

CITY OF MASON – FORM IR-EZ INSTRUCTIONS FOR SIMPLE 2016 INDIVIDUAL INCOME TAX RETURN

WHO CAN USE FORM IR-EZ?

The EZ form is designed for use by residents who have only very basic W-2 income on which to file. This form may be used by residents and part-year residents who have four (4) or fewer W-2s, where each employer withheld local tax for no more than one (1) city.

If you have **any** of the following, you must file using the **Online Tax Tool** or Form IR (standard return):

- More than four (4) W-2s
- Local Tax withheld for more than one (1) city per W-2 employer (shown in Boxes 18-20 of the W-2)
- Form 2106 unreimbursed employee business expenses
- Income reported on Federal Schedules C, E, or F (self-employment, business, rental, farming, etc.)
- Income reported on a 1099-MISC
- Jury duty pay
- Gambling winnings

STEP-BY-STEP INSTRUCTIONS

These step-by-step instructions are general guidelines.

Please see the General Information sheet and the Mason Tax Ordinance for more information.

NOTE: Please round the numbers on your tax return to whole dollar amounts.

Complete the steps below. Use the boxes to check them off when complete.

- ☐ Complete the taxpayer information and filing status boxes on the top of Form IR-EZ.
- ☐ **WORKSHEET A:** Complete Worksheet A using the instructions below. (If you are a part-year resident, please read “Line 2 Part-Year Resident Adjustment” instructions on page 2 before completing Worksheet A.)

Instructions for Worksheet A: Salaries, Wages, Tips and Other Employee Compensation per W-2(s)

Enter information from each W-2 on a separate line.

If you have more than four (4) W-2s (or more than one [1] taxing city per W-2), you **cannot** use this form.

- Column 1.** Enter the income from your W-2, Medicare Wages, Box 5. If Box 5 is blank, use Box 18.
- Column 2.** Enter the name of the city where you are employed as reported on your W-2, Box 20—if blank, enter “Non-Taxing Jurisdiction”.
- Column 3.** **If** Box 20 shows **Mason**, enter the Mason income tax withheld by your employer as reported in Box 19—otherwise, leave blank.
- Column 4.** If Box 20 shows a city other than Mason, and Box 19 is not 0 or blank, enter the local wages earned in that city as reported in Box 18.

Special Situations:

1. If Box 18 amount is higher than Box 5 (and Box 5 is not zero), use the amount in Box 5 instead.
2. If you were a part-year resident, enter only that portion of other city wages earned while you were living in Mason.
3. If a refund was or will be received from the city for which tax was withheld, enter only those wages ultimately taxable to that city. Provide a copy of the other city tax return or refund request form as supporting documentation.

If you live in the City of Mason, own or have an equity interest in your Mason home, and pay real estate taxes on the property, you qualify for the Resident Homeowner Credit on line 5 of Form IR-EZ. (Dependents of such a resident also qualify for this credit.) **The Credit for Other City's Tax Withheld in Worksheet A, Column 5 will vary depending on whether or not you take the Homeowner Credit.**

Column 5. **For those claiming Resident Homeowner Credit:** To calculate the Credit for Other City's Tax Withheld, **multiply Column 4 by 1% (.01)**. Compare the result with the tax withheld for that city in Box 19 of the W-2. Enter the smaller of the two amounts in Column 5.

For those not claiming Resident Homeowner Credit: To calculate the Credit for Other City's Tax Withheld, **multiply Column 4 by 1.12% (.0112)**. Compare the result with the tax withheld for that city in Box 19 of the W-2. Enter the smaller of the two amounts in Column 5.

Line E. After all W-2s have been entered, total each column and transfer the amounts as indicated below the column.

☐ **Line 2. Part-Year Resident Adjustment:**

Residents who moved in or out of the City of Mason during the year pay income taxes only on the portion of income earned during their residency in Mason or while working in the City.

Line 2 should report income that was earned while not a resident of Mason and not taxable to the City of Mason. To calculate this amount, one of several methods may be used. The method chosen by the taxpayer must be a reasonable reflection of the amount of income not subject to Mason's income tax; **an explanation supporting the calculation must be attached.** Accordingly, any credits for taxes paid to other cities in Worksheet A must also be prorated using the same formula.

