

Mt. Orab Individual Income Tax Facts

The Village of Mt. Orab has enacted a local income tax on all wages, salaries, and commissions earned by residents within the Village of Mt. Orab, or employees working within the limits of Mt. Orab. The Mt. Orab income tax rate of 1% (.01) is based on total earnings before any deductions including deductions for IRA's, KEOGH, Tax Deferred (Tax Sheltered) Annuities (TDA/TSA), or any other similar deductions. All earned income of residents of Mt. Orab is subject to this tax. This tax applies to every resident even those who do not work inside the limits of the Village of Mt. Orab.

Definitions

Taxable Earned Income - includes all wages, salaries, commissions, net income from a business, or any other compensation for services or work performed including non-monetary compensation.

Non-Taxable Income - includes all non-employee income such as Social Security income, retirement income, pensions, interest received from savings or certificates of deposit, welfare, A.D.C., unemployment compensation, and military income. Residents who receive a tax return from Mt. Orab Income Tax Bureau and their only source of income is from the sources listed above, must notify the Tax Bureau in writing of this situation.

Minimum Earned Income - Every resident of Mt. Orab with an earned income of \$1,000 or more during the year is required to file an income tax return even if no tax is due. If the amount of tax due is less than \$5.00, no payment will be required, but a tax return must be filed. If the amount of refund is less than \$5.00, no refund will be issued.

Tax Credit - The Mt. Orab Income Tax ordinance provides a tax credit for local income tax that was deducted from your earnings and paid to another city or village (not state or federal taxes paid). The maximum amount of tax credit allowed is 1% (.1) of gross earnings per W-2. For example, if the gross earnings (the larger amount from Box 1, 9, or 10) reported on a W-2 was \$5000, the maximum tax credit for that income would be the lesser amount of the actual tax withheld and paid to another city or village (if any) or \$50 (\$5000 times .01 = \$50).

Excess Tax Credit - Any tax withheld for another city or village in excess of 1% per W-2 cannot be used to offset or reduce the tax liability of other income reported on a different W-2 form. For example, if one of John Smiths W-2's indicated an income of \$10,000 with a \$180 deduction to another city, and another W-2 indicated a \$4,000 income with no deduction for another city or village, the maximum tax credit would be limited to 1% of the \$10,000 which is \$100. The excess tax withheld from the one W-2 of \$80 cannot be used to offset or reduce the tax liability of the \$4,000 reported on the other W-2 form. If both the husband and the wife work, any excess tax paid by one spouse to another city or village cannot be used to offset or reduce the tax liability of the other spouse.

Declaration of Estimated Tax - an estimate of the total income (before any deductions) expected to be received in a year. (Use your last years earnings rounded to the nearest \$100.) Multiply the estimated income by 1% (.01). Indicate any amounts expected to be deducted by your employer for Mt. Orab, or for another city or village. Subtract the expected tax credits (if any) from your estimated Mt. Orab tax liability to determine the balance of your estimated tax due. You may pay the full amount of this estimate when you file your return, otherwise, you must pay at least one-fourth (1/4) - with the balance being paid in quarterly installments. The Income Tax Bureau will send notices when each quarterly installment becomes due.

Filing Deadline - the last date for submitting your Mt. Orab Income Tax return is April 30 of each year.

Itinerant Employment (12 Day Occasional Entry Rule) - any non-resident individual who receives compensation for services performed inside the Village of Mt. Orab on twelve (12) or fewer days during the calendar year is not subject to the Mt. Orab Income Tax.

Tax Extension - You may request an extension for filing your tax return if you are unable to meet this deadline. An extension request extends the due date for filing a return six (6) months from the original due date for the return.

Individual Tax Forms

IR - Individual Return - annual individual income tax return due by April 30.

EI - Estimated Income Tax Declaration - an estimate of tax liability to Mt. Orab

Q1 - Quarterly Installment of Estimated Tax Statement - the estimated tax due each quarter (April 30, July 31, October 31, and January 31) based on the previous years tax return.

PP - Payment Plan - Statement of current payment of previous income tax owed to Mt. Orab.

Tax Bureau Services

Tax Preparation - The Income Tax Bureau will help residents prepare their tax return free of charge.

Payment Plan - Individuals who are not able to make the full payment of income taxes they owe to the Village of Mt. Orab, can arrange to make regular monthly payments to the Income Tax Bureau. Details and specific arrangements can be made by contacting the Income Tax Bureau.

E-Z File! If the only source of income is from wages which were reported on W-2 forms, residents can use the *E-Z File!* method. Simply attach a copy of every W-2 form received from your employers, sign the tax return at the bottom, enclose a self-addressed, stamped business size envelope and the Tax Bureau will complete your return and mail you a copy. If you are entitled to a refund, the Tax Bureau will automatically send it. If you owe any taxes, you will receive a notice from the Tax Bureau. There is no charge for this service if you pay the full amount of tax due (if any) within fifteen (15) days and include a self-addressed, stamped envelope.)

Questions?...

Who has to file a Mt. Orab Tax Return (Form IR)? Any resident of Mt. Orab who had taxable earned income of \$1000 or more during the year (see definitions) or a non-resident working inside Mt. Orab who does not have Mt. Orab tax withheld from their paycheck.

I am on (Social Security, ADC, Retirement, Welfare, etc) and do not have a job where I earn money, do I have to file a Mt. Orab Tax Return? If your only sources of income are from the list defined under Non-Taxable Income (see definitions), you do not need to file a Mt. Orab return.

I received a Mt. Orab Tax Return in the mail but I am not required to file, what should I do? Contact the Income Tax Bureau in a letter or by phone and inform them of your income status. You will need to provide some form of evidence to claim a non-filing status.

I don't know how to complete the Mt. Orab Tax Return, what should I do? You can use either of the two free services of the Income Tax Bureau. Tax Preparation Service or *E-Z File!* (see Tax Bureau Services).

I pay taxes to another city or village do I still need to file a Mt. Orab Tax Return? Yes, residents will still need to file a Mt. Orab Tax return. However since Mt. Orab allows a credit for local taxes paid to another city or village, you may not owe any additional taxes to Mt. Orab.

What if I can't pay all of the taxes I owe to Mt. Orab? You still should file by the April 30 deadline and pay at least 1/4 of the amount you owe. The Income Tax Bureau will establish a payment plan for the balance of the taxes you owe.

I've only lived in Mt. Orab a few months do I owe taxes for the entire year? No, you will only owe taxes for the portion of income you received while a resident of Mt. Orab. The Income Tax Bureau will be willing to assist you in determining the proper amount of taxes due.

I work in Mt. Orab but live elsewhere do I need to file a Mt. Orab tax return? If your employer already withholds Mt. Orab Income Tax from your paycheck, you do not need to file an annual return, otherwise you are required to file a tax return.

What are the office hours of the Income Tax Bureau? The regular office hours of the Income Tax Bureau are from 9:00 to 5:00 PM weekdays, closed Wednesdays.

Can I make an appointment for a different time? Yes, you can call the **income Tax Bureau** any time at (937) 444-2945 and leave a message on the answering machine requesting a special appointment.

Where is the Income Tax Bureau located? The Income Tax Bureau office is located at 211 South High Street (the Village Building).

If you have any additional questions regarding the Mt. Orab Income Tax, please contact the Tax Commissioner.

Income Tax Bureau
Village of Mt. Orab
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