

# **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, stipends and tip income.
3. Commissions, fees and other earned income.
4. Sick pay (Excluding 3<sup>rd</sup> party sick pay)
5. Employer supplemental unemployment benefits (SUB pay).
6. Employee contributions to retirement plans.
7. Net rental income. (Schedule E)
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 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. (Schedule F)
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.

33. Royalties

### **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 18 years of age.
9. Certain capital gains and losses.
10. Proceeds of life insurance.
11. Annuity distributions.
12. Housing allowances for clergy to the extent that the allowance is used to provide a home.
13. Patent and copyright income.
14. Employee contributions made to cafeteria plans (Section 125). After January 1, 2004.

**NOTE:** If you are Retired or have no taxable income, you are required to file an Exemption for the first year that this applies.

## **General Information**

### **Business Loss Carry Forward:**

**Per HB5, net operating loss carry forward with the deduction of losses at 50% for 5 years beginning 2017 through 2022. Beginning in 2023, 100% of losses can be carried forward.**

### **Estimated Taxes:**

The threshold for requiring estimated tax payments is \$200.00. This is determined by the amount of tax due after withholding for the municipality and credit for taxes paid to another municipality, if applicable. 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

**Returned Check Charge:**

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

**Late Filing:**

\*\*Beginning 2023 the late filing fee will be \$25.00 – Returns filed late for tax years prior to 2023 are subject to a late filing fee is \$25 per month, or for a fraction of a month, with a maximum charge of \$150.00. Late pay penalty is 15% of the unpaid balance, Interest (for rates visit <https://warren.org/living/departments/income-tax>).

An EXTENSION only applies to the late filing fee. The Extension must be filed before the due date. Complete a city Extension form or submit a copy of the Federal Extension at the time of filing.

**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, applicable Federal forms, Federal form 1040). The deadline for filing your personal income tax for the city of Warren is April 15<sup>th</sup>. If the IRS extends the deadline, we will extend to the same date.

**Minimum Tax Due:**

No tax will be due nor will a refund/credit be issued if less than \$10.00.