tax on the income he enjoys from that partnership and must report the income in Schedule H. List fees that are not included as part of the net profits of a trade, business or profession; income from estates, trusts, fees, prizes and partnership income on which the tax has not been paid by the partnership entity.

Note: Losses are not deductible from W-2 income.

SCHEDULE X. RECONCILIATION WITH FEDERAL INCOME TAX RETURN

This schedule is to be used to adjust the Federal net income to the Bradford taxable income. The total of the items listed to the left hand column (A through I as shown on line M) are to be added to the Federal net income. The total of the items listed in the right hand column

SCHEDULE Y. BUSINESS APPORTIONMENT FORMULA

See General Instructions on reverse side.

FOR MORE INFORMATION CALL 937-526-4411 ext. 209
MONDAY-FRIDAY 8:00 AM TO 4:30 PM
OR VISIT OUR WEBSITE www.bradfordoh.com
FOR THE ENTIRE BRADFORD INCOME TAX ORDINANCE.