

**GENERAL INSTRUCTIONS:** Please read and note that as a service to our residents, our staff will help you complete this form. See below for office hours.

**WHO MUST FILE:** Every resident, 18 years or older. Those with no earned income may make this declaration, "NO EARNED INCOME," in Part I. If on Social Security Disability and/or Unemployment, please submit verification. Sign, date, and file the return with our office by the due date. Those with earned income or net profit from any source whatsoever shall make and file a return. All such earnings wherever earned are considered taxable. Every business entity (individual, proprietorship, partnership, corporation, profession, etc.) whether a resident or non-resident who conducts a business in the City of Brunswick, must file a return and pay tax on the net profit.

**PARTIAL-YEAR RESIDENTS** must file on income earned while a resident of Brunswick. Income may be pro-rated for the time lived in Brunswick. To calculate pro-rated amount for W-2 income earned all year, divide gross income by 12 and multiply by months lived in Brunswick. Please note: tax credit must also be pro-rated accordingly.

**TAXABLE INCOME INCLUDES:** Earned income, qualifying wages, commissions and other forms of compensation which would include, but not be limited to: bonuses, incentive payments, director's fees, property in lieu of cash, tips, royalties, severance pay, prizes, awards, lottery winnings, gambling winnings and similar games of chance, deferred compensation plans, vacation and holiday pay, sick pay, supplemental unemployment benefits, clergy pay, resident partner's or stockholder's distributive share of a nonresident partnership or S-corporation net profits, stock options not designated as capital gains, and any form of compensation paid by an employer to a person before any deductions and/or net profits from the operation of a business, profession, or other enterprise or activity conducted.

**NON-TAXABLE INCOME INCLUDES:** Military pay and allowances, interest, dividends, insurance proceeds, pensions, annuities, social security benefits, unemployment compensation, disability payments, inheritance, scholarships, alimony, child support, other revenue from intangible property.

**FILE DUE DATE:** No later than April 15<sup>th</sup> following the close of the calendar year, or the Federal filing due date if different than April 15<sup>th</sup>.

**REQUIRED ATTACHMENTS:** W-2s, "wage and tax statements," a copy of Federal form 1040/1040A/1040EZ

**EXTENSIONS:** An extension of time to file is not an extension of time to pay any tax due. The extended due date is the 15<sup>th</sup> day of the 10<sup>th</sup> month after the last day of the taxable year to which the return relates. Failure to make a payment of at least as much as was due the previous year by the normal due date for the annual return will result in penalty and interest. It is suggested to avoid any confusion that the taxpayer mails or faxes a copy of the Federal Extension Form (4868 or 7004) to the City of Brunswick Tax Department.

**PENALTIES** will be charged for failure to file the return by the due date **and** for failure to pay tax due by the due date.

**INTEREST** will be charged on any part of the final tax due shown on the return paid after the due date. The interest is figured from the original due date of the return to the date of payment.

### Instructions for Page 1 of Brunswick Final Return

#### **Detailed line instructions:**

(Lines that are auto-calculated on fillable form are indicated as such)

#### **Part I.**

Enter tax year of return you are filing at top of form.

Enter name and current address in space on left side.

Check box for the filing status of the return you are filing.

Enter social security number(s) or Federal identification number and a daytime phone number where you may be reached.

On the right side, if you have moved during the year, please fill out information regarding old and new address, date moved in/out. If you are renting in Brunswick, please give name and address of landlord.

**Column A:** List each city where wages were earned (taxed and non-taxed).

**Column B:** Enter total **GROSS WAGES** (Medicare (Box 5) wages or local (Box 18) – whichever is greater).

**Column C:** Enter only the amount of local tax withheld for the City of Brunswick by the employer.

**Column D:** Enter actual local tax withheld per each W-2 form (do not include local taxes withheld for the City of Brunswick which are listed in Column C).

**Column E:** If all wages were taxed, multiply the total in Column B by 1%, or to determine if all wages were taxed, please use the optional **WORKSHEET** on page 3. Enter the amount (from Worksheet pg. 3 column 5) in Column E, page 1.

