



**CITY OF SIDNEY
AMNESTY TAX FING
INDIVIDUAL INCOME TAX RETURN FOR TAX YEAR _____**

ALL APPROPRIATE FEDERAL SCHEDULES MUST BE ATTACHED. A RETURN IS NOT COMPLETE UNLESS SUCH SCHEDULES ARE ATTACHED. ANY DEDUCTION NOT PROPERLY SUPPORTED WILL BE DISALLOWED.

WORKSHEET A: EMPLOYEE BUSINESS EXPENSES -- FORM 2106 WORKSHEET (page 1 of Federal Form 1040, Federal Schedule A, and Federal Form 2106 must be attached for deduction to be allowed.)

1. Unreimbursed employee expenses from Form 2106.....\$ _____
2. Total from Line 24 on Form 1040, Schedule A.....\$ _____
3. Percent of total.....% (Divide line 1 by line 2)
4. Enter amount from line 27 on Schedule A of Form 1040.....\$ _____
5. Sidney income tax deduction\$ _____ (Multiply line 3 by line 4)
(Enter deduction on Page 1, line 2 of this return)

WORKSHEET B – OTHER INCOME (As documented by Returns, Attachments, 1099's and Schedules)

	Net Taxable Gain (Loss)	If applicable, Allocation Pct from Sch Y below	Sidney Taxable Gain (Loss)
1. Proprietorship (Schedule C) – Enter business name(s) below.			
2. Rental Income (Schedule E) – Enter street address and city of each property below. (Losses without street address and city will be disallowed).			
3. Recapture of Depreciation on Sale of Rental Property (Schedule 4797)			
4. Reportable Partnership Income (Schedule E / K-1)			
5. Farm Income (Schedule F)			
6. 1099 Income (not reported on Schedule C)			
7. Other Income			
8. SUBTOTAL (Add lines 1 – 7 above)			
9. LESS: LOSS CARRYFORWARD , IF ANY, FROM PRIOR YEARS (ATTACH SCHEDULE)			
10. GRAND TOTAL (Line 8 minus Line 9) **			
** If the GRAND TOTAL on line 10 is a net gain (positive), enter the amount on page 1, line 4. If the GRAND TOTAL on line 10 is a net loss (negative), enter \$0 on page1, line 4, and include this net loss on your schedule of Net Operating Losses which may be carried forward for up to 5 years.			

** In no case may business losses be taken against wages or other compensation. Only the resident partner's share of partnership or S-Corp income or losses not attributable to Sidney should be included on this return.

SCHEDULE Y – BUSINESS ALLOCATION FORMULA

The Business Allocation Formula is to be used by non-resident taxpayers who are doing business both inside and outside of Sidney to determine the portion of the net profits attributed to Sidney.

		A. LOCATED EVERYWHERE	B. LOCATED IN SIDNEY	C. PERCENTAGE (B/A)
Step 1	Average original cost of real & tangible personal property	\$	\$	
	Gross annual rentals multiplied by 8	\$	\$	
	Total Step 1	\$	\$	%
Step 2	Total qualifying wages, salaries, commissions and other compensation for all employees	\$	\$	%
Step 3	Gross receipts from sales and work or services	\$	\$	%
Step 4	TOTAL PERCENTAGES			%
Step 5	AVERAGE PERCENTAGE (Divide total percentages by the number of percentages used.) Enter on Worksheet B above.			%



CITY OF SIDNEY AMNESTY TAX FILING INSTRUCTIONS

GENERAL TAX INFORMATION FOR INDIVIDUAL RETURNS FILED DURING AMNESTY*

NEW FOR JANUARY 12, 2010 THROUGH MAY 31, 2010!!!!

ONE-TIME AMNESTY PROGRAM OFFERED!! Income tax amnesty is a new *one-time* opportunity for individuals and businesses to file and pay income taxes for tax years 2008 and prior without penalty and interest. In doing so, you avoid the possibility of court proceedings. This chance to "catch up" includes both taxes due on returns that have *not* been previously filed and taxes due on returns previously filed but not paid.

While not all inclusive, you should take advantage of Tax Amnesty if any of the following applies to you within the past six years AND you did not file a Sidney tax return for that time period:

- ✓ You were a Sidney resident & earned compensation outside of Sidney that was not subject to taxation by another municipality or you earned compensation in a municipality with a municipal income tax rate of less than 1.5%;
- ✓ You were a Sidney resident and have been self-employed (filing a Schedule C on your Federal tax return) or received a Form 1099;
- ✓ You were not a resident of Sidney but had self-employment income earned in Sidney;
- ✓ You owned rental property in Sidney, regardless of residency;
- ✓ You had any similar type of situation where your Sidney taxable income was not fully withheld on & you have a tax balance due to Sidney. (See below for common examples of taxable and non-taxable income to Sidney.)

Please note: If you need help determining if you should take advantage of Tax Amnesty, please call (937) 498-8111 or contact our Revenue Collections office in City Hall.

This form is for use by individual taxpayers only. Partnerships, corporations, s-corporations, etc. are required to file on an entity basis and must obtain the "Sidney Business Return" from the Income Tax office or from the city's website.