The following are common examples for determining the amount of income that is not taxable to the City of Mason:

- If an individual taxpayer had the same employer throughout the entire year, a check stub from around the time of the move into or out of Mason may be used to indicate the portion of income not subject to Mason's income tax (use Medicare or gross wages). Place this amount on line 2 and attach copy of check stub to return.
- You may also use the percentage of time or the number of months that you resided outside of the City of Mason to determine the amount of non-taxable income.
Example: A taxpayer moves to Mason on March 25 and had the same employer prior to and after the move. The non-taxable Income would reflect 3 months out of 12 or 25% of the total income. Place this amount on line 2.
- If an individual taxpayer moved to Mason from out-of-state and also changed employers, he or she would be issued two W-2s. One would be from the out-of-state employer and one would be from the new employer which resulted in the move to Mason. The amount reported on line 2 should equal the amount from Box 5 on the W-2 from the out-of-state employer.

Note: Employers located within the city limits of Mason are required to withhold 1.12 percent of tax on all employees regardless of where the employee resides; therefore, income earned from an employer located within Mason is not subject to proration.

☐ **Line 5. Resident Homeowner Credit**

This credit may be taken if you (1) live in the City of Mason, (2) own or have equity interest in your Mason home, and (3) pay real estate taxes on the property. (The credit may also be taken if you are a dependent of the qualifying resident.) If you qualify for the credit, multiply Line 3 'Mason Taxable Income' by .12% (.0012) and enter the result on line 5.

☐ **Line 8. Prior year overpayments**

Enter last year's overpayments not refunded to you. Call the Mason Tax Office at 513-229-8535 to verify the amount, if needed.

☐ **Line 9. Estimated payments**

Enter the total of all payments made directly to the City of Mason Tax Office toward your 2016 tax liability or a zero if none. Call the Mason Tax Office at 513-229-8535 to verify the amount, if needed.

☐ **Line 12. Penalty: late filing penalty**

Late filing penalty: A minimum penalty of \$25 per month, not to exceed \$150, will be assessed if the return is filed or postmarked after the due date. See General Information (N) for more information.

☐ **Line 13. Underpayment penalty:** A penalty of 15% of amount not timely paid will be due if at least 90% of your 2016 tax liability (line 4 less line 6) was not paid by December 15, 2016. See General Information (N) and (P) for more information.☐ **Line 14. Interest.**

Interest expense of ½% per month is assessed on all taxes remaining unpaid after their due date. See General Information (O).

☐ **Line 17. Amount from line 16 to be credited to next year**

Enter the portion of the amount on line 16 that you would like to apply toward next year's tax liability. (Amounts \$10 or less are not carried forward.) Copy the number to line 22.

☐ **Line 18. Amount from line 16 to be refunded**

Subtract line 17 from line 16. This is the amount of your overpayment that will be refunded to you. (Amounts \$10 or less are not refunded.) Refunds may take up to 90 days to process.

DECLARATION OF ESTIMATED TAX FOR 2017☐ **Line 19. Total income subject to tax**

Enter next year's estimated Mason taxable income and multiply it by the Mason tax rate of 1.12% (.0112). If unsure, use the amount reported on line 4.

☐ **Line 20a. Resident Homeowner Credit**

If you will qualify for the Homeowner Credit in 2017, multiply the wages on line 19 by .12% (.0012) and enter the result on line 20a.

☐ **Line 20b. Credit for taxes withheld/paid to other cities**

Enter the income you estimate will be taxed by another city next year. Then,

- If claiming Homeowner Credit, multiply this income by 1% (.01).
- If not claiming Homeowner Credit, multiply this income by up to 1.12% (.0112) (use work city's tax rate if it is less than 1.12%).

If unsure, use the amount report on line 6.

☐ **Line 20c. Mason tax withheld**

Enter here the Mason taxes you expect to be withheld from your wages. If unsure, use the amount reported on line 7.

☐ **Once completed and reviewed, print a copy of the return for your records using the "Print Form" button.****To E-file the Return:**

- 1 Please complete the payment section at the bottom of the form for any balance due.
- 2 Upload all required supporting documentation (W-2s, page 1 of the federal return, etc.).
- 3 Then, e-file and submit your electronic payment by clicking the "Submit to City" button. This is done through the fully secure and encrypted submission process. Submitting the form acts as your electronic signature and is acknowledgement of the statement on the tax form "the undersigned declares that this return (and accompanying schedules) is a true, correct, and complete return for the taxable period stated and that the figures used herein are the same as used for federal income tax purposes."

To Submit Paper Return:

- Print, sign and date your return.
- Include all appropriate documentation (W-2s, page 1 of federal return, etc.) and payment for any balance due, and mail to or drop off at the Mason Municipal Center. If you wish to pay by check, please make it payable to "City of Mason Tax Office".