



TAX OFFICE PHONE (330) 854-9448
THE CANAL FULTON TAX DEPT. IS NOW
LOCATED IN THE CITY HALL BUILDING.

PLEASE MAKE CHECK OR MONEY ORDER PAYABLE TO:
CITY OF CANAL FULTON

AND MAIL TO: 155 E. MARKET ST., SUITE C
CANAL FULTON, OHIO 44614-1195

2001
CITY OF CANAL FULTON
INCOME TAX RETURN

Tax Office Use Only
PROCESSED BY
CASH [] CHECK [] M.O. []
\$

FOR THE CALENDAR YEAR 2001, FILE ON OR BEFORE APRIL 30, 2002
FISCAL AND PARTIAL YEARS, FILE WITHIN 4 MONTHS OF END OF PERIOD

IF NAME OR ADDRESS IS INCORRECT MAKE NECESSARY CHANGES
(LIST BOTH NAMES & SOCIAL SECURITY NUMBERS IF FILING A JOINT RETURN)

FAILURE TO FILE THIS RETURN OR EXTENSION WILL RESULT IN A PENALTY
OF \$25.00. EXTENSIONS MUST BE RECEIVED IN OUR OFFICE BY APRIL 30TH.

YOUR SSN/FED. I.D. NO.:
SPOUSE'S SSN:
IF YOU RENT, NAME AND ADDRESS OF LANDLORD:
IF YOU MOVED DURING THE YEAR, YOU MUST COMPLETE LINES BELOW:
DATE OF MOVE:
PRESENT ADDRESS:
PREVIOUS ADDRESS:

EXEMPTION CERTIFICATE: I AM REQUIRED TO FILE SINCE I AM A RESIDENT, BUT I HAVE NO TAXABLE INCOME BECAUSE:

Under 18 for the entire year - Date of Birth
Documentation of age required.
An active member of the Armed Forces of the United States for the entire year.
Retired or disabled, receiving only pension, social security, interest, or dividends.
On Public Assistance with no taxable income.
Other (Explain)
CHECK APPROPRIATE BOX AND SIGN BELOW

Table with 5 columns: W-2 COPIES MUST BE ATTACHED OR TAX CREDIT WILL BE DISALLOWED, A. PRINT EMPLOYER'S NAME, B. CITY WHERE EMPLOYED, C. CANAL FULTON TAX WITHHELD, D. TAX PAID OTHER CITY, E. TOTAL COMPENSATION Largest figure shown on W-2. Includes a TOTALS row.

2. OTHER INCOME, Pg. 2, DO NOT DEDUCT LOSS FROM W-2 INCOME. Copy of Federal Schedules Required.
3. TAXABLE INCOME (Total COL. E & Line 2)
4. ADJUSTMENTS: a. Business Expense (Disallowed if Federal 1040, Sched A & 2106 NOT ATTACHED) See Instructions
b. Less Income Earned While Non-Resident (Income Earned in Canal Fulton Cannot Be Prorated)
5. TOTAL ADJUSTED TAXABLE INCOME SUBJECT TO CANAL FULTON INCOME TAX
6. Canal Fulton Income Tax 1% of Line 5.
7. CREDITS: NOTE-EXCLUDE INCOME TAX PAYMENTS MADE TO SCHOOLS
a. CANAL FULTON INCOME TAX WITHHELD BY EMPLOYER(S)
b. OTHER CITY OR JEDD TAX WITHHELD (1% LIMIT PER W-2)
c. PAYMENTS ON DECLARATION OF ESTIMATED TAX.
d. TOTAL CREDITS (ADD a,b,c)
8. BALANCE DUE (LINE 6 LESS LINE 7d) PAYMENT TO CITY OF CANAL FULTON MUST ACCOMPANY THIS RETURN
9. ENTER AMOUNT OF OVERPAYMENT YOU WANT CREDITED TO YOUR 2002 ESTIMATED TAX.
10. IF APPLYING FOR A REFUND AND UNDER 18 ATTACH COPY OF DRIVERS LICENSE OR BIRTH CERTIFICATE. TO BE REFUNDED.
11. LATE FILING PENALTY - RETURNS FILED AFTER APRIL 30th, Enter \$25.00 Fine
12. PENALTY - 1% PER MONTH FOR 1st SIX MONTHS - 2% PER MONTH THEREAFTER,(\$25.00 Minimum).
13. INTEREST - 1% PER MONTH - EFFECTIVE THE FIRST DAY OF EACH MONTH.
14. TOTAL AMOUNT DUE - (MUST BE PAID IN FULL FOR 2001 INCOME TAX)
NO TAXES OR REFUNDS OF LESS THAN \$1.00 SHALL BE COLLECTED OR REFUNDED.

