

# AKRON TAX RETURN FOR INDIVIDUALS INSTRUCTIONS

The Akron Income Tax Division is located at 1 Cascade Plaza – Suite 100, Akron, Ohio 44308-1161. 330-375-2290. Forms, instructions, tax FAQs, and a list of taxable & non-taxable income is available **on-line** at [www.AkronOhio.gov/1040](http://www.AkronOhio.gov/1040). If you have any questions concerning this form or other municipal income tax matters, please call 330-375-2290 for assistance.

Most individual and joint filers can E-File their Akron tax returns if their city taxable income is limited to Form W-2, Form 1099-NEC, or 1099-MISC (without Schedule C). Please be sure to check it out and join the growing number of Akron E-Filers.

## GENERAL INSTRUCTIONS FOR FORM IR

**WHO MUST FILE THIS FORM:** If your only source of income is from wages, you must file Akron's Form IR, the tax return for individuals and joint filers. Also, if you file federal Form 1040 and report business income from self employment, rental or farm activity using Schedules C, E or F, you must file Form IR.

**SIGNATURES:** A tax return is not considered to be "filed" within the meaning of the law, until it is signed by the taxpayer or an agent legally authorized to sign it. Also, if the tax return is prepared by someone other than the taxpayer, this person must sign and date the return, along with the preparer's phone, address, and Social Security Number or Federal EIN.

**EXEMPTION FROM FILING:** If you are under the age of 18 (as of December 31st) or qualify under other circumstances, you may be exempt from filing Akron Income Tax Returns. If you are retired (living solely on pension, annuities, Social Security, interest or dividends), you may also be exempt. However, subsequent earnings of taxable income voids an exemption certificate. An Exemption Certificate is enclosed with these instructions.

### **EXTENSIONS:**

Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return

relates. An extension of time to file is not an extension of the time to pay. A taxpayer that has NOT requested or received a six-month extension for filing the taxpayer's federal income tax return may request that the tax administrator grant the taxpayer a six-month extension of the date for filing the taxpayer's municipal income tax return. If the request is received by the tax administrator on or before the date the municipal income tax return is due, the tax administrator shall grant the taxpayer's requested extension. Even if you are unable to pay your taxes owed when they are due, you should file your return timely to avoid Failure-to-file charges of \$25.00 to \$150.00.

### **DECLARATION OF ESTIMATED INCOME TAX:**

Quarterly Estimated Tax payments for Tax Year 2021 may be required to be paid to avoid penalty and interest charges.

Note: The Income Tax rate increased from 2.25% to 2.50% effective January 1, 2018 for Akron, and the four Akron Joint Economic Development Districts (JEDDs).

### **Due dates for calendar year-end individuals are:**

<u>Tax Form</u>	<u>% Due</u>	<u>Due Date</u>
D-1 (Voucher 1)	25%	April 15th
AQ-1 (Voucher 2)	50%	June 15th
AQ-1 (Voucher 3)	75%	September 15th
AQ-1 (Voucher 4)	100%	January 15th

If the amount payable as estimated taxes is at least two hundred dollars, payments must be at least 100% of the prior year tax liability or at least 90% of the current year tax liability to avoid penalty and interest charges. **If you did not receive the Estimated Income Tax forms, you can download them from our web site. Please call 330-375-2290 if you need additional information regarding this requirement.**

## INSTRUCTIONS FOR COMPLETING FORM IR

1. If you were not mailed an Akron Tax Return letter with your account number and PFC, or are not eligible to E-file, the Form IR can be used for filing an Individual or Joint income tax return.
2. If you were mailed a Akron Tax Return letter with your Account Number and a PFC, it means that you may be eligible to E-File your Akron tax return this year. The PFC is your Personal Filing Code. You can join the thousands of Akron residents who enjoy this simple method of filing. Please see the accompanying information and instructions, or go to [www.AkronOhio.gov/1040](http://www.AkronOhio.gov/1040) and click on E-Filing.
3. Those anticipating a city tax refund this tax year must check  the box marked REFUND and also mark the return envelope appropriately. Note: The result on Line 18 must indicate that a refund is due.
4. To file an amended return, be sure to check the box marked AMENDED.
5. If you have moved into or out of Akron during the tax year mark the appropriate box and enter the date of your move. You may need to pro-rate your income and taxes withheld for a partial year filing. Call if you need assistance.
6. If you had self-employment or rental income, check the appropriate box in the section labeled Individual's Business Activity.
7. If your mailing address is other than Akron or if you use a post office box, enter your Akron street address or location of Akron business activity in the box provided.
8. When using the services of a tax preparer, our office may need to discuss your tax matters with him or her. **IF YOU  WISH TO GRANT SUCH PERMISSION, check the box on the right-hand side, near the bottom of page 1.**

**EXEMPTION CERTIFICATE**

**Income Tax Division**

**1 Cascade Plaza – Suite 100**

**Akron, Ohio 44308-1161**

Name and Address (Please print or type)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you believe that you are not subject to the City Income Tax please complete this form and return it to our office.

