

2021 INSTRUCTIONS FOR COMPLETING YOUR CITY OF FRANKLIN TAX RETURN

HEADING

Print your name, address, and Social Security number plainly. Include spouse if applicable.
If you have moved, indicate date of move, present address, and old address. USE WORKSHEET C & C1.

SECTION A

If you have reviewed the taxable/non-taxable income listings 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 Section A and sign the return.
If you have taxable income, you must complete Section B.
If you have not reached the age of 18 by December 31, 2021 you must complete Worksheet B on Page 2 first.
Attach wage summary (AKA SEQY) from Social Security office if you claim no taxable income.

SECTION B

- LINE 1** Add the totals of all W/2s and 1099-MISC and W/2G. Attach all W/2s & 1099-MISC & W/2G – DO NOT ATTACH THE 1099-R, 1099INT, 1099DIV, 1099G as these are not applicable to your taxable income.
PART YEAR RESIDENT – USE WORKSHEET C AND C1
- LINE 2** Enter the total of all income, from reverse of tax form (worksheet A). Attach Federal Schedules (Schedule C or E, F, K1 & 1.)
2A – Loss carry forward. See State website for info related to loss carry forward.
- LINE 3** Add lines 1 and 2. This is the amount of income subject to tax. Subtract 2A if applicable.
- LINE 4** Multiply the amount of line 3 by 2.00% (.020).
- LINE 5** Credits
- 5A** Enter total Franklin tax withheld.
- 5B** Total estimated tax payments that you paid and credit carryover from the prior year.
- 5C** Enter a credit for the total taxes you paid to other cities on the income you have reported on this return.
DO NOT ENTER THE ACTUAL AMOUNT OF TAX YOU PAID. You must calculate your credit by using the following steps:
- STEP 1** If all your income was earned in a city with a tax rate less than 2% or equal to 2%, your credit is the amount of tax that was withheld (provided the amount withheld was correct).
- STEP 2** If your income was earned in a city with a tax rate that is greater than 2% (Dayton, Oakwood, etc.), determine what portion of your W/2 had tax withheld at the greater rate. Then multiply that part of your W/2 by 2% to find your credit. This step must be completed for each W/2 and each applicable city.
Please note that for both steps 1 and 2 if income has been prorated, credits must also be prorated.
USE WORKSHEET C & C1 TO CALCULATE PART YEAR TAXABLE INCOME/CREDITS.
- 5D** Add 5A through 5C.
- LINE 6** Subtract line 5D from line 4. If line 4 is greater than line 5D, you have a balance due. Payment in full is due by THE FEDERAL DUE DATE IN APRIL.
- LINE 7** Late payment and/or late filing will result in late filing fees, penalty and interest charges.
Contact our office for current rates for late filing. This is calculated upon receipt of completed tax return and all required documents.
- LINE 8** Balance due. Line 6 plus line 7.
- LINE 8A** If line 5D is greater than line 4, you may have a overpayment of tax if the total is greater than \$10.00. Indicate whether or not you prefer to credit this to next year, or have this overpayment refunded. Allow 90 days for processing of a refund. Refunds will not be processed if estimates are required; unless the refund request exceeds the required estimate due for 1st quarter.
- LINE 9** Estimated tax is mandatory if liability exceeds \$200. Underpayment of estimated tax will result in penalty and interest.
- LINE 10** Less credits for estimated tax withheld by employers, and prior year credit carried forward.
- LINE 11** Net tax due (line 9 minus line 10D).
- LINE 12** First quarter estimated tax due (1/4 of line 11).
- LINE 13** TOTAL DUE – line 8 plus line 12 – Payment in full is due by Federal due date in April.
Late filing penalty will be applied to all returns filed after Federal deadline in April without a Federal Extension.

**YOU MUST FILE
EVEN IF YOU DID
NOT WORK**

A COPY OF YOUR FEDERAL RETURN MUST BE ATTACHED. YOU MUST INCLUDE ALL W/2S, W/2GS AND 1099 MISC. AND ALL FEDERAL SCHEDULES

Sign, date and submit along with required documents and any pay due on or before the Federal due date.

