

# 2021 TOLEDO INDIVIDUAL NON RESIDENT TAX RETURN FORM INSTRUCTIONS

DUE DATE: APRIL 18, 2022

(PLEASE PRINT USING BLACK INK OR USE THE FILLABLE FORM.)

PLEASE NOTE THAT THIS FORM IS TO BE USED BY INDIVIDUAL TOLEDO RESIDENTS.

## INSTRUCTIONS FOR COMPLETING THE RETURN:

**Enter your Toledo account number** – if known. In January, we will mail out a post card to each taxpayer with an active city of Toledo account. This postcard will contain a peel-off sticker containing your name, address and Toledo income tax account number. When you receive this postcard, please make sure that the name and address information is correct. If not, line through the incorrect portion and complete the form with the correct information. Apply the sticker over the Account # and Social Security # on page 1 of this form. If you did not receive a postcard and know your account number, please write it here.

Answer the question regarding filing and residency during the tax year. If you filed a Toledo tax return in 2020 and your account should be closed, mark the box if necessary and give us the reason (for example, no longer working) and answer the same for your spouse if a joint return is filed. List dates moved in or out of Toledo.

**Part-Year Residents:** *If you moved in or out of the city of Toledo during the tax year and you did not work in the city of Toledo, your wages or net profit from Schedule C can be allocated. W-2 wages can be calculated by taking the greater of Box 5 or Box 18 and dividing by 12 months and multiplying that calculation by the number of months you lived in Toledo. This will give you your Toledo taxable wage income. Do this for each W-2 and total. Enter this number in Box 1 of the return. If there is another city withholding in Box 19, you must multiply that city's tax rate by the Toledo taxable income to give you the correct tax credit for paying another city. Enter this number in Box 8 of the return.*

*If you had a net profit/loss from a Schedule C, divide the net profit (Line 31) by 12 months and multiply that calculation by the number of months you lived in Toledo and place this calculation in Box 1, Column D of Worksheet B. Also if you had rental properties and file a Schedule E, do the same calculations (Line 21) excluding the rental properties located in Toledo. The entire profit (Line 21) of rental properties located in Toledo is taxable regardless of your residency. Add the calculation of Non-Toledo rentals and Toledo rentals together and place in Box 2, Column D of Worksheet B. Do the same calculation for Non-Toledo Partnership K-1 income and place in Box 3, Column D of Worksheet B.*

*Any income that was earned in the city of Toledo is taxable regardless of your residency.*

Fill in your First Name and Middle Initial, Last Name and your Social Security Number. **(Your complete social security number is required)**. If a joint return—Enter Spouse's Account Number (if they have one) their First Name and Initial, Social Security Number and Last Name (if different).

Enter your Home Address Number and Street, City, State and Zip Code and also that of your Spouse if their address (number street, city, state and zip) is different.

Enter your phone number and an email address to assist us in reaching you should any questions arise during daytime hours (There is a box to check if we may leave a detailed message).

## **FILING STATUS**

Please check applicable box for Single, Married Filing Joint or Married Filing Separate

If Married Filing Separately enter the Spouse's Name, Social Security Number and the Spouse's Toledo Account number.

**Line 1. W-2 Income (Box 1 from Worksheet A)**

Instructions for Worksheet A on page 2 of this return: For each W2 received list the name of each employer, the locality where you worked, your gross wages from the greater of Box 5 or Box 18 of the W2, the Toledo income tax withheld the amount of Toledo Tax withheld from Box 19 of the W2, the amount of any other cities or JEDDs tax withheld for the time frame you worked within Toledo from Box 19 of the W2 or amount paid directly to another municipality (attach other municipal return(s)). (An **Additional Compensation of Wages** worksheet is available on our website for more W-2s).

**Line 2. Business/Rental Income (Line 5D from Worksheet B) – If a LOSS enter zero here.**

Instructions for Worksheet B on page 2 of this return: Column A; list appropriate income/loss for each line. If using the Schedule Y Apportionment Formula enter the percentage from Step 5 in Column C. Multiply Column A times Column C and enter in Column D. If there is local withholding on your 1099-MISC, 1099-NEC or more commonly your W-2G enter in line 3B. Calculate Total Business Income and place in Column D, Line 4 and also on Line 2 on Page 1 of this return.

