

## FAQs - Frequently Asked Questions (2007-2015)

### Who must file?

*Filing a Municipality of Sebring Tax Return is Mandatory*

- If you are a resident of Sebring who has earned income and are 18 years of age or older (Includes all college students who use Sebring as their address of residence when filing State and Federal income tax)
- If you are a professional or operate a business (incorporated or unincorporated), or other entity in Sebring in which you have performed a service or have derived sales for purpose of net profit.
- If you are a non-resident business, professional or other city entity that has conducted business in Sebring.
- If you own rental property.
- If you have gambling, wagering or lottery winnings.
- If you have sick pay benefits.
- The requirement to report all other forms of income (including certain types of passive income) not mentioned above but included in the Codified Ordinances of the Municipality of Sebring, Section 171.03 may be subject to taxation.

### What is the filing deadline?

Taxpayers who end their taxable year on December 31 must file on or before April 15<sup>th</sup>. Taxpayers on a fiscal or partial year basis must file within 4 months following the end of such period.

If the deadline cannot be met, an extension request must be filed by the said due dates.

File as early as possible to avoid waiting in line.

Filing early can also be helpful if a situation arises where that filing is incorrect and must be redone.

### What do I do to obtain an extension?

A copy of your approved Federal Extension must be filed by the due date that applies to your tax status deadline as stated above. The Municipality of Sebring has an in-house extension that you may apply for and can be found on our web site or by contacting the office. The in-house extension can only be used by a taxpayer with no delinquencies on file.

PLEASE NOTE: An extension is only granted for the filing of the return, NOT for the payment of any tax that is due.

### Can someone help me prepare my Sebring tax return?

Yes, the Sebring Tax office will help you prepare a basic Sebring return at no cost.

Please visit the office from 8:00 a.m. to 5:00 p.m., Monday through Friday.

If you have questions, call us at (330) 938-2441 during business hours.

The tax office cannot assist with Federal, State or School filing.

Contact the IRS at 1-800-829-1040 or the Ohio Dept. of Taxation at 1-800-282-1780.

Visit their websites at [www.irs.gov](http://www.irs.gov) or [www.tax.ohio.gov](http://www.tax.ohio.gov)

### What is Earned Income?

(Also known as: Taxable income or qualifying wages)

Earned income is defined as salaries, wages and earnings designated for deferred compensation, commissions, and other compensation and would include but would not be limited to: bonuses, incentive payments, director's fees, property in lieu of cash, tips, dismissal or severance pay, tax

shelter plans, vacation and sick pay, wage continuation plans, and 401K plans.

Note: Earned income includes all the taxable income and wages you get from working or from certain disability payments. There are two ways to get earned income: You work for someone who pays you OR you own or run a business or farm. ([irs.gov](http://irs.gov))

### What income is not taxable?

Income not taxable includes dividends, interest, military pay and allowances, insurance proceeds paid by reason of death of the insured, annuities, alimony, social security, Medicare, unemployment benefits, welfare, inheritances, scholarships, involuntary conversions, sub pay, disability, child support, pension withdrawal as a result of retirement, certain parsonage allowances, the income of individuals under 18 years of age, compensation to a precinct election official, expense deductible in accordance with federal guidelines on federal form 2016 (subject to audit).

### Is local withholding tax based on work location or residency?

Local withholding is based upon your work location. Employers located within a taxing jurisdiction are required to withhold local tax on all their employees. The employee's residency does not factor in. The tax is due first to the location in which the income was actually earned. As a secondary factor, you may have an obligation to your location of residency. The secondary factor does not apply to all jurisdictions, so please check with your local tax office for this information.

### How do I know my employer is withholding the correct amount of local tax?

Look at the gross wage figure on your paycheck stub. Whether hourly or salaried, gross wages are determined before any deductions or deferrals (i.e. 401K deferrals). If you earned your wages in Sebring, multiply your gross wage figure by 2% (.02). The result of this computation should equal the local tax that was withheld from your wages. If you find that the correct local tax is not being withheld, you need to contact your employer to have it corrected. Although your employer is legally responsible for withholding the correct tax and paying that tax to the city in which your wages were earned, the tax is being imposed upon your wages such that you have the final responsibility to ensure that your full tax obligation is being paid.

### What if my employer is not required to withhold local tax for me?

You should make estimated payments to your city of residence in order to satisfy your total local tax obligation. Estimated payments are mandatory in Sebring and are due on the 30<sup>th</sup> of April, July, October and January of the following year.