**Column F:** Enter the lower amount of Column D or E. **This column is automatically calculated and cannot be overwritten.**

#### **Part II.**

#### **INCOME:**

**LINE 1:** Total the figures in Column B, then multiply by 0.0185 (1.85%) and enter results on page 1, line 1. **This line is automatically calculated and cannot be overwritten.**

**LINE 2:** If you have other income that would require completion of any Federal Schedules, go to page 2 and refer to the instructions applicable to

page 2. If **NOT**, enter zero (0) on page 1, line 2. **This line is automatically calculated from Page 2, Part VIII, line 1 and cannot be overwritten.**

**LINE 3:** Add the figures on line 1 and 2 and enter total on line 3. **This line is automatically calculated and cannot be overwritten.**

#### **CREDITS:**

**LINE 4a:** Total the figures in Column C, enter amount on line 4a. **This line is automatically calculated and cannot be overwritten.**

**LINE 4b:** Total the figures in Column F. Enter result on line 4b. **(NOTE: CREDIT DOES NOT APPLY TO WAGES THAT WERE NOT TAXED BY ANOTHER MUNICIPALITY.) PROOF OF TAX PAID TO ANOTHER CITY MUST BE SUBMITTED OR CREDIT WILL BE DISALLOWED. This line is automatically calculated and cannot be overwritten.**

**Line 4c:** Enter the total of all payments made to the City of Brunswick on a declaration of estimated tax for the tax year being filed. **Note:** The amount will be verified by the Tax Office.

**Line 4d:** Enter any overpayment(s) or credit carryovers from prior year(s). **Note:** The amount will be verified by the Tax Office.

**LINE 4e:** Add the amounts on line 4a, 4b, 4c, and 4d, and enter on line 4e. **This line is automatically calculated and cannot be overwritten.**

**LINE 5:** Compare the amount on line 3 with the amount on line 4e. If the amount on line 4e is **LESS** than the amount on line 3, enter the **BALANCE DUE** on line 5. (If the tax balance is \$10.00 or less, no payment is due). **This line is automatically calculated and cannot be overwritten.**

**LINE 6a:** If the amount on line 4e is **GREATER** than the amount on line 3, enter the overpayment on line 6a. **This line is automatically calculated and cannot be overwritten.**

**LINE 6b:** Enter amount from line 6a that you would like to be credited to the following tax year.

**Line 6c:** If you would like your overpayment refunded, enter the amount to be refunded on line 6c. **Note: If you would like to have a portion or all of the overpayment refunded, it must be greater than \$10.00 and the amount to be refunded must be entered on line 6c.**

**Line 7: Late filing penalty-** Enter \$25 for each month filed after April 15<sup>th</sup>, up to \$150.00, even if no tax is due. See city policy for Federal Extensions.

**Line 8: Late payment penalty-** Enter 15% of the unpaid tax due if paid after April 15<sup>th</sup>.

**Line 9: Interest-** Calculate interest at 6% per annum (0.50% per month) on unpaid tax due, if paid after April 15<sup>th</sup>. **Note: Interest is based on the Federal rate and may change annually. Please refer to the city website for current rate.**

**LINE 10: BALANCE DUE-** Add lines 5, 7, 8, and 9 to calculate balance due.

**Note: If the tax balance due is \$10.00 or less then no payment is required.**

**This line is automatically calculated and cannot be overwritten.**

**LINE 11:** If you wish to pay an estimated tax amount for the next tax year, please enter the amount on line 11. To assist you in determining an estimated tax you can use the following table:

1. Estimated taxable income for the following year

2. Estimated tax due (multiply 2.00% of line 1. above)

**3. Less Credits:**

a. Enter Brunswick Tax to be withheld by employer

b. 100% of 1% of tax paid to another municipality not to exceed 1% of estimated taxable income

4. Subtract 3.a and 3.b from 2. enter amount on Line 11

**LINE 12:** If you wish to pay estimated quarterly payment, divide the amount on line 11 by four (4), minus any overpayment from line 6. Enter this amount on line 12. (This is your first quarter installment)

**LINE 13: TOTAL BALANCE DUE-** Add the amount on line 10 and line 12 (if applicable) and enter total on line 13. **This line is automatically calculated and cannot be overwritten.**

**UNTAXED INCOME:** Any portion of earnings not taxed by another municipality is subject to Brunswick's city tax rate of 1.85%.

**STUDENT EXEMPTION:** To claim exemption of earnings while living away at college, students must comply with the following:

1. Is a dependent for federal income tax purposes of a Brunswick resident. (i.e. parent)
2. Is enrolled at a post-secondary institution
3. Earns/receives qualifying wages while living outside the City from any employer not located in the City.

Any individual that satisfies these requirements is still required to file an annual income tax return by submitting a form and proof of status with W-2s to the income tax department.

