

# FORM RC LINE BY LINE INSTRUCTIONS

## **Line 1 – Wages and salaries**

Please use the worksheet table on the back of the tax form and attach all W-2s and 1099s to the return. The tables below are designed to assist in determining items that should be reported as taxable to the City and items that should not be listed on your tax return. **Please use the highest dollar amount of gross wages on each W-2.**

The following lists are not all-inclusive:

Taxable Income
Salaries and wages
Bonuses
Commissions and fees
Sick pay
Third party sick pay
Qualified pension plans
Employer supplemental unemployment benefits
Lottery and gaming winnings
Director fees
Vacation pay
Employee contributions to retirement plans
Incentive payments
Group term life insurance over \$50,000
Severance pay
Compensation paid in the form of property

Non-Taxable Income
Interest income
Dividend income
Welfare benefits
Social Security benefits
State unemployment
Worker’s compensation
Insurance proceeds
Cafeteria plans
Alimony
Military pay
Capital gains
Annuity distributions
IRA distributions
Gov’t allotments
Clergy housing allowance
Precinct election official (up to \$1,000)
Intangible income
Child support
Retirement income

Taxable Forms
W-2
1099 MISC

Non-Taxable Forms
1099 R
1099 INT
1099 DIV

## **Line 2a – Business income**

All sole proprietorships must file on Form RC. Please provide copy of Schedule C.

## **Line 2b – Rental or Supplemental income**

Include rental activity from properties located within the city and for rental property in communities which do not tax at a 2% rate. You should also include activities from the back of Schedule E which would include income or loss from Partnerships, S Corporations, Estates and Trusts, and Real Estate Mortgage Investment Conduits (REMICs). Please provide a copy of Schedule E.

## **Line 2c – Other income**

Please provide documentation or explanation.

## **Line 2d – Loss carried forward**

Net operating losses may be carried forward for five (5) years. No portion of a net operating loss shall be carried back against net profits of a prior year. This applies to any business or rental income loss from prior years. Please include a schedule.

## **Line 3 – Total other taxable income**

Add the amounts on lines 2a, 2b and 2c, subtract line 2d and enter the total on line 3. Amount cannot be less than zero.

## **Line 4 – Total taxable income before deductions**

Add the amounts on lines 1 and 3 and enter the total on line 4.

## **Line 5 – Deductions**

Enter the amount from line 33 on back of return. Lines 29-32 on the back of the return list all of the possible deductions.

## **Line 6 – Cuyahoga Falls taxable income**

Subtract from line 4 the amount of deductions on line 5 and enter on line 6.

## **Line 7 – Cuyahoga Falls tax due before credits**

Multiply line 6 by 2.0% and enter on line 7.

## **Line 8 – Refunds received**

Include refunds received during tax year from other cities or JEDDs.

## **Line 9 – Current tax due**

Add lines 7 & 8, enter total on line 9.

## **Line 10 – Taxes withheld and paid to Cuyahoga Falls**

Enter the total of column 2 from the W-2 worksheet table on back of form.

## **Line 11 – Taxes withheld and paid to other localities**

Enter total of column 3 from W-2 worksheet table on back of return. Cuyahoga Falls allows a tax credit for taxes withheld and/or paid to another locality (including JEDD) up to but not more than 2.0%. THIS APPLIES TO EACH W-2 (or portion thereof) SEPARATELY.

## **Line 12 – Estimated tax payments**

Enter the total amount of estimated income tax payments submitted to the City for the current tax year.

## **Line 13 – Credit carried forward from prior year**

This is the overpayment currently credited to your account at the end of the prior tax year.

## **Line 14 – Total credits**

Add the amounts on lines 10, 11, 12 and 13 and enter the total on line 14.

## **Line 15 – No refund or amount due for current tax year**

If the difference between line 9 and line 14 is less than \$1.00, enter zero and proceed to line 21.

## **Line 16 – Overpayment credited**

If line 14 is greater than line 9, and not less than \$1.00, you have overpaid. Subtract line 9 from line 14 and enter the amount of overpayment on line 16.

## **Line 17 – Overpayment credited**

Enter an amount equal to or less than your entitled refund (line 16) you wish to have applied to next year’s annual return. Also place this amount on line 26.

## **Line 18 – Amount to be refunded**

Subtract line 17 from line 16 and enter on line 18.

## **Line 19 – Balance due for current tax year**

If line 9 is greater than line 14, an amount is due to the City. Subtract line 14 from line 9 and enter the tax you owe on line 19.

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## **Line 20 – Penalty and interest**

If you calculated penalty and interest on the back of the return, enter the amount from line 36 onto line 20.