DECLARATION OF ESTIMATED TAX FOR YEAR 2002

E1. ESTIMATED TAXABLE INCOME FOR YEAR
E2. ESTIMATED TAX DUE 1% (.01) of Line E1.
E3. LESS: CANAL FULTON TAX TO BE WITHHELD \$ AND/OR 50% CREDIT PAID TO THE CITY OF CITY E3. \$
E4. TOTAL ESTIMATED CANAL FULTON TAX DUE IF ESTIMATED TAX IS \$50.00 OR LESS, QUARTERLY PAYMENTS ARE NOT REQUIRED.
E5. CREDITS: a. OVERPAYMENT CLAIMED ON PREVIOUS YEAR'S RETURN (LINE 10)
b. 2002 DECLARATION PAYMENT PREVIOUSLY REMITTED.
c. TOTAL CREDITS
E6. NET TAX DUE (LINE E4 LESS LINE E5c)
E7. AMOUNT PAID (NOT LESS THAN 1/4 OF LINE E6). (MUST BE PAID FOR 2001 DECLARATION)
E8. BALANCE OF ESTIMATED TAXES (TO BE BILLED QUARTERLY)

I CERTIFY I HAVE EXAMINED THIS RETURN INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS AND TO THE BEST OF MY KNOWLEDGE BELIEVE IT IS TRUE AND CORRECT.

I authorize the Income Tax Division to discuss my return and enclosures with my tax preparer. (Taxpayer's initials required)

Print Name of Person Preparing If Other Than Taxpayer Date Signature of Taxpayer or Agent Date
Address or Name and Address of Firm or Employer Phone Number Title, if Signing For A Business or Signature of Spouse if Joint Return Phone Number

SCHEDULE C- ATTACH COPIES OF FEDERAL SCHEDULES (ENTER TOTAL INCOME FROM SCHEDULES) \$ _____
 FOR SCHEDULE C, FORMS 1120 AND 1065

SCHEDULE G- INCOME FROM RENTS (ATTACH STATEMENT EXPLAINING COLUMNS 3, 4 AND 5) ATTACH FED. SCH E					
1. KIND & ADDRESS OF PROPERTY	2. RENT AMOUNT	3. DEPRECIATION	4. REPAIRS	5. OTHER EXPENSES	6. NET INCOME (LOSS)
NET INCOME (OR LOSS) SCHEDULE G					\$ _____

SCHEDULE H- OTHER INCOME NOT INCLUDED IN SCHEDULES ABOVE FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, TRUSTS, FEES, ETC.		
RECEIVED FROM	FOR (DESCRIBE)	AMOUNT
TOTAL INCOME SCHEDULE H		\$ _____

ADD TOTALS OF SCHEDULES C, G & H. ENTER HERE \$ _____
 LOSS CARRIED FORWARD 5 YEARS (DON NOT INCLUDES LOSSES WHEN NETTING SCHEDULES)