**Instructions for Page 2 of Brunswick Final Return**

**Part III. Schedule A**

(Lines that are auto-calculated on fillable form are indicated as such)

**NET OPERATING LOSS (NOL) CONSOLIDATED TAX CALCULATION**

This Schedule is used to calculate the amount of credit when multiple schedules are filed in a tax year.

**Instructions:**

1. Enter municipality where Schedule income/(loss) was earned in separate columns.
2. Enter any unused prior year NOL carryforwards in year in which they were earned as a (loss), regardless of municipality where earned in Column 1. (losses may only be used for 5 years)
3. Enter Schedule income/ (loss) in column under municipality where earned.
4. Calculate total taxable non-wage income earned in each municipality by adding the income and (loss) earned in each column and entering the amount

on line 4 of each column. **This line is automatically calculated and cannot be overwritten.**

5. Enter amounts greater than \$0 from line 4 on line 5. **This line is automatically calculated and cannot be overwritten.**

6. Calculate total amount of positive net profits from all applicable columns in line 5 and enter in cell. **This line is automatically calculated and cannot be overwritten.**

7. In each column, divide amount of positive net profit (line 5) by total positive net profits (line 6) to get percentage of total positive net profits for each municipality. **This line is automatically calculated and cannot be overwritten.**

8. Enter total amount of prior year NOL being used (line 2) and any amounts claimed on line 4 as a loss. **This line is automatically calculated and cannot be overwritten.**

9. To determine if total (loss) exceeds total positive net profits, add amounts from line 6 and line 8. If the result is a (loss), you will **STOP** using the table and enter zero (0) as tax due on page 1, line 2. **This line is automatically calculated and cannot be overwritten.**

**\*NOTE:** To determine the carry forward amount to the next tax year, deduct the amount in

Current Year – 5 from the total loss in line 9. Treatment of losses is subject to change as directed by ORC 718.

10. Multiply amount on line 8 by percentage in each applicable column of line 7 to get allowable loss for each municipality. **This line is automatically calculated and cannot be overwritten.**

11. Subtract amount of allowable loss in each applicable column from line 5 to calculate net profit after loss application. **This line is automatically calculated and cannot be overwritten.**

12. Multiply amount of line 11 by the City of Brunswick gross tax rate of 1.85%. **This line is automatically calculated and cannot be overwritten.**

13. Enter amount of taxes paid to other municipalities in each column where applicable. Proof of taxes paid to other municipalities must be attached to return or credit will be disallowed. If income was earned in a township or no other municipal tax was paid, enter zero (0).

14. If other municipal tax was paid, multiply line 11 by 1% (0.01) to calculate credit amount for taxes paid to other municipality. **This line is automatically calculated and cannot be overwritten.**

15. Subtract line 14 from amount in line 12 to calculate the tax due after the credit has been applied. **This line is automatically calculated and cannot be overwritten.**

16. Total any amounts from line 15 to get the total amount of tax due, enter in line 1, Part VIII. **This line is automatically calculated and cannot be overwritten.**

**PART IV. Schedule B** (For **resident Business filers-** Forms 1120, 1120S, and 1065 and **non-resident** Schedule C, E, and F filers)

(Lines that are auto-calculated on fillable form are indicated as such)

**Instructions:**

If you had more than one business, a separate Brunswick tax return must be completed for each business.

**Business losses can be carried forward for five (5) years.**

If your business activity was conducted in more than one municipality, see Schedule Y.

Accounting methods used must be identical to that used for federal reporting.

**Line 1:** Enter the net profit or loss per federal income tax return. (Schedule C, Line 31; Schedule E, Line 21; Schedule F, Line 34; Form 1120, Line 28; Form 1120S, Schedule K Line 18; Form 1065, Schedule K- Analysis of Net Income (Loss) Line 1)

**Lines 2 & 3:** Are used to make adjustments when line 1 includes income not taxable and /or items not deductible for municipal tax purposed. Schedule X is used to reconcile income as used for federal purposes by subtracting such income items that are not taxable for municipal tax purposes and adding back deductions used for federal purposes which are not allowable for municipal purposes. Enter the amounts of any such items in Schedule X and carry the totals of Schedule X, line H and N respectively to lines 2 and 3. **This line is automatically calculated when figures are placed in Part V.**

**Line 4:** Calculate adjusted net profit by adding line 1 to line 2 less line 3. **This line is automatically calculated and cannot be overwritten.**