Subsequent earnings of taxable income voids an exemption certificate.

\_\_\_\_\_  
Akron City Tax Account Number

\_\_\_\_\_  
Taxpayer Social Security Number

\_\_\_\_\_  
Spouse's Social Security Number

\_\_\_\_\_  
Daytime Phone Number

**I BELIEVE THAT I AM NOT REQUIRED TO FILE A AKRON INCOME TAX RETURN BECAUSE:**

- I moved from Akron before the 1st of the following year (Move Date \_\_\_\_\_)    I was on total & permanent disability (Date Disabled \_\_\_\_\_)
- I am a retiree receiving ONLY pension, Social Security, interest and/or dividend income.    I had no taxable income  
Date retired: \_\_\_\_\_    Explain \_\_\_\_\_
- I was a member of the U.S. Armed Forces for the entire year (does not include Civilians employed by the military or National Guard) with no Taxable Income.

**Under penalties of perjury, I declare that the information supplied above is true, correct, and complete.**

\_\_\_\_\_  
Taxpayer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Exemption Requires Spouse's Signature

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DETACH HERE  
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**LINE INSTRUCTIONS FOR FORM IR**

If your only source of income is from WAGES, complete WORKSHEET A on Page 2, and the lines in **bold type** on Page 1. If you have schedule income, be sure to complete all required worksheets before continuing with line entries on Page 1.

- Line 1. Enter W-2, 1099-NEC and 1099-MISC income from WORKSHEET A- Box 1 ( the total from Column 1).**
- Line 2. (Business income only) If the number appearing on WORKSHEET B, Line 5 is greater than zero enter that number here.
- Line 3. (Business income only) The allowable loss carried forward from prior years can offset only business income on Form IR.  
The figure on Page 1, Line 3 cannot exceed the amount reported on Page 1, Line 2, subject to provisions in ORC718. See website for additional information. Be sure to complete WORKSHEET F, and attach schedule, when arriving at a net loss figure. A business loss cannot be used to offset wage or non-business income.
- Line 4. Subtract Line 3 from Line 2 to arrive at your adjusted Business/Rental income. This number must be zero or greater.**
- Line 5. Add Lines 1 and 4 to find your adjusted net income.**
- Line 6. Multiply Line 5 by .0250 to calculate your Akron Income Tax**
- Line 7. Enter the number appearing on WORKSHEET A- Box 2 ( the total from Column 2). These are the Akron taxes withheld by your employer.**
- Line 8. Enter the amount from WORKSHEET A - Box 3 to show the taxes withheld or paid to other cities or JEDDs. To receive credit for taxes that you paid directly to another city, you must attach a copy of your tax return that you filed with that city.**
- Line 9. Add Lines 7 and 8 for your Total City Credits.**
- Line 10. If you made estimated tax payments toward your Akron taxes enter this amount here. Do not include any payments made for prior tax years or for penalty and interest payments you may have been required to make.**
- Line 11. If you had an Akron city income tax credit from last year, enter that amount on this line.**
- Line 12. Total Credits. Add Lines 9, 10 & 11 and enter the result here. These are your Total Tax Credits \**
- Line 13. Subtract Line 12 from Line 6. If there is a Balance Due, enter it here and if greater than \$10.00, send in your payment by check or money order.  
Make checks payable to City of Akron, Ohio. Mail payments to Income Tax Division, 1 Cascade Plaza – Suite 100, Akron, OH 44308. No payment is required if the balance due is \$10.00 or less.**
- Line 14. If Line 12 is greater than Line 6, you have an overpayment. Enter the difference here.**
- Line 15. Enter the amount that you would like to have credited to your Akron tax account for the following tax year**
- Line 16. If you wish to have the overpayment refunded to you and it is greater than \$10.00, enter the amount here, and check the REFUND box on Form IR. (Important note: Amounts of \$10.00 or less will not be refunded per State Law.)**

# WORKSHEET INSTRUCTIONS FOR FORM IR

## **WORKSHEET A: W-2, 1099-NEC and 1099-MISC (Taxable Wages)**

Complete WORKSHEET A with employment "from and to" dates, employer name, and locality where you worked. Next, using your W-2s complete Columns 1, 2 and 3. For the Gross Income figure enter the largest number on your W-2, usually Box 5, into Column 1. Separate the taxes withheld for Akron and for other cities or JEDDs (not to exceed 2.50% of income). If you received a 1099-NEC or 1099-MISC that is not reflected in schedule income in WORKSHEET B, or if you had Lottery winnings, these must be listed in WORKSHEET A. **DO NOT INCLUDE 1099s FOR INTEREST, DIVIDENDS, ONGOING RETIREMENT PENSION PAYMENTS OR PAYMENTS FOR LONG TERM DISABILITY.** Enter totals in Boxes 1, 2 and 3, and move results to Page 1, Lines 1, 7 and 8 respectively.