SCHEDULE X RECONCILIATION WITH FEDERAL INCOME TAX RETURN - Attach Schedules			
ITEMS NOT DEDUCTIBLE	ADD	ITEMS NOT TAXABLE	DEDUCT
a. Capital Losses (Excluding Ordinary Losses)	\$ _____	n. Capital gains (Excluding Ordinary Gains, see instructions)	\$ _____
b. Expenses incurred in the production of non-taxable income (At least 5% of line p)	_____	o. Other (See Below)	_____
c. Contributions exceeding allowance of 5%	_____		_____
d. Taxes based on income	_____	p. Total Deductions	\$ _____
e. Net operating loss deduction per Federal return	_____	Items not deductible, Line i	\$ _____
f. Payments to partners	_____	Items not taxable, Line p.	\$ _____
g. Sick pay not included in Line 1 above	_____	Enter excess/loss of Line i, or Line p	(x) \$ _____
h. Other expenses not deductible (Explain)	_____	Line (Z) add schedule totals	
i. Total Additions	\$ _____	(c), (d), (e), (h) and (x)	(z) \$ _____
If schedule Y does not apply, enter amount on Line 2, Page 1			

SCHEDULE Y BUSINESS ALLOCATION FORMULA			
	a. LOCATED EVERYWHERE	b. LOCATED IN THIS MUNICIPALITY	c. PERCENTAGE (b : a)
STEP 1. AVG. VALUE OF REAL & TANG. PERSONAL PROPERTY	_____	_____	_____
GROSS ANNUAL RENTALS PAID MULTIPLIED BY 8	_____	_____	_____
TOTAL STEP 1.	_____	_____	_____ %
STEP 2. WAGES, SALARIES, AND OTHER COMPENSATION PAID	_____	_____	_____ %
STEP 3. GROSS RECEIPTS FROM SALES MADE AND/OR WORK OR SERVICES PERFORMED (SEE INSTRUCTIONS)	_____	_____	_____ %
4. TOTAL PERCENTAGES	_____	_____	_____ %
5. AVERAGE PERCENTAGE (Divide Total Percentages by Number of Percentages Used.)	_____	_____	_____ %
6. MULTIPLY LINE (Z) BY AVERAGE % FROM STEP 5 ABOVE. ENTER THIS AMOUNT HERE AND ON LINE 2 PAGE 1	_____	_____	_____

SCHEDULE 2106 BUSINESS EXPENSE WORKSHEET	
1. 2106 BUSINESS EXPENSE (ATTACH FEDERAL SCHEDULE 2106)	\$ _____
2. 2% OF THE ADJUSTED GROSS INCOME FROM SCHEDULE A (ATTACH COPY OF FEDERAL SCHEDULE A)	\$ _____
3. 2106 EXPENSE (SUBTRACT LINE 2 FROM LINE 1) (ENTER ON LINE 4A, PAGE 1)	\$ _____



INSTRUCTIONS FOR PREPARING CANAL FULTON TAX FORM

HEADING

Print your name, address, and Social Security number plainly, make needed correction if already printed. If you have moved, indicate date of move, present address and old address. If you rent, indicate name and address of landlord.

EXEMPTION CERTIFICATE

If you have reviewed the taxable/non-taxable income, and your only source of income is non-taxable, or if any of the exemptions apply and you have no taxable or reportable income, complete the Exemption Certificate.

Line 1 - Wages. List your gross city wages from box 20 on W-2 form or list your highest gross wage listed on the W-2 form. Each line represents the taxable wage received from each employer. Deferred compensation and fringe benefits are not exempt from city income tax.

Line 2 - Other Income. Total of Schedules C, G & H on the reverse side of the tax form (other income subject to tax, self employment, rental income, etc.) brought forward from page 2.

Line 3 - Total of line 1 and line 2.

Line 4 - Adjustments

- (a) Enter business expenses, form 2106, if applicable.
- (b) Income earned while non-resident.

Line 5 - Taxable Income. Subtract line 4 from line 3.

Line 6 - Canal Fulton Tax. Multiply taxable income on line 5 by 1%.