**Line 3. Net Loss Carry Forward from Schedule NOL (Figure cannot exceed the amount on Line 2)**

**SCHEDULE NOL: Unused Loss Carry Forward (LCF).** Fill in the unused LCF for 2016 thru 2020 and the current year if applicable. Total this line.

**Loss Used THIS Year.** List LCF's used under the appropriate year of usage. Total this Line and place on Line 3, Page 1 of the return.

**Loss Carried Forward to NEXT TAX YEAR.** Subtract the Loss Used this Year from the Unused LCF in each column. *For the 2022 tax year, any remaining 2016 LCF will not be allowed since we have a 5-year LCF. Through the tax year 2016, 100% of the LCF's can be used to offset any current gain for 5 years. Beginning in 2017, only 50% of the LCF's can be taken against the current liability with the remainder carried forward to the next year.*

**Line 4. Adjusted Business/Rental Income** - Subtract Line 3 from Line 2. CANNOT BE A NEGATIVE.

**Line 5. Adjusted net income subject to Toledo income tax.** - Add Line 1 and Line 4.

**Line 6. Toledo Income Tax.** - Multiply Line 5 time .025 or 2.5% and enter here.

**Line 7. Toledo Income Tax withheld by employers.** Add Box 2 from Worksheet A and Box 4B from Worksheet B and enter here.

**Line 8. Other Municipality Tax withheld by employers.** Add Box 3 from Worksheet A for use by part-year residents only.

**Line 9. Estimated payments.**

Line 9a. Enter estimated payments made to directly to the city of Toledo.

Line 9b. Enter credit from the tax year 2020.

Line 9c. Enter the total of Line 10a and Line 10b.

**Line 10. Total allowable credits.** Enter the total of Lines 7, 8 and 9c.

**Line 11. Balance Due.** If Line 10 is less than Line 6, enter the difference here. PAYMENT IS REQUIRED WITH YOUR RETURN. (If amount is \$10.00 or less, no payment is due). Make check or money order payable to the "COMMISSIONER OF TAXATION".

**Line 12.** If Line 11 is less than \$200; skip to Line 12. If Line 10 is \$200 and greater, complete the 2021 Form 2210 (Underpayment of Estimate Penalty) located on our website. Place the Total column on Line 11 of the 2021 Form 2210 here. *NOTE: Estimate payments are required if you owe more than \$200 after credit for tax withheld. If 90% of the tax liability due for the current tax year or 100% of the tax liability for the preceding tax year is not paid in estimate form by January 15<sup>th</sup> following the current tax year (for individuals) you are subject to penalties and interest even if the tax is paid in full by the due date. Note that 100% of the preceding tax year must have been for a full 12 month period and that the tax return was filed).*

**Line 13. Penalty:** Late Payments on Returns--The penalty is 15% of the amount not timely paid at the time that this tax return is due. **Interest** at 5% per annum for 2021 will be assessed on each month that the payment was unpaid. Monthly rate for 2021 is .4167%.

**Late filing fee.** Failure to timely file a return by the due date (except for estimate payments) will incur a \$25 per month fee (up to \$150 for a return filed 6 months late) in addition to the Late Payment Penalty. Filers who file late and have no balance due will also be assessed the Late Filing Fee.

**Line 14.** Add Lines 11, 12 and 13. This is your total balance due.

**Line 15. Refund/Credit.** If Line 10 is greater than Line 6, enter the difference here, if more than \$10.

**Line 16 and Line 17.** Disburse Line 15 as follows. If the amount on Line 15 is more than \$10, complete these 2 Lines to let us know what to do with your overpayment and check the appropriate box at the top of page 1.

**REMEMBER TO ATTACH YOUR PERSONAL W2'S** to page 1 of this return. Attach all applicable Schedules for income/losses shown in Worksheet B (if applicable). Also, you must include your Federal Form 1040 to include Federal Schedule 1 and any 1099-MISC forms.

