

Business Income Tax

Instructions

Village of West Union

33 Logans Lane

P.O. Box 556

West Union, Ohio 45693

Phone (937) 217-8855

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ANNUAL FILING DEADLINE: APRIL 15
or the I.R.S. due date if April 15 falls on Sat. or Sun.

The following are the instructions for completing the West Union Business Income Tax Return. The West Union business income tax rate of 1% (.01) is based on the total net profit of any business conducting business in West Union. The total net profits of businesses located within the Village of West Union are subject to the West Union income tax. Companies that have locations both inside and outside the Village of West Union are required to pay tax on the net profit earned within the limits of the Village. Sales that originate within the limits of the Village of West Union are considered taxable regardless of the final destination of the products or services. "Itinerant businesses" are not subject to the West Union Income Tax (See 12 Day Occasional Entry Rule in definitions).

DEFINITIONS:

Taxable Gross Income - all income received from products sold or services rendered in which the sale of said products or services originated within the limits of the Village of West Union, regardless of the final destination of the products or services.

Taxable Net Profits - includes the net gain from business, or profession including those pertaining to capital gains and losses of a business after deduction of ordinary and necessary expenses without deduction of salaries paid to the partners or owners of the business.

Non-Taxable Business Income - Any non-earned income is **not** subject to tax such as interest income, capital gains (excluding ordinary gains), dividends, and similar income.

Independent Agent - Any person who performs duties in association with a distinct but separate business. Under West Union Tax Laws, independent agents are considered as sole proprietors and subject to the West Union tax.

12 Day Occasional Entry Rule - Any business that performs activities inside the Village of West Union for any part of twelve (12) days or less in a calendar year is considered an itinerant business and is not subject to the West Union income tax.

Non-Deductible Expenses - expenses for capital losses, excluding for ordinary losses, expenses incurred in the production of non-taxable income, taxes based on income, net operating loss, payments to partners, contributions and other non-deductible expenses.

Net Operating Loss - a business net operating loss can be carried forward up to five (5) years and applied towards business profit. Net operating losses cannot be carried backward against prior net profits or be used to offset any earned wages.

Rental Income - the net profits from the rental of any residential or commercial units owned by residents living in West Union regardless of where the property is located and the net profit of any Non-residents who own property located inside the Village of West Union.

Estimated Tax - an estimate of the amount of tax the business will owe for the upcoming year.

Fiscal Year End: When your financial recording cycle is other than the calendar year. Please inform the West Union Income Tax Bureau of your fiscal year and file your annual return within four (4) months and 15 days following the end of your fiscal year.

Tax Extension - In order to receive an extension for filing your West Union tax return, you must request a Federal Extension then send a letter requesting a West Union Tax Extension and include a copy of your federal extension filed. The extension for filing your West Union tax return can be granted for up to six (6) months. In order to avoid any late penalties, you will be required to pay at least 90% of your expected tax liability when you file a request for an extension.

WHO MUST FILE:

Every business located within West Union or conducting business within West Union except itinerant businesses (See 12 Day Occasional Entry Rule in definitions). Any non-resident business that only withholds employee taxes for their employees who are residents of West Union is not required to file a West Union Income Tax Return, but must file monthly or quarterly Employee Withholding returns (Form W-1) and an annual Employer Reconciliation return (Form W-3). Contact the Income Tax Bureau for forms to be mailed or faxed to your location or download them from the website: www.westunionoh.net/taxbureau

FILING DEADLINE:

The **filing deadline** for submitting your West Union Income Tax return is **April 15 or the I.R.S. due date**. You may request an extension for filing your tax return if you are unable to meet this deadline. Any West Union Tax Return received after the filing deadline will be subject to late filing fees and interest charges. Any tax not paid by the deadline will be subject to interest charges. - (please see West Union Tax Bureau page at www.westunionoh.net for applicable interest rate).

If the full payment of taxes cannot be made by the deadline, file the tax return on or before the deadline and request that a monthly Payment Plan to be established.

LINE BY LINE INSTRUCTIONS:

Line 1 - Enter the total from Sections A, B, C, & D from page 2, or attach copies of appropriate federal tax returns and schedules.