**Line 5: Businesses only located in Brunswick may disregard this line.** The income tax ordinance recites a formula (Schedule Y) to determine the percentage of income attributable to this municipality by non-resident business entities conducting business activity both within and outside this municipality. If Schedule Y is used, bring the average percentage from line 5 of the Schedule Y to the % line 5 of Schedule B. Multiply line 4 by this percentage and enter the result on line 5. **This line is automatically calculated when figures are placed in Part V Schedule Y and cannot be overwritten.**

**Line 5a:** Enter any carryforward loss from previous tax years (only if you are reporting the same business as previous year). Note: Operating losses may be carried forward for a maximum of 5 years or until exhausted, whichever is earlier. No portion of a net operating loss shall be carried back against net profits of any prior year. Entities doing business both in and outside of Brunswick who allocate profits via Schedule Y must also allocate losses accordingly. A worksheet or schedule is required to support an operating loss claimed on the return.

**Line 6:** For resident entities, line 6 will be the same as line 4. For non - resident entities, line 6 subtracts line 5a from line 5. Line 6 cannot be negative for the purpose of this form. **This line is automatically calculated and cannot be overwritten.**

**Line 7:** Multiply amount on line 6 by .0185 (1.85%), the City of Brunswick tax rate. If line 6 is a loss, enter zero (0). **This line is automatically calculated and cannot be overwritten.**

**Line 8:** Residents with business located outside of Brunswick enter 1% of tax paid to another city. Proof of taxes paid must be submitted with return or credit will be disallowed.

**Line 9:** Subtract the amount on line 8 from the amount on line 7, enter result on line 9. This amount should then be included in the total applicable to line 1, Part VIII. **This line will automatically calculate and cannot be overwritten.**

**PART V. Schedule X** (For resident Business filers- Forms 1120, 1120S, and 1065)

**Instructions:**

For businesses, this schedule is used for the purpose of making appropriate adjustments to total income, including income not taxable and/or items not deductible for city purposes. Enter the amounts of any such items in Schedule X and carry totals (line H and N) respectively to line 2 and 3 of the Schedule B.

**PART VI. Schedule Y** (For resident Business filers- Forms 1120, 1120S, and 1065)

(Lines that are auto-calculated on fillable form are indicated as such)

**Instructions:**

A business allocation formula consisting of the average property, gross receipts, and wages paid, may be used by business entities not required to pay tax on entire profits, by reason of doing business both within and outside this municipality. However, if the books and records of the taxpayer shall disclose with reasonable accuracy the net profit attributable to this municipality, then only this portion shall be considered as having a taxable situs in this municipality.

**NOTE:** Sales and gross receipts in this municipality mean:

1. All sales of tangible personal property which is shipped from this municipality to purchasers outside of this municipality regardless of where the title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.
2. All sales of tangible personal property which is delivered within this municipality regardless of where title passes even though from a point outside this municipality, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.
3. All sales of tangible personal property which is delivered within this municipality regardless of where title passes, if shipped or delivered from a stock of good within this municipality.

**PART VII.** (All other taxable income not claimed on a Federal Schedule)

(Lines that are auto-calculated on fillable form are indicated as such)

**Instructions:**

Report all other sources of taxable income here. Types of income such as, but not limited to:

Lottery and/or gambling winnings, fees, tips, prizes, awards, commissions, supplemental unemployment benefit, property in lieu of cash, bonuses, incentive payments, and taxable income from all other sources not previously claimed on the return.

**Column 1:** Enter source of income.

**Column 2:** Enter type of income or reason income was received.

**Column 3:** Enter the amount of income.

**Column 4:** Multiply amount in column 3 by .0185 (1.85%), enter amount. **This field will automatically calculate and cannot be overwritten.**

**Line 5:** Enter the total of taxes in column 4. **This field will automatically calculate and cannot be overwritten.**

**Line 6:** Enter 1% of tax paid to another city. Proof of tax paid to another city must be submitted, or credit will be disallowed.

**Line 7:** Subtract amount on line 6 from line 5, enter amount here then carry to Part VIII, line 1. **This field will automatically calculate and cannot be overwritten.**

**PART VIII. BRUNSWICK INCOME TAX LIABILITIES FROM SCHEDULES A, B, AND C** (Lines that are auto-calculated on fillable form are indicated as such)

**Instructions:**

**Line 1: TAX DUE-** Add line 16 of Schedule A, line 9 of Schedule B, and line 7 of Part VII. Enter total and carry amount to line 2, page 1. **This field will automatically calculate and cannot be overwritten.**