Line 7 - CREDITS

- (a) Canal Fulton income tax withheld by employer.
- (b) Enter the total municipal income tax withheld by your employer as shown in 1D wages. THIS MUST NOT EXCEED 1% per W-2. NOTE: IMPORTANT MESSAGE: Withholding in excess of 1% from one W-2 form may not be used as credit towards another W-2 form for earnings withheld at less than 1%.
- (c) Enter total estimated tax payments for this year.
- (d) Total of lines 7(a)m 7(b), 7(c).

Line 8 - Balance Due. If line 6 is greater than 7(d), the difference should be entered here. Remittance in this amount must accompany the tax return when filed. If this amount is less than \$1.00 you do not have to pay.

Line 9 - Overpayment. If line 7(d) is larger than line 6, the difference should be entered here. This amount will be transferred as a credit towards next year's tax unless you request a refund. Refunds of less than \$1.00 are not made.

Line 11 - Late Filing Penalty. All returns filed after April 30th will be assessed a \$25.00 penalty. Note: MAKE CERTAIN THAT RETURNS MAILED ARE U.S. POSTAL SERVICE POSTMARKED ON OR BEFORE APRIL 30th.

Line 12 - Penalty. A penalty of 1% per month will be assessed for the first six (6) months on taxes remaining unpaid after April 30th. After six (6) months the penalty will be assessed at the rate of 2% per month.

Line 13 - Interest. Interest at 1% per month will be assessed the first of each month on taxes remaining unpaid after April 30th.

Line 14 - Total Amount Due. Lines 8, 11, 12, 13. This amount must be paid in full when you file your income tax return.

BUSINESS OR RENTAL LOSSES: The net losses from self-employed business, profession or rental property MAY NOT be used to offset earned income such as salaries, wages, etc. A loss in one city may NEVER offset the gain in another city. However, the net loss of one may be used to offset net profit of another only if they are all located in Canal Fulton and are for same spouse. A net operating loss may be carried forward for five (5) years per the income tax ordinance. The portion of a net operating loss sustained shall be allocated to Canal Fulton in the same manner as provided herein for allocating net profits to Canal Fulton.

RECAPTURE OF DEPRECIATION: Gains on the disposition of certain depreciable property results in ordinary income subject to the municipal income tax. Federal Form 4797 sets out these items and depreciation recapture is treated as ordinary income. Individuals must indicate in Schedule H the amount as shown on Line 14, of Federal Form 1040. A COPY OF FEDERAL FORM 4797 MUST BE ATTACHED.

SCHEDULE G - Income From Rents: When the gross monthly rental of any and all real properties aggregates in excess of \$250.00 per month, the owner is considered engaged in a Business Activity and the net income shall be subject to the tax. Canal Fulton residents owning rental property located outside of Canal Fulton are required to file the Net Profit or Loss with the City of Canal Fulton and pay any tax due. Appropriate Federal schedules must be attached.

SCHEDULE H - All Other Taxable Income: This schedule is used to list all other taxable income not reported elsewhere on this return. Types of income to be reported here are; individual distributive share of income from partnerships, estates, trusts, fees, prizes, awards, supplemental unemployment benefits, property in lieu of cash, excess business expense reimbursement. PARTNERSHIPS, ESTATES AND TRUSTS MUST FILE AS AN ENTITY ON A NET PROFIT RETURN.

HOW ARE BUSINESS NET PROFITS DETERMINED?

Net profits shall be determined on the basis of the information used for Federal Income Tax purposes, adjusted to the requirements of the Ordinance.

Expenses attributable to non-taxable income are not deductible. The following taxes are not deductible in determining net profits for Income Tax purposes:

- (a) Canal Fulton, Federal or State Income Taxes.
- (b) Gift, estate or inheritance taxes.
- (c) Taxes for local benefits or improvements to property which tend to increase in value.
- (d) Taxes on property producing income and not taxable by the Canal Fulton Income Tax Ordinance.

HOW ARE NET PROFITS ALLOCATED?

The business allocation percentage formula is to be used by unincorporated businesses, partnerships, professions, corporations, and other entities doing business within and outside of the City of Canal Fulton if actual records of their business are not maintained.