Line 2 - Enter the total for total adjustments from Line Z, Schedule X, from page 2.

Line 3 - Total lines 1 & 2 and enter the result on Line 3

Line 4 - Enter the Allocation percentage as indicated from Schedule Y, Line 5, from page 2

Line 5 - Multiply the percentage shown on Line 4 by the Amount on Line 3.

Line 6 - Enter the Allowable Net Loss Carried Forward. (Maximum 5 Years Carried Forward)

Line 7 - West Union Taxable Income (Line 5 minus Line 6).

Line 8 - Multiply the amount on Line 7 by 1% (.01)

Line 9 - Enter the amount of credits from previous years applied toward the current year tax liability.

Line 10 - Enter the total amount of Estimated Tax payments made during the year.

Line 11 - Enter the amount of any other appropriate tax credits. (Provide appropriate documentation for this amount)

Line 12 - Add the amounts from Lines 9, 10, and 11.

Line 13 - If the amount on Line 8 is larger than the amount on Line 12, subtract Line 12 from Line 8 and enter on Line 13. An amount less than \$10.00 need not be remitted.

Line 14 - If filed after deadline, enter the amount of any penalty. (Contact the Income Tax Bureau for this amount)

Line 15 - If filed after deadline, enter the amount of any interest charges. (Contact the Income Tax Bureau for this amount).

Line 16 - Add Lines 13, 14 and 15. This is the total amount due. (An amount less than \$10.00 need not be remitted)

Line 17 - If the amount on Line 12 is larger than the amount on Line 8, enter the difference on Line 17.

Line 18 - Enter the portion of the amount indicated on Line 17 that is requested to be refunded. (If this amount is less than \$10.00, the credit will not be refunded)

Line 19 - Enter the portion of the amount indicated on Line 17 that the company wishes to be carried forward and applied toward the next year's Estimated Tax liability. (Credits less than \$10.00 cannot be carried forward)

Line 20 - Indicate total estimated income subject to West Union for the upcoming year.

Line 21 - Multiply the amount on Line 20 by the tax rate of 1% (.01).

If this amount is \$200.00 or more, you are required to make quarterly estimated tax payments.

If the amount is less than \$200.00, you may skip Lines 22 to 24.

Line 22 - Enter the amount (if any) from Line 19.

Line 23 - Subtract the amount indicated on Line 22 from the amount on Line 21.

Line 24 - Multiply the amount on Line 23 by 22.5% (.225).

Line 25 - Add the amounts from Lines 16 and 24. **This is the total amount that needs to be submitted with the tax return.** If the amount indicated on Line 25 is less than \$10.00, no payment needs to be remitted.

QUESTIONS OR ADDITIONAL HELP:

Our business is located inside West Union, but all of our sales are to locations outside of West Union, do we still need to file a West Union tax return? Yes, all business transactions that originate in West Union are subject to this income tax regardless of the final destination of the product or service.

What should be done if a business has one (or more) locations located outside the Village of West Union? The business will need to determine what portion of net profit was generated from the West Union location and pay the proper amount of tax. Use Schedule Y on Page 2 of the tax form to determine this percentage.

What forms should be included with a West Union Tax Return? Attach a copy of your Federal Income Tax Return and any federal schedules that support amounts shown on your West Union Tax Return.

Our business is not located in West Union but withholds local West Union Income tax from our employees, what forms do we need to file? This is referred to as “courtesy withholding”. Send in the amounts withheld with a W-1 coupon. The coupon should include the FEIN, Total Payroll for the period being reported and the amount withheld. Deposit on a monthly basis if your total withholdings for West Union taxes exceed \$200 or on a quarterly basis if less than \$200. A W-3 Withholding Tax Reconciliation must be filed on an annual basis.

No Business Income Tax Return is required from courtesy withholders.

If you have any additional questions regarding the West Union Income Tax, please contact the Tax Administrator.

**Income Tax Bureau
Village of West Union
33 Logans Lane
P.O. Box 556
West Union, Ohio 45693**

**Phone Hours
8:30-4:30 Mon -- Fri
Phone (937) 217-8855
Office Hours
8:30-11:30 Tuesdays**

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website: www.westunionoh.net**