### **OTHER INSTRUCTIONS**

#### **SCHEDULE Y – Business Apportionment Formula**

This Schedule is for allocation of schedule income that was only partially earned in Toledo - note that rental income should not be allocated, but should be based on actual income within Toledo.

**Steps 1, 2 and 3** of this formula enter in column A the amount located everywhere and in column B list the amount located only within Toledo. Note that in Step 1, it is the average original cost of real and tangible personal property and/or the gross annual rentals multiplied by 8 and added together if both are used to determine the value of tangible and real business property.

In column C, list the result of dividing the amount in column B by the amount in column A.

**Step 4** - Total the percentages shown in column C.

**Step 5** – Divide the percentage shown in Step 4 by the total number of percentages used. Enter the result on Step 5 Column C and on Page 1, Line 4 of the Toledo Business Return.

Please note that just having an entry in column A Located Everywhere for any one step and no entry in column B for located in Toledo does not mean that that percentage wasn't used. If there is an entry in the Located Everywhere column that counts as a percentage used even if the percentage in Toledo is zero.

**SCHEDULE Y-1 – Reconciliation of Schedule Y Wages to Withholding Returns.** The purpose of this schedule is to provide a place to explain any reasons why Toledo would not have received 2.5% tax on the wages shown in Schedule Y, Step 2 Located in Toledo.

1. Enter the federal ID and name and address of the account under which withholding was remitted if different than the Fed ID and name shown on this return.
2. If you issued 1099-MISC to Toledo residents answer yes to this question, and please submit copies of those attached to the back of this return when filed.

If this is an amended return please check the box on page 1 upper right corner and include a copy of the originally filed return.

**REMEMBER TO SIGN YOUR RETURN (BOTH SPOUSES MUST SIGN JOINT RETURN) EVEN IF YOU HAVE REQUESTED ANY REFUND TO BE ASSIGNED TO YOUR RESIDENT CITY. IF YOU WANT YOUR PREPARER TO BE ABLE TO DISCUSS THIS RETURN WITH US, CHECK THE BOX UNDER YOUR SIGNATURES AND MAKE SURE THE PREPARERS INFORMATION IS ON THE RETURN.**

**MAIL YOUR RETURN TO:**

**REFUND DUE**

City of Toledo Income Tax  
PO Box 902  
Toledo, OH 43697-0902

**PAYMENT ENCLOSED**

City of Toledo Income Tax  
PO Box 993  
Toledo, OH 43697-0993

**NO PAYMENT ENCLOSED**

City of Toledo Income Tax  
PO Box 929  
Toledo, OH 43697-0929

**SCHEDULE NRR – NON RESIDENT REFUND COMPUTATION – PAGE 3**

This is for use by a Non-Resident whose employer withheld Toledo tax from their wages while they worked outside of Toledo. **PLEASE NOTE THAT THIS FORM MUST BE COMPLETED ENTIRELY AND THAT THE EMPLOYER CERTIFICATION MUST BE SIGNED AND BE INCLUDED WITH THE RETURN WHEN FILED.** See additional instructions on our website as to the taxability of wages and definitions of work locations that changed due to revision of Ohio Revised Code Section 718 as a result of House Bill 5 requirements.

A separate NRR Wage Computation Section will need to be completed if both spouses on a joint return are claiming days worked outside of Toledo when Toledo tax was withheld.

A separate NRR Wage Computation Section will need to be completed if for more than one employer.

Lines 1-10 are based on a work year of 260 days (representing five (5) days per week times 52 weeks). If your schedule differs from this, adjust the formula accordingly. Sick, vacation and holiday pay are taken into account by the formula. ***You must have your employer complete the certification at the bottom of page 3.***

Enter the Street Address, City, State and Zip Code where you resided at the time you worked for this employer while working out of Toledo and having Toledo Tax withheld. Please list the type of work you performed or your job title or classification.

Line 1. Enter the total number of paid vacation days taken during the entire year.

Line 2. Enter the total number of paid holidays for the entire year.

Line 3. Enter the total number of paid sick leave days taken during the entire year.

Line 4. Add Lines 1 through 3.

Line 5. Subtract Line 4 from 260 or your total workdays in a year. You must provide substantiation if your situation dictates a different formula being used.