The business allocation percentage shall be determined by the ratio of the Canal Fulton Portion of:

- (1) Average value of real and tangible property owned, rented or leased by the taxpayer for use in the trade or business.
- To determine the value of rented or leased property used in business, multiply the gross annual rental by 8.
- (2) Gross receipts from sales made and services performed, regardless of where made or performed.
 - (3) Total Payroll.

Add the ratios obtained and divide the total by the number of ratios used to obtain the business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or entirely outside the City of Canal Fulton. The business allocation percentage is to be applied against the total net profits adjusted in accordance with the provisions of the Ordinance to determine the portion taxable under the Canal Fulton income Tax Ordinance (Schedule Y Business Allocation Formula).

GENERAL INFORMATION

WHO MUST FILE

Every Resident, 18 years or older *Whether Or Not A Tax Is Due* is required to file a tax return. All earnings wherever earned are taxable. If you are retired, unemployed, or had no taxable income according to the ordinance, you are still required to file a return indicating your status.

Every Business Entity, (individual, proprietorship, partnership, corporation, profession, etc.) whether a resident or non-resident who conducts business in Canal Fulton must file a return and pay any tax on the net profit. If you have a net loss, you are still required to file a return.

Individuals employed in Canal Fulton per Ohio revised code 718.01 and receiving wages, salaries, commissions, etc., and whose employers have not withheld city income tax are required to file a return with the City of Canal Fulton and pay any tax due.

Real Estate Agents who represent a broker whose office is located in Canal Fulton are required to file and to include all commissions earned regardless of location of property sold or residence of salesperson.

Partial Year Resident, if you were a resident of Canal Fulton for only a portion of the year, you must file and report income earned during the period of your residency. If your W-2 indicates wages for 12 months, divide the wages by 12 and multiply that amount by the number of months you resided **OUTSIDE** of Canal Fulton and enter the amount on Line 4B. If pay stub bears year to date totals and you moved **INTO** Canal Fulton, enter the total of gross wages as shown on last pay stub prior to moving into Canal Fulton on Line 4B. If you moved **OUT** of Canal Fulton, deduct total wages as shown on last pay stub prior to moving **OUT** from total wages shown on W-2, and enter the **DIFFERENCE** on Line 4B. **WAGES EARNED IN CANAL FULTON CANNOT BE PRORATED. IN ALL CASES, SUBMIT COPIES OF W-2'S AND PAY STUBS.**

UNDER EIGHTEEN YEARS OF AGE: Persons under 18 years of age are not subject to Canal Fulton tax. If you worked in Canal Fulton and City tax was withheld, request a refund from the Canal Fulton Tax Dept. A copy of your birth certificate or drivers license and W-2's are required with the refund form. Canal Fulton residents 18 years old for a portion of the tax year are required to file a tax return. If your W-2 includes wages before and after you turned 18, a statement from your employer is required indicating wages earned prior to 18 and wages earned while 18.

WHERE AND WHEN TO FILE: File with the Tax Administrator, City of Canal Fulton, 155 East Market Street, Canal Fulton, Ohio 44614, on or before April 30, 2002. Be sure the return is POSTMARKED by the U.S. POSTAL SERVICE NO LATER THAN APRIL 30, 2002. Returns deposited in the Canal Fulton Post Office after 5:00 p.m., will not be postmarked until May 1st. Postage machine cancellations will not be accepted. Only U.S. Postal Service postmarks are accepted proof of mailing.

RETURNS POSTMARKED AND/OR RECEIVED AFTER APRIL 30th, will be subject to \$25.00 late filing penalty.

EXTENSION TO FILE: The Administrator may extend the time for filing the annual return upon request of the taxpayer for one month beyond any extension requested of or granted by the Internal Revenue Service for the filing of the Federal Income Tax return. A copy of the Application for Extension must be sent on or before the due date of the city tax return. **AN EXTENSION TO FILE IS NOT AN EXTENSION OF TIME FOR PAYMENT OF THE TOTAL TAX LIABILITY.** You will be assessed penalty and interest for late payment.