## **Line 21 – Estimated income**

Enter your estimated income on line 21.

## **Line 22 – Estimated tax due**

Multiply line 21 by 2.0%. This amount will represent the estimated tax liability for the tax year.

## **Line 23 – Taxes to be withheld**

Enter the amount of local tax to be withheld by your employer.

## **Line 24 – Estimated tax due for tax year**

Subtract line 23 from line 22 and enter on line 24. This amount represents the amount of outstanding tax liability. If this amount is less than \$100, estimated payments are not required and you may proceed to line 27 and enter zero.

## **Line 25 – First portion of estimated tax owed to City**

Multiply line 24 by 25% and enter on line 25.

## **Line 26 – Prior credit applied to estimated tax payments**

Enter amount from line 17.

## **Line 27 – Net amount due for initial quarterly payment**

Subtract line 26 from line 25 and enter the difference on line 27. This amount represents the first quarterly estimated tax payment for the tax year.

## **Line 28 – Total amount due**

Add lines 19, 20 and 27 and enter total on line 28. This is the amount due the City of Cuyahoga Falls. **Make your check payable to the CITY OF CUYAHOGA FALLS.**

## **Line 29 – Taxpayer under age of 18**

All persons (resident or nonresident) under the age of 18 are exempt from taxation of wages earned in Cuyahoga Falls. The amount placed on line 29 should be all wages earned in the current tax year up to the individual's 18<sup>th</sup> birthday. Any wages earned after your 18<sup>th</sup> birthday are taxable. **Please provide calculations of income if necessary.**

## **Line 30 – Age 65 and over deduction**

If you are a resident and at least 65 years of age on December 31, you may be entitled to this deduction. **Proof of age is required for the first time only.**

## **Line 30a – Income of resident age 65 and over**

Enter the following types of income:

- Income earned in Cuyahoga Falls
- Income earned in non-taxing area
- Income with tax rate of less than 2%
- Cuyahoga Falls business income
- Cuyahoga Falls rental income

Please do not include any income earned in an outside city with a tax rate of 2% or more.

## **Line 30b – Maximum amount of deduction**

A maximum deduction of up to \$3,000 is allowed for each resident who is 65 or over and has income listed on line 30a.

## **Line 30c – Amount of age 65 or over deduction**

Enter the lower amount of line 30b or line 30a.

## **Line 31 – Non-resident deduction**

If you prorate your income, you must also prorate your withholding. Please provide calculations.

## **Line 32 – Employment expense**

Enter portion of Form 2106 expenses pertaining to income earned in Cuyahoga Falls or earned in a locality with a tax rate of less than 2%. If you deduct 2106 expenses from wages earned in any other city or JEDD you must also reduce your income tax credited to that city or JEDD. Please provide copy of the Form 2106 and Schedule A. Expenses shown on 2106 are subject to audit by the Income Tax Division.

## **Line 33 – Total deductions**

Add the amounts on line 29, 30c, 31 and 32 and enter the total on line 33 and on line 5 on the front of the return.

## **Line 34a – Penalty: Failure to file a tax return**

Enter penalty if tax return is filed after April 15th. A penalty will be imposed even if no tax is due. The penalty is \$25 for the first instance, \$50 for the second instance, and \$100 for each subsequent instance. If filing a federal extension, please submit a copy on or before April 15th. Please remember that it is an extension of time to file and not an extension of time to pay.

## **Line 34b – Penalty: Failure to make estimated payments**

Enter \$25.00 if your total tax liability is \$100 or greater and you have not made any estimated tax payments.

## **Line 35 – Interest**

Any unpaid income taxes will bear interest of 1.5% per month or 15% of taxes due, whichever is greater at the time of filing.

## **Line 36 – Total penalty and interest**

Add the amounts on lines 34a, 34b and 35 and enter the total on line 36 and on line 20 on the front of the return.

### **Tax Return Check List**

1. **Did you sign your tax return?**
2. Did you use the highest amount of gross wages on W-2s?
3. Did you enclose all supporting documentation? (W-2s, 1099s and all Federal Schedules & Forms)
4. If you moved during the year, did you indicate your new address?
5. If your balance due on line 15 was over \$100, did you fill out the declaration of estimate?
6. Did you attach proof of age if applicable?
7. Did you sign and enclose your check or money order if an amount is due. **Please do not send cash or coins.**

**Extensions Of Time To File will be granted by the City of Cuyahoga Falls if all of the following conditions apply:**

- **The extension is received prior to the due date**
- **The taxpayer is current with all previous years' filings**
- **No amounts are owed the City for previous tax filings**

Again, this is only an extension of time to file and not an extension of time to pay.