Line 6. Enter your qualifying wages for this employer. Enter the greater of Box 5 or Box 18 of your Form W-2.

Line 7. Divide Line 6 by Line 5 to arrive at your average daily income for this employer.

Line 8. Enter the total days worked outside of the City of Toledo.

Line 9. Subtract Line 8 from Line 5. This is your total day working in the City of Toledo.

Line 10. Multiply Line 9 by Line 7. Enter this figure in Part A of Page 2 along with any other taxable wages you and/or your spouse earned.

Have your employer complete and sign the Certification statement below.

If you would like your refund to be assigned to your city of residence, complete and sign this box. **Page 1 of this return must also be signed by you and your spouse (if filed jointly).**

Have your employer complete and sign the **Employer Certification** portion of this section to include. They are certifying that you did work in the city of Toledo during the period indicated. Failure to have this section signed and completed will result in your form being returned to you and delaying your refund processing.

**\*\*YOU MUST COMPLETE THE ENTIRE TOLEDO INDIVIDUAL TAX RETURN AND SIGN PAGE 1 IN ORDER FOR YOUR CLAIM FOR NON-RESIDENT TO BE ACCEPTED.**

THE FOLLOWING LISTS ARE FOR REFERENCE PURPOSES ONLY. THEY ARE NOT MEANT TO BE EXHAUSTIVE OR ALL INCLUSIVE. THEY CAN BE SUBJECT TO REVISION WITHOUT NOTICE. THIS LIST IS IN ADDITION TO WAGES, COMPENSATION, SELF-EMPLOYMENT, RENTAL & FARM INCOME.

**EXAMPLES OF OTHER TAXABLE ITEMS ARE:**

1. Bonuses
2. Contributions made by or on behalf of employees (including those through a cafeteria plan) to a qualified deferral plan (401k, 403B, 457 and similar plans) are taxed in the year earned and the deferral is not permitted. However, matching contributions by an employer through a cafeteria plan are not taxable.
3. Contributions made by employees or on their behalf to a tax-deferred annuity or stock purchase plan.
4. Cost of group term life insurance over \$50,000.00 (unless part of a cafeteria plan).
5. Director Fees.
6. Short-term disability pay if received as a benefit from employment (a third-party payer is not required to withhold tax).
7. Excess employee discounts.
8. Income from golden parachute payments.
9. Income from guaranteed annual wage contracts.
10. Jury duty income.
11. Wage continuation plans (including retirement incentives and buy-outs).
12. Income received as a result of a covenant not to compete (except for specifically enumerated items that are otherwise not taxable)
13. Excess moving expense reimbursements (amounts that are taxable for Medicare wages).
14. Prizes, awards and gifts as a result of employment.
15. Profit sharing.
16. Severance pay.
17. Sick and/or vacation pay.
18. Stipends with a work requirement (vows of poverty are not recognized).
19. Stock options.
20. Stock bonus incentive plans.
21. Supplemental unemployment benefits (SUB PAY not withheld upon by 3rd party payer).
22. Tips.
23. Executor fees.
24. Gambling winnings (cannot be offset by losses).
25. Prizes and winnings from sweepstakes where money was tendered to enter.
26. Civilians working for the Military

**EXAMPLES OF INCOME THAT IS NOT TAXABLE:**

1. Alimony.
2. Annuities (when they are being distributed).
3. Capital Gains.
4. Dividends.
5. Government allotments.
6. Clergy housing allowance (note that excess allowance is taxable)
7. Religious, fraternal charitable, educational institutions that is derived from tax-exempt activities or tax exempt real property.
8. Insurance benefits – unless your employer paid the premiums.
9. Interest Income.
10. Long-term disability payments. (Social Security award letter required)
11. Meals and lodging required on premises.
12. Active Duty Military pay including reserve pay.
13. Non-resident Subchapter S corporation income to a resident member/shareholder.
14. Patent and copyright income.
15. Pension income.
16. Royalties.
17. Social Security Benefits.
18. State unemployment benefits. (Not the same as SUB PAY which is taxable)
19. Welfare payments.
20. Worker's compensation.