

2011 Warren City Income Tax

Taxable and Non-Taxable Income (THE FOLLOWING LISTS ARE NOT ALL-INCLUSIVE)

Taxable Income

1. Wages, salaries and other compensation.
2. Bonuses and tip income.
3. Commissions, fees and other earned income.
4. Sick pay.
5. Employer supplemental unemployment benefits (SUB pay).
6. Employee contributions to retirement plans.
7. Net rental income.
8. Net profits of business or profession, corporation, etc.
9. Income from partnerships, estates, trusts, and LLC's.
10. Ordinary gains as reported on federal form 4797.
11. Distributions of S Corporations.
12. Lottery, gaming, and wagering winnings (no minimum).
13. Compensation attributable to a non-qualified deferred compensation plan at the time the compensation is deferred.
14. Contributions made by or on behalf of employees to cafeteria plans (Section 125) prior to January 1, 2004.
15. Employee contributions to costs of fringe benefits.
16. Income from wage continuation plans (including retirement incentive plans, severance pay, and short term disability).
17. Vacation pay.
18. Stock options.
19. Farm net income.
20. Employer paid premiums for group life insurance over \$50,000.
21. Compensation paid in goods or services (fair market value).
22. Contributions made on behalf of employees to tax-deferred annuity programs.
23. Prizes and gifts if connected with employment (taxable to the same extent as for federal tax purposes)..
24. Director Fees.
25. Income from jury duty.
26. Union steward fees.

27. Strike pay
28. Profit sharing
29. Uniform, automobile and travel allowances.
30. Reimbursements in excess of deductible expenses.
31. Employer provided educational assistance (taxable to the same extent as for federal tax purposes).
32. Pre-retirement distributions.

Non-Taxable Income

1. Interest or dividend income.
2. Pension and retirement income.
3. Social security benefits.
4. Welfare benefits.
5. State unemployment benefits.
6. Alimony.
7. Military pay, including Reserves and National Guard. (Excludes civilians employed by military or National Guard).
8. Earnings of persons under 16 years of age.
9. Certain capital gains and losses.
10. Certain royalties.
11. Proceeds of life insurance.
12. Annuity distributions.
13. Housing allowances for clergy to the extent that the allowance is used to provide a home.
14. Patent and copyright income.
15. Employee contributions made to cafeteria plans (Section 125). After January 1, 2004.

General Information

Business Losses:

A business loss of a previous tax year shall not be allowed or carried forward to reduce the tax due in any subsequent year. Losses from any business activity or occupation not subject to withholding under the ordinance may not be deducted from income received or tax withheld for services performed for an employer or from income received from the net profits of any other business activity or occupation.

Employee Business Expense Deduction:

Recognized only when the expense incurred applies to gross earnings that are in the jurisdiction of the City of Warren. This deduction is permitted only to the extent allowed

on the taxpayers Federal Income Tax Return. Federal schedule A and Form 2106 will need to be attached. Allowable expenses will be reduced by the appropriate portion of 2% of the Taxpayers Federal Adjusted Gross Income.

Estimated Taxes:

The schedule for estimated taxes due is as follows (per State Law):

Individuals

22.5 % Due by April 15th
45.0 % Due by July 31st
67.5 % Due by Oct 31st
90.0 % Due by Jan 31st

Non-Individuals

22.5 % Due by April 15th
45.0 % Due by June 15th
67.5 % Due by Sept 15th
90.0 % Due by Dec 15th

Late Filing Fee:

The fee for late filing is \$30.00.

Returned Check Charge:

The charge for a returned check shall be \$25.00.

Pass Through Entities (LLC's, Partnerships, S-Corp's, etc.):

All resident pass through entities shall report and pay taxes due. Currently, the income tax department will prepare your city income tax return. To take advantage of this service, please bring all of the necessary information with you to the income tax office. This includes any statements of income (employer W2's, bank statements, investment reports, etc.). The deadline for filing your personal income tax for the city of Warren is April 15.

Minimum Tax Due

No tax will be due nor will a refund/credit be issued if less than \$5.00.