## **WORKSHEET B: BUSINESS NET PROFIT CALCULATION (Attach copies of Federal Tax Return & Schedules, front & back)**

WORKSHEET B must be used by individuals who have self-employment (Schedule C) or rental (Schedule E) income, to arrive at the proper profit or loss figures as required by Akron's Income Tax Ordinance. When there is a loss to be reported on WORKSHEET B place the number in brackets to denote a negative figure. (NOTE: Filers with Schedule F, or farm income, must also complete this worksheet.)

**FOR AKRON RESIDENTS:** Akron residents must complete WORKSHEET SE or WORKSHEET SE-all (see instructions below) to arrive at self-employment or rental income that is taxable to Akron. WORKSHEET K must be completed by Akron residents who have distributive shares from a Partnership or Ohio S Corporation. **Losses claimed from a business or distributive shares cannot be used to offset wage income.**

**FOR NON-AKRON RESIDENTS:** If the business activity of a non-Akron resident is both inside and outside the City of Akron, WORKSHEET C, the Business Allocation 3-factor formula, must be used. Next, complete Lines 2, 3 & 4 of WORKSHEET B using the results of the other applicable worksheets.

Line 1. (Akron Residents Only) Add the results from WORKSHEETS SE / SE-all & K. This is the non-wage income that is taxable to Akron.

Line 2. (Non-Akron Residents Only) Enter the total of all Schedule income that is allocated 100% to Akron.

Line 3. (Non-Akron Residents Only) If there is income allocated at less than 100%, enter the number found in WORKSHEET C, Line 6.

Line 4. (All filers) If business or rental property was sold or exchanged, you must calculate the 4797 "Recovery of Depreciation." [ORC 718.01(E)(4)(b)].

Line 5. Akron Residents add Lines 1 & 4. Non-Akron Residents add Lines 2, 3 & 4.

- If Line 5 is equal to or greater than zero, enter it on Page 1, Line 2.
- If Line 5 is less than zero, enter a zero on Page 1, Line 2.

## **WORKSHEET C: BUSINESS ALLOCATION 3 – FACTOR FORMULA (TO BE USED ONLY BY NON-AKRON RESIDENTS)**

Non-Akron residents who have businesses or rental properties that derive income from locations both inside and outside the corporate boundaries of Akron, must allocate their total net income (or loss) as to the portion attributable to Akron and to the portion attributable elsewhere. WORKSHEET C must be used to arrive at these numbers. Note: To obtain the correct average you must divide the total of the percentages by the number of percentages used.

## **WORKSHEET SE: SELF-EMPLOYMENT & RENTAL INCOME CALCULATOR (TO BE USED ONLY BY AKRON RESIDENTS).**

Complete the rows of the Worksheet as follows: **A** – the letter of the federal Schedule being reported, **B** – the amount reported for each separate taxing jurisdiction, including Akron. **If there is a (loss) in any jurisdiction except Akron or Non-Taxing jurisdictions, "Worksheet SE-all" (see website for download) must instead be used to arrive at Akron taxable income.** **C** – the name of the City or JEDD, **D** – the tax rate of that City or JEDD, **E** – the rate in column D subtracted from 2.50, **F** – find the taxable percentage by dividing column E by 2.50 and multiplying by 100 to show as a percentage, **G** – multiply this percentage by column B. This is the income that is taxable to Akron for each business or rental activity. Total column G. This figure will be added to any WORKSHEET K income and entered on Line 1 of WORKSHEET B.

## **WORKSHEET F: LOSS CARRYFORWARD CALCULATION (LIMIT FOR LOSSES USED ON AKRON RETURN)**

If you have unused, qualified, loss carryforward amounts from the previous years enter these in the first row of WORKSHEET F. Write the amount being used from each prior year, subject to the provisions in ORC 718. See website for additional information. Attach a schedule to show the detail of your calculations and enter the result on Page 1, Line 3 of this return.

## **WORKSHEET K: DISTRIBUTIVE SHARE INCOME (FORM CAN BE DOWNLOADED FROM WEB SITE)**

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**Please check our website at [www.AkronOhio.gov/1040](http://www.AkronOhio.gov/1040) for our Online Payment option, which will accept payments 24/7, using a Debit / Credit Card or an E-check.**

**The Online Payment option can be used when making a Credit / Debit card or E-Check payment with paper filed Tax Returns. Those who E-file will be directed within the E-File application, regarding online payment options.**