

CITY OF COSHOCTON INCOME TAX GENERAL INFORMATION

WHO MUST FILE

1. Every Coshocton city resident that has taxable income *(for exceptions see below) including pass-through income and rental income.
 2. **RESIDENT** includes a part-year resident and includes a legally domiciled resident temporarily living away, e.g. college student, construction worker, truck driver.
 3. Every sole proprietor, corporation, partnership, trust or other business entity operating in Coshocton as well as any owner of rental property. Filing is mandatory even if a loss.
 - Exceptions : (please mail a return with explanation and sign)
 - Retired no taxable income (example no rental income, 1099 income, etc) Must report status to the tax office
 - Nonresident with Coshocton taxable earnings and tax withheld at 2%
 - Total earnings of \$5000 or less and tax withheld
 - No longer live in the city (include date moved out)
 - Under 18 years old
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TAXABLE INCOME

Wages, salaries and other compensation
Bonuses, stipends and tip income
Commissions, fees and other earned income
Employer supplemental unemployment benefits (SUB Pay)
Employer contributions to retirement plans and tax deferred annuity plans (including Sec. 401K, Sec. 403B, Sec 457B,etc)
Net profits of business, professions, corporations, partnerships, etc
Income from partnerships, estates or trusts
Income from wage continuation plans (including retirement incentive plans and severance pay)
Vacation Pay
Stock options (taxed when exercised, usually valued at market price on the date the option is exercised)
Farm net income
Employer paid premiums for group term life insurance over \$50,000 (PS58)
Joint economic development income (JEDD)
Lottery winnings over \$10,000
Compensation paid in goods or services or property usage taxed at fair market value
Contributions made on behalf of employees to tax deferred annuity programs
Income from guaranteed annual wage contracts
Prizes and gifts if connected with employment to the same extent as taxable for Federal Income Tax purposes
Director fees
Income from Jury Duty
Union Steward Fees
Strike Pay
Profit sharing, if from a non-qualified plan, or if paid as a type of bonus
Uniform, automobile, moving and travel allowance
Reimbursements in excess of deductible expenses
Employer provided educational assistance (taxable to the same extent as for federal taxation pursuant to the Technical & Miscellaneous Revenue Act of 1988)
Executor fees
Rental Income
Federal Form 2106 (business expense) is no longer accepted

NON- TAXABLE INCOME

Interest or dividend income
Social Security

Income from qualified pension plans
State unemployment benefits
Worker’s Compensation
Proceeds of Life Insurance
Third Party Sick Pay
Active Duty Military Pay (including National Guard when on active duty)
Welfare Benefits
Capital gains
Prizes or gifts not connected with employment
Patent and copyright income
Royalties derived from intangible property
Housing allowances for clergy to the extent that the allowance is used to provide a home
Health & Welfare benefits distributed by governmental, charitable, religious or educational organizations
Compensatory insurance proceeds derived from property damage or personal injury settlements
Wages earned while working as a poll worker during elections
Contributions made by or on behalf of employees to cafeteria plans (Sec. 125)

CREDIT FOR TAX PAID TO OTHER CITIES

Individual taxpayers that are residents of Coshocton are allowed a credit of 1% (50% of Coshocton tax rate) that has been taxed by another city where it was earned

Example: Worked in Zanesville (inside city limits) Wages=\$50,000 Tax due to Coshocton before credit is applied (2%)= \$1000 Credit (1%) applied \$500 Adjusted Coshocton tax due=\$500

Penalty and Interest

The interest rate that will be applied to all unpaid income tax and unpaid withholding tax will be:

Calendar Year	Monthly Interest Rate	Yearly Interest Rate
2016	.417%	5 %
2017	.500%	6 %
2018	.500%	6 %
2019	.583%	7%
2020	.583%	7 %
2021	.417%	5 %
2022	.417%	5 %
2023	.583%	7 %
2024	.833%	10%
2025	.833%	10%

The penalty that will be applied to all unpaid income tax and unpaid withholding tax will be:

- **Late Filing: \$25.00**
- **Late Payment: 15% of the amount not timely paid**
- **Late Withholding Payment: 50% of the amount not timely paid**

- NSF Check Fee: \$35.00
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EXTENSIONS

Any taxpayer that has duly requested an automatic six-month extension for their Federal Tax Return will be granted an extension with the City of Coshocton. Copy of Federal extension due with the return

BUSINESS INCOME (SCHEDULE X) AND ALLOCATION FORMULA (SCHEDULE Y)

Schedule X adjusts the federal net gain or loss for items where Coshocton city income tax applies differently from federal tax. Line I of Schedule X shows the starting figure to use. Business income attributable to interest, dividends, capital gains and losses are not subject to Coshocton city income tax. Expenses attributable to nontaxable income shall be added back in the amount of 5% of specified nontaxable amounts. City or state taxes based on income may not be deducted. For partnerships, guaranteed payments to partners are not deductible. Self-employed individuals and pass-through income recipients may NOT deduct one half self-employment tax.

Alternative Apportionment for Businesses with Remote Workers. For tax years ending on or after December 31, 2023, businesses with remote workers will be permitted to use an alternative apportionment formula for their net profit filings. Instead of apportioning net profits to the municipalities where employees are performing remote work, businesses may elect to apportion net profits to employees' reporting locations, which in most cases will be a location owned or controlled by the employer business. This provision only impacts business net profits filings, and does not change an employer's obligation to withhold tax for employees' remote work locations. We will have more to report on this provision as we prepare for the tax year 2023 filing season. R.C. 718.02(A), 718.02(D), 718.021, 718.82(A), 718.82(D), 718.821 (this provision results in the renumber of existing R.C. 718.021 to R.C. 718.17)

NOTE: Income of S corporations remains taxable as if they were C corporations.

Schedule Y is used to determine the percentage of adjusted net business income to be allocated to Coshocton. It may be used only if business is conducted both within and outside the city of Coshocton. When the formula method is used, the following procedures must be observed.

Step 1. Determine the percentage which the average original cost of real and tangible personal property owned or used in the business, located within Coshocton during the period, is of the average original cost of all real and tangible personal property used in the business wherever located. The value of rented property is determined by multiplying the annual rentals by eight.

Step 2. Determine the percentage which the total wages, salaries and other compensation paid during the period to employees for services performed in Coshocton is of the total wages, etc. to all employees located everywhere.

Step 3. Determine the percentage which the gross receipts of the business from sales made or services performed in Coshocton during the period is of the total gross receipts from all sales and services wherever made or performed.

Step 4. Sum the percentages for each of the above steps used.

Step 5. Divide total of Step 4 by the number of percentages used.

NOTE: Operating losses can be carried forward for 5 years

Declaration of Estimated Tax

If you expect to have any taxable W-2 earnings for the following tax year on which the proper amount of Coshocton City Tax will not be withheld by your employer and the estimated tax due is \$200 or higher you are required to remit 4 quarterly payments that would equal total amount estimated due . Coupons provided below.

Any questions contact our office at 740-622-9515 or Email jackie.cushman@cityofcoshocton.com