LOCAL TAX FORM WILL NOT BE ACCEPTED IF NOT SIGNED BY THE TAXPAYER AND THEREFORE SUBJECT TO ALL APPLICABLE FEES.

COMMON CITY INCOME TAX QUESTIONS

WHICH AMOUNT DO I USE FOR CITY WAGES?

Usually box 5, Medicare wages reported on your W/2. However if that is blank, use box 18 but include W/2s with box 5 populated. If box 18 is greater than box 5 explain the difference and use the greater.

I MOVED INTO/OUT OF FRANKLIN DURING THE TAX YEAR. DO I NEED TO FILE CITY TAXES?

If you lived in Franklin 30 days or more during the year, you are required to file city taxes. Your income and credits will be prorated for the time you were in Franklin. One month could be 30 or 31 days. One month could be 28 or 29 days in February. You can prorate your income by dividing the total taxable income by 12 months (or applicable months worked) and multiply by the number of months you lived in Franklin. The credits of tax withheld should be prorated using the same formula. PLEASE USE WORKSHEET C & C1 TO CALCULATE YOUR PART YEAR INCOME/CREDITS.

I WORK IN A CITY WITH A HIGHER TAX RATE THAN FRANKLIN. DO I QUALIFY FOR A REFUND?

No, your first city tax obligation is to the city where you work. Franklin will give you credit up to 2% for any city in which you work. Any city you work in keeps the city tax monies you pay. This is not paid to Franklin, so we do not give refunds.

I WORKED AT TWO DIFFERENT COMPANIES. ONE PAID CITY TAXES AT A HIGHER RATE THAN FRANKLIN AND ONE AT A LOWER RATE THAN FRANKLIN. CAN I USE THE HIGHER WITHHOLDING TO COVER THE LOWER ONE?

No, each W-2, and each city stand alone.

I DON'T FILE FEDERAL OR STATE TAXES. DO I NEED TO FILE CITY TAXES?

Franklin has mandatory filing for all adults 18 or older, employed or not. The exception is for retired individuals who have only retirement income, although if new to Franklin, an initial return must be filed to establish the source of income. If you do not file a federal tax return, please obtain a wage summary from the Social Security office. Juveniles must file if they meet the criteria from Worksheet B of the local return. ATTACH A COPY OF YOUR BIRTH CERTIFICATE OR DRIVERS LICENSE.

I'M FILING AN EXTENSION FOR MY FEDERAL TAXES. WHEN MUST I PAY CITY TAXES?

Your tax payment is still due by THE FEDERAL FILING DEADLINE in April in order to avoid interest and penalty charges. You must attach a copy of your Federal extension to your return when filed. If you obtained a federal extension, we ask that you provide a copy to us ASAP to avoid failure to file notices.

WHAT ARE THE LATE CHARGES FOR NOT FILING OR PAYING ON TIME?

Tax returns are late if received at the City Building after 5pm on the due date of the return. FEDERAL FILING DEADLINE is the due date for your City Income Tax Return. Mailed returns post marked after FEDERAL FILING DEADLINE are considered late. Late filings are subject to a late filing fee of \$25 per month up to \$150.00. Penalty is 15% of unpaid tax. Interest is on a schedule by year. Refer to website for a specific yearly rate. **YOU ARE RESPONSIBLE TO MAKE SURE THE POST OFFICE POSTMARKS YOUR ENVELOPE CONTAINING YOUR LOCAL TAX DOCUMENTS.**

WHY DO I HAVE TO FILE QUARTERLY PAYMENTS?

The state mandates, if you owe over \$200.00 in local taxes, you must pay quarterly taxes. Normally, this is because your employer didn't withhold city tax or you work in a city with a lower tax rate or you have a business/rental. These payments must be made April 15, June 15, September 15, and January 15. **PENALTY AND INTEREST FOR FAILURE OR UNDER-PAYMENT OF ESTIMATED TAXES TO PAY WILL BE APPLIED.**

ARE LOTTERY WINNINGS TAXABLE?

Yes. You must report all the lottery winnings and include a copy of your W/2G(s) with a copy of your federal tax return and the federal schedule 1. The deadline to file/pay is the same as the federal filing deadline. You must report all winnings regardless of filing status.