### What if I overpay my estimated payments?

Your total estimated payments are a credit to your account. Overpayment of such can either be refunded to you or credited to your next year tax. This will be determined once you have completed filing requirements for the tax year and verification is made that no delinquencies exist.

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### **How often are refunds processed?**

Refunds are processed once a month. The checks are released after Council approval and usually will arrive in the mail by the middle of the following month in which you filed. (Ex: a taxpayer who files their tax return anytime in March and is due a refund, will receive that refund by the middle of April)

### **Do I receive credit for any other local tax withheld?**

Yes, the Municipality will allow 100% credit up to 2% of taxes paid to any other municipality.

### **How do I tell the difference between local tax and school tax withheld from my wages?**

Sebring income tax should be calculated at the rate of 2% (.02) of your gross wages.

Sebring SCHOOL tax should be calculated separately at the rate of 1% (.01) of your wages. School tax should be labeled separately (possibly noted as: 5008, Sebring LSD, School)

Ask your employer for verification if you're not sure.

The Sebring tax office may be able to interpret your paystub, so please feel free to call.

### **Where do I file my school tax?**

Sebring Local School tax must be filed with the Ohio Department of Taxation. The Municipality of Sebring does not administer or collect the school tax. Visit [www.tax.ohio.gov](http://www.tax.ohio.gov) or call 1-800-282-1784 for further assistance.

### **What attachments are needed with the return?**

Attach All W-2's – NO EXCEPTIONS.

1099's (if taxable) (ex: lottery winnings, contractual pay, etc.) Federal schedules of income or reduction of income.

Attach any other documents necessary to verify entries on your return.

If you calculated partial income or credit, please show the method of calculation used.

### **What if I can't locate my supporting documents?**

Contact your employer to obtain a new copy of a W2.

Contact the originator of a 1099 to obtain a new copy.

If you used a tax preparer, contact them to obtain copies of your documents.

Contact the IRS if documentation from a prior year is required.

Contact the Social Security Office for a "Statement of Earnings" to verify a previous year's earnings.

### **I'm self-employed but my business did not show a profit. Do I still need to file a return?**

Yes, all residents conducting a business within or outside of the Municipality or a non-resident conducting a business within the Municipality must file a tax return and report the net profits or net losses of said business. The leasing of real or tangible property (i.e. income from a rental property) that you own is considered a taxable business activity that must be reported.

### **If my spouse and I file separately at the federal / state level, should we file separately on the municipal level?**

No, you may file jointly with the Municipality. The local level of filing does not allow for reductions based on separate filing so there would be no advantage. Both parties are taxed the same percentage on gross wages.

### **I owe local tax but I am unable to pay the full liability when my return is due. Should I still file my return?**

Yes, you should still file your return on time whether or not you are able to pay the entire amount of tax that you owe. You will receive a bill for the unpaid taxes along with late payment penalty and interest charges. (Rate of Charges: Penalty @ 2% per month and Interest @ 2% per month based on outstanding balance.) You may then pay the amount in full or contact the tax office to arrange for payment of the tax liability. Contact the office at 330-938-2441.

### **Why was my return mailed back to me?**

The tax return was either incomplete or incorrect. A letter will be included with the returned tax form and documents. Please follow all instructions in order to comply and complete your tax return. A return is not considered filed until all requirements are met.

### **What are the top 10 mistakes made when filing local returns?**

1. Failure to use gross compensation.
2. Failure to attach W-2.
3. Failure to attach Schedules / Forms and statements.
4. Failure to mail the return.
5. Failure to pay 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter estimated tax payments.
6. Failure to allocate taxes paid when allocating income for move-in / move-out year.
7. Failure to file return for the year taxpayer moves in or out.
8. Failure to advise us of address changes.
9. Failure to file estimates.
10. Failure to sign return or attach check.

### **What do I do to amend a return?**

Amended returns are completed on the same form as a normal tax return. Mark across the top of the return "AMENDED (tax year)". Federal amendment schedules must be attached along with the amendment justification.

### **If you have a question that was not addressed on these pages, please contact the Sebring Income Tax Office.**

Office hours are 8 a.m. through 5 p.m., Monday through Friday

Phone: 330 – 938 – 2441

Fax: 330 – 938 – 6834

Email: [tax@sebringohio.net](mailto:tax@sebringohio.net)