

2017 BOLIVAR, OHIO INCOME TAX - GENERAL INFORMATION & INSTRUCTIONS

8. BUSINESS INCOME SCHEDULE (Schedule X) AND ALLOCATION FORMULA (Schedule Y)

Schedule X adjusts the federal net gain or loss for items where Bolivar city income tax applies differently from federal tax. Line 1 of Schedule X shows the starting figure to use. Business income attributable to interest, dividends, capital gains and losses are not subject to Bolivar city income tax. Expenses attributable to nontaxable income shall be added back in the amount of 5% of specified nontaxable amounts. City or state taxes based on income may not be deducted. For partnerships, guaranteed payments to partners are not deductible. Self-employed individuals and pass-through income recipients may NOT deduct one-half self-employment tax.

Schedule Y is used to determine the percentage of adjusted net business income to be allocated to Bolivar. It may be used only if business is conducted both within and outside the village of Bolivar. When this formula method is used, the following procedures must be observed.

Step 1. Determine the percentage which the average original cost of real and tangible personal property owned or used in the business, located within Bolivar during the period, is of the average original cost of all real and tangible personal property used in the business wherever located.

Step 2. Determine the percentage which the total wages, salaries and other compensation paid during the period to employees for services performed in Bolivar is of the total wages, etc. to all employees located everywhere.

Step 3. Determine the percentage which the gross receipts of the business from sales made or services performed in Bolivar during the period is of the total gross receipts from all sales and services wherever made or performed.

Step 4. Sum the percentages for each of the above steps used.

Step 5. Divide total of Step 4 by the number of percentages used.

MANDATORY DECLARATION OF ESTIMATED TAX - GENERAL INFORMATION

9. PURPOSE OF DECLARATION:

If you expect to have taxable income in 2018 on which \$200 or more of Bolivar income tax will not be withheld by your employer, 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 22% of the tax due by that date. 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.

10. WHO MUST MAKE A DECLARATION:

- Every resident of the Village of Bolivar, who expects to receive taxable income, wherever earned, from which the Village of Bolivar Income Tax will not be withheld.
- Every non-resident of the Village of Bolivar, who expects to receive taxable income, earned or derived from within the Village, from which the Village of Bolivar Income Tax will not be withheld.
- Every business entity, such as corporations, partnerships, fiduciary of active trusts, unincorporated businesses or professional entities conducting activities or producing income from within the Village.
- Every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the Tax Administrator, if the amount payable as estimated taxes is at least two hundred dollars.

11. WHEN AND WHERE TO FILE DECLARATION:

File on or before April 17, 2018, with the VILLAGE OF BOLIVAR, INCOME TAX DIVISION, P.O. BOX 204, BOLIVAR, OH 44612. 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.

12. LATE FEE, PENALTY AND INTEREST:

A late fee is charged for failure to file a tax return by the due date- \$25.00 will be charged for each month that the tax return is not filed, or any fraction thereof. The penalty shall not exceed a total of \$150.00. Any tax amount that is not paid when it is due will be assessed a penalty of 15% and interest of .50% per month or part month.

13. 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."

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

April 17, 2018 File Declaration with 1st quarter payment
June 15, 2018 2nd quarter payment due
September 17, 2018 3rd quarter payment due
January 15, 2019 4th quarter payment due