TAXABLE INCOME: Taxable income means wages, salaries, and other compensation paid by an employer **BEFORE ANY DEDUCTION.** Other compensation includes, but is not limited to, bonuses; commissions; incentive payments; directors fees; property in lieu of cash; tips; dismissal or severance pay; supplemental income benefits for early retirement regardless of their label; tax shelter plans; vacation and sick pay regardless of label such as sick leave, disability, vacation pay, etc.; wage continuation plans; supplemental unemployment benefits (Sub Pay); depreciation recapture; gifts and gratuities in connection with employment, fellowships, grants and stipends; group term life insurance protection over fifty thousand dollars (\$50,000) (Taxed on the entire cost); benefits resulting from an employer's assumption of a tax; stock options given as compensation; net profits from the operation of a business, profession or other enterprise or activity; and all other compensation earned, received or accrued.

INCOME NOT TAXABLE: INCOME NOT TAXABLE includes dividends, interest, military pay and allowances, insurance proceeds, pensions, annuities, alimony, social security, Medicare, ADC, welfare, unemployment benefits, gifts, inheritances, and scholarships. Income from gaming, wagering and lotteries, including the Ohio State Lottery. Income of religious, fraternal, charitable or other non-profit associations are exempt from the tax if exempt from real estate tax or exempt by enumeration in Section 718.01 of the Ohio Revised Code or Section 501(a) of the Internal Revenue Code.

FULL CREDIT FOR MUNICIPAL TAX: Canal Fulton residents who are employed or conduct a business activity in a city OTHER than Canal Fulton shall be allowed a 100% credit of the amount of city income tax withheld or paid to the OTHER City. Credit cannot exceed the present 1% rate on each W-2 form you receive or amounts paid to other communities that tax in excess of 1%. There is no reciprocity between cities.

EXEMPTIONS AND ITEMIZED DEDUCTIONS: Municipal income tax is based on GROSS EARNINGS before deductions. Exemptions and itemized deductions as available on the individual Federal income tax return are NOT ALLOWED.

RETIREMENT PLANS: Contributions to Retirement Plans, i.e. IRA, Keogh, Annuities, Deferred Compensation, 401K, etc., are taxable (whether or not your W-2 form shows this income as taxable). City taxes are paid on gross income (wages, salaries, profits, and other compensation) when it is earned not when it is received in retirement.

REFUND OR OVERPAYMENT: An overpayment less than \$5.00 shall not be refunded but will be credited toward next year's tax liability. If you have no tax liability in subsequent years (no longer a resident or have retired, etc.) a refund of any overpayment of \$1.00 or more will be made. Persons under 18 years of age (See Instructions for Under Eighteen Years of Age). A refund will not be issued if W-2's or required schedules, etc. are missing.

UNREIMBURSED EMPLOYEE BUSINESS EXPENSE: You may deduct unreimbursed employee business expenses in excess of 2% of Federal Adjusted Gross Income. Business expenses are limited to the following items: Vehicle expense (standard mileage rate or actual expenses); parking fees, tolls and transportation, including train, bus or air; travel expenses while away from home overnight. Vehicle and travel expenses for educational purposes or for the purpose of commuting to the place of employment, are not permitted. (ALL OTHER BUSINESS EXPENSES ARE DISALLOWED.) If you were a resident of Canal Fulton for a portion of the year and have prorated your income, your business expenses must also be prorated.

ATTACHMENTS ARE REQUIRED ON ALL RETURNS: W-2'S, 1099'S, 2106 AND ALL FEDERAL SCHEDULES. WHEN UTILIZING FORM 2106, REMIT FEDERAL FORM 1040 AND SCHEDULE A. NO DEDUCTIONS WILL BE GRANTED UNLESS ALL THE REQUESTED FORMS AND INFORMATION ARE PROVIDED. THIS RETURN IS NOT COMPLETE AND WILL NOT BE ACCEPTED UNLESS THE SOURCE DATA IS PROVIDED.