WHEN TO FILE: To qualify for amnesty, this return must be filed **NO LATER THAN May 31, 2010.**

TAXABLE INCOME: Includes, but is not limited to: salaries, wages, commissions and other compensation, bonuses, tips, stock options, incentive payments, directors' fees, property in lieu of cash, tips, dismissal or severance pay, vacation and sick pay, wage continuation plans, employer supplemental unemployment benefits (SUB pay), state or multi-state lottery winnings, employee contributions to retirement plans & tax deferred annuity plans (including sec. 401k, 403b, 457b, etc.), pre-retirement distributions from retirement plans, profit sharing, jury duty, union steward fees, and executor fees.

NON-TAXABLE INCOME: includes interest, dividends, capital gains, unemployment compensation, workers' compensation, ADC, child support, retirement pensions, social security benefits, alimony, annuities, active military duty pay, & earnings for individuals under the age of 16.

NON-DEDUCTIBLE EXPENSES: The following expenses are non-deductible: ½ self employment tax; self-employed health insurance premiums, greater than 2% S-corporation owner health insurance premiums, the federal non-deductible portion of meals & entertainment.

BUSINESS ACTIVITY: The net loss from an unincorporated business activity may NOT be used to offset salaries, wages, commissions (to the extent that they are reported on form W-2 or 1099 -Misc) or other compensation. If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits or net operating loss.

CREDIT FOR TAXES PAID TO OTHER CITIES: With proper documentation, credit is allowed for taxes paid to other cities up to a maximum of 1.5%. For example, for a resident working in the City of Dayton (2.25% tax rate), the credit allowed against Sidney taxes is 1.5% of the wages taxed by Dayton. For a resident working in the City of Bellefontaine (1.33%), full credit of 1.33% would be allowed against Sidney taxes since the rate is less than 1.5%. This means that the Sidney resident owes Sidney tax on those wages for the difference between 1.5% and 1.33%. This credit is reduced by refunds from other cities.

PENALTIES AND INTEREST: Filing your return late, paying your taxes late and/or not paying the appropriate estimated tax payments, if required, would typically subject you to penalties and interest. During the Amnesty Period from January 12, 2010 until May 31, 2010, all penalties and interest may be waived, as long as you file all required Tax Returns and pay the tax amount owed.

PARTIAL YEAR RESIDENTS: If you were a Sidney resident for a partial tax year, you must file a tax return covering that time. Report the amount of income you earned while you were a Sidney resident. Pay statements with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Sidney cannot be determined, you may break down your earnings by the number of months employed by that job, arriving at a monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If you pro-rate your income, also pro-rate any city tax that was withheld on the same income. Attach a worksheet explaining your calculations.

ASSISTANCE – Sidney Revenue Collections staff will help taxpayers prepare the Sidney Income Tax Return. Taxpayers need to bring in copies of their Federal 1040, all W-2 forms, 1099 Misc. and other Federal Schedules. The Tax Office is located in City Hall at 201 W. Poplar St., Sidney. Phone (937)-498-8111. Fax (937) 498-8149. Email tax@sidneyoh.com

PAYMENT PLAN AVAILABLE: The City of Sidney offers a 6-month payment plan. During the amnesty period, no interest will accrue on these plans. After June 1, 2010, interest at the rate of 1.5% per month will be applied to your outstanding balance. Any balance remaining at the end of 6 months will be subject to all penalties and interest calculated from the original due date of the tax return.

** This is a basic overview and does not replace or supersede the Sidney City Income Tax Ordinance, rules or regulations which are available at our website – www.sidneyoh.com*



CITY OF SIDNEY AMNESTY TAX FILING INSTRUCTIONS

LINE-BY-LINE INSTRUCTIONS FOR INDIVIDUAL TAX RETURNS *

HEADING – Print your name, address, and social security number. If married filing jointly, print your spouse's name and social security number. If you moved during that calendar year, complete the date of the relocation and the previous address. If you were renting a residence in the City of Sidney, enter the name and address of the owner. If you do not know the name and address of the owner, enter the name and address where you sent your rental payments.

FILING STATUS – Check one. If married filing separately, enter your spouse's social security number & full name. Joint or separate returns are permissible for married taxpayers.

RESIDENCY STATUS – Check one. See General Tax Instructions for more information on partial year residency.

LINE 1 – Total qualifying wage and compensation information is reported on this line. Indicate employer's name, the city where the work was performed, amount withheld for Sidney, amount withheld for another city (up to a maximum of 1.5% of qualifying wages), and qualifying wages earned (generally larger of Line 5 or Line 18 on the W-2). Be certain to attach all W-2's and 1099's. **If your W-2's are marked "various" or "all cities" in the Local Tax Withheld Line, you should request an itemized breakdown by city from your employer(s). You must attach this to your return.**

LINE 2 – Enter Employee Business Expenses eligible to be deducted from wage income, brought forward from **Worksheet A** on page 2.

LINE 3 – Total Taxable Wages. Line 1 minus Line 2.

