CITY OF LEBANON 2014
INDIVIDUAL INCOME TAX RETURN INSTRUCTIONS

CITY OF
LEBANON
OHIO

Office Phone (513) 933-7205 • Website: www.lebanonohio.gov

The City of Lebanon has mandatory filing even though no tax may be due. Every resident must complete this form and file by April 15, 2015. Non-residents operating a business or who has rental property in Lebanon must file a return.

No prior business or rental loss carryover is allowed. Gambling, gaming and lottery winnings are taxable income.

General Information:

1. "Qualifying wages" generally includes amounts reported in the Medicare wage base (the amount in Box 5 on the W-2) plus supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and compensation of pre-1986 employees exempt from Medicare that is not in the Medicare wage base solely because of the Medicare grand fathering provision.
2. The due date for filing this return is April 15, 2015 or the 15th day of the fourth month following the fiscal year end.

Tax Calculation:

Line 1: Enter the total qualifying wages from all W-2's (usually Box 5). All W-2's must be attached to the return.

Line 2a: Enter total of income reported on page 2, line 19. All schedules must be attached.

Line 2b: Enter total positive deductions from line 21. Documentation must be attached.

Line 3: Line 1 plus Line 2a, minus Line 2b. A loss from Federal Schedule C, E or F cannot be used to offset wages. This is your taxable income for 2014.

Line 4: Multiply line 3 by 1%; this is your Lebanon tax.

Line 5: Payments and Credits.
- (a) Enter Lebanon tax withheld that is shown in the "local" box on W-2. Only enter amounts listed as Lebanon here.
- (b) Enter 2014 estimated tax paid to the City of Lebanon.
- (c) Enter the amount of tax withheld for or paid to another city. Residents of Lebanon may claim taxes paid to another city up to 1% of the qualifying wages reported on the W-2. This credit is further restricted to the actual wages that were taxed in the other city. For example: Wages in Box 5 are $50,000 but local wages taxed was $25,000 the other city tax credit can only be based on the $25,000 wage. If you claim a refund from another city, you must further reduce credit.
- (d) Enter overpayment carried forward from last years return.
- (e) Add lines 5 a through d.

Line 6: Subtract line 5E from 4 the result is your tax due. Payment must accompany the tax form if there is a balance due. If the amount due is less than $5.00 you do not need to pay. If you are filing past the due date include the late filing fee of $25.00, the tax department will figure any other penalty and interest charges.

Line 7: Overpayments can be either refunded or credited towards the 2015 tax year. No refunds or credits will be given under $5.00.

Line 8: Enter your total estimated income for 2015.

Line 9: Multiply the line 8 amount by 1%; this is your estimated Lebanon tax.

Line 10: Total your estimated tax paid to other cities (not to exceed 1%), or the tax withheld by your employer for Lebanon.

Line 11: Subtract line 10 from 9. This is your estimated tax due for 2015.

Line 12: Divide line 11 by 4 and enter amount on this line. This amount must accompany the tax return. The remaining 3 payments are due on the 15th of July, October and the following January.

Line 13: Enter any credit carryover if not refunded that is shown on line 7.

Line 14: Line 12 minus line 13, this is the net estimated tax due with this return on April 15, 2015.

Line 15: Add lines 6 and 14 this is the total amount due with the filing of this return on April 15, 2015.

Line 16: Net profit (loss) from Business – attach all Federal Schedules. Residents are subject to Lebanon tax no matter where earned. Non-residents of Lebanon are subject to Lebanon tax on profits derived in Lebanon. **No carryover losses allowed.**

Line 17: Rental income – attach Federal Schedule E. Residents report all profits or losses from rental property no matter where the property is located. **No carryover losses allowed.**

Line 18: A through D enter income then total on line E. Schedule E - flow-through profit or losses levied on the partners, members or other owners of a flow-through entity excluding S-Corporation. Businesses operating in Lebanon are required to report their distributive shares of income or loss that was not withheld on by the business. The resident taxpayer may claim a credit for taxes paid to other localities by the business, subject to the 1% limitation. Other income, please provide documentation such as copies of Federal schedules or Form 1099-MISC not already reported on Schedule C, and Form W2-G if received.

Line 19: Total of lines 16, 17 and 18E. Carry positive number to line 2A. **NOTE: Losses cannot offset wages.**

Line 20: Deduction of non-reimbursed employee business expenses. Do not complete unless you filed Form 2106 on your Federal return. Only include deductions directly related to wages from Lebanon sources. If you paid tax to another city, claim your expenses in that city.
- (a) Enter amount shown on Form 2106 and attach form.
- (b) Enter the 2% Federal AGI amount from Schedule A and attach form.
- (c) Subtract line B from A enter amount here, if zero or less enter zero.
- (d) Enter income not allocable to Lebanon due to part year residency and attach a statement explaining the computation.

Line 21: Add the amount on lines C and D, carry the results to line 2B.

Should you need further assistance or explanation contact the City of Lebanon Income Tax Department at (513) 933-7205.

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