LINE 4 – Taxable income other than wages, brought forward from **Worksheet B** on page 2. In no case may business losses be subtracted from wages or other compensation.

LINE 5 – Amount subject to city income tax, Line 3 plus Line 4.

LINE 6 – Sidney Income Tax. Multiply Line 5 by 1.5% (or .015).

LINE 7 – Credits against Sidney income tax.

Line 7A - Enter Sidney income tax withheld by your employer(s). Total of column 3 from line 1 above.

LINE 7B - Enter tax withheld or paid to other municipalities from column 4 of line 1 above. This credit is limited to Sidney's rate of 1.5%. (See General Tax Information for more details.)

LINE 7C - Enter estimated payments made to Sidney for this tax year.

LINE 7D - Enter prior year overpayments that were carried forward to this tax year.

LINE 7E - Total of Lines 7A, 7B, 7C and 7D.

LINE 8 – Tax Amount Due -- If Line 6 is greater than Line 7E, the difference should be entered here. Make check or money order payable to the City of Sidney.

LINE 9 – Overpayment -- If Line 6 is less than Line 7E, the difference should be entered here. This amount will be transferred as a credit toward next year's tax unless you request a refund. No refund shall be made to any taxpayer until he or she has complied with all the provisions of the Ordinance and has furnished all information required by the Tax Administrator. Refunds are processed in order of receipt of the complete return. Typically, refund checks are mailed 90 days after April 15th or 90 days after the complete return is filed, *whichever is later*. Per Federal law, a Form 1099-G will be mailed to all recipients of refunds of \$10.00 or more. Refunds are allowed only when Sidney income tax has actually been paid or withheld for Sidney.

WORKSHEET A – EMPLOYEE BUSINESS EXPENSES – FORM 2106 WORKSHEET

Form 2106 is the Federal Form for reporting Employee Business Expenses. Employee Business Expenses are for employees only (not self-employed individuals) who pay business-related expenses from their wages. W-2 income is required to deduct 2106 expenses. For city taxation purposes, 2106 expenses are reduced proportionally to the amount deductible for federal income tax purposes. If income is allocated between cities, 2106 expenses should be allocated accordingly. There is no carry forward or backward of expenses to another year.

WORKSHEET B – OTHER INCOME

Line 1. Proprietorship (Schedule C) – For Sidney residents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture is taxable to Sidney regardless of where that income is earned. A credit for taxes paid to other cities may be permitted against such income if you include copies of tax returns filed and paid in other cities.

For nonresidents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture doing business in Sidney is taxable without regard to their place of residence. If you are doing business both in and out of Sidney, you may use Schedule Y to allocate income.

An annual return is required even though a loss may have been incurred. If you had more than one business, a separate Schedule C must be attached for each business. Rent expense will not be allowed unless name(s) of landlord(s) are furnished.

Line 2. Rental income (Schedule E) – Information on this schedule must correspond to schedule E as filed with the Internal Revenue Service, using the same method of depreciation. Attach a schedule if you need more space. Net rental income from all types of real estate or other

* This is a basic overview and does not replace or supersede the Sidney City Income Tax Ordinance, rules or regulations which are available at our website – www.sidneyoh.com



CITY OF SIDNEY AMNESTY TAX FILING INSTRUCTIONS

property is taxable for Sidney residents regardless of where the rental is located. Net rental income derived within the city limits is taxable to the property owners regardless of their place of residence. Where a rental property is jointly owned by 2 or more persons but no partnership, association or other business entity exists, each co-owner shall declare and pay the tax on his own share of the net income. An annual return is required even though a loss may have been incurred.

Line 3. Recapture of Depreciation on Sale of Rental Property (Schedule 4797) – Gain 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 recaptured which is treated as ordinary income. A copy of Federal Form 4797 must be attached.

Lines 4 – 6. Enter reportable partnership income (from Schedule K-1), farm income (from Schedule F) and any other income reported on a 1099 (and not reported on Schedule C).

Line 7. Other Income – Enter all other taxable income not reported elsewhere on this return. Types of income to be reported here are partnerships, estates, trusts, fees, prizes, state or multi-state lottery winnings, awards, property in lieu of cash, excess business expense reimbursement, refunds of local taxes to business entities if deducted in a prior year, taxable income from all other sources.

The net loss from unincorporated business activity may not be used to offset salaries, wages, commissions (to the extent that they are reported on form W-2 or 1099 -Misc) or other compensation. If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits or net operating loss.

SCHEDULE Y – BUSINESS ALLOCATION FORMULA

For nonresidents, a business allocation formula consisting of the average of property, gross receipts and wages paid, may be used to determine the amount of net profits attributable to Sidney. However, if the books and records of the taxpayer disclose with reasonable accuracy the net profit attributable to Sidney, then only this portion shall be considered as having a taxable status in Sidney. Refer to ORC 718.02 for a more detailed explanation on how you must arrive at this calculation. You may not choose to eliminate calculating a factor when that factor has bearing on the return (for example, sales both inside and outside must be used when there are indeed sales both inside and outside of Sidney).