

# CITY OF MASON – FORM IR-EZ INSTRUCTIONS FOR SIMPLE 2020 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)
- Income/loss reported on Federal Schedules C, E, or F (self-employment, business, rental, farming, etc.) or Form 4797 Part II.
- Income reported on a 1099-MISC or 1099-NEC
- Jury duty pay
- Gambling winnings
- Excess Health Savings Account (HSA) contributions reported on line 8 of Federal 1040 Schedule 1.

## STEP-BY-STEP INSTRUCTIONS

*These step-by-step instructions are general guidelines and may not cover every situation.*

*Please see the General Information sheet and the Mason Tax Ordinance for more information, or contact the Tax Office at (513) 229-8535 with specific questions.*

**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 qualifying wages from your W-2, (Typically Medicare Wages, Box 5). If Box 5 is blank, use Box 18 if larger than Box 1.
- Column 2.** Enter the name of the city where you are employed as reported on your W-2, Box 20—if blank, school district, or county, select “Non-Taxing Jurisdiction”. (No credit is given on taxes paid to school districts or counties.)
- 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. (DO NOT enter school district or county wages.)

#### **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 otherwise taxable to the City of Mason. The calculation 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. **Use the method most accurate for your situation.**
- You may be able to 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 for the whole year. 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 had the same employer throughout the entire year, a pay stub from around the time of the move into or out of Mason may be used to more accurately determine 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 pay stub to return.
  - 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. NOTE: The credit can only be taken on the portion of line 3 income that was earned while you qualified as a resident homeowner.
- ☐ **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 2020 tax liability or a zero if none. Call the Mason Tax Office at 513-229-8535 to verify the amount, if needed.
- ☐ **Line 12. Late filing penalty**  
If the return is filed or postmarked after the due date, calculate a penalty of \$25.00 per month or fraction thereof (not to exceed \$150.00 late fee). *Example: If return is filed in July: Apr + May + Jun + Jul = \$100 late filing penalty.* See General Information (M) for more information.
- ☐ **Line 13. Late payment penalty**  
Calculate 15% penalty on any tax that was not paid on time. 90% of one's 2020 tax liability (line 4 tax less lines 5-8 credits) must be paid by January 15, 2021. Any remaining tax balance (line 11) must be paid by April 15, 2021. If either or both of these conditions are not met, late payment penalty applies. See General Information (M) and (O) for more information.
- ☐ **Line 14. Interest**  
Interest is due on all taxes not timely paid (see above for payment due dates). The interest rate is adjusted annually based on the Federal short-term rate plus 5%. The rate is **0.42%** per month for calendar year **2021**. To verify interest rates for other years, please see the website or call our office.
- ☐ **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 2021**

- ☐ **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 amounts reported on lines 3 and 4.
- ☐ **Line 20a. Resident Homeowner Credit**  
If you will qualify for the Homeowner Credit in 2021, multiply the **income** 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). (Use work city's tax rate if it is less than 1%.)
  - If not claiming Homeowner Credit, multiply this income by 1.12% (.0112) (Use work city's tax rate if it is less than 1.12%).
If unsure, use the amount reported 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.
- ☐ **Line 21. Net Estimated Tax Liability**  
Subtract line 20 from line 19 and enter the result. At least 90% of your *actual* 2021 tax liability must be paid by January 15, 2022 (and any remaining tax balance paid by 4/15/22), in order to avoid late payment penalty and interest next year.
- ☐ **Line 24. First quarter estimated payment**  
Enter the result of line 23 divided by 4. This represents the first quarterly installment due with the filing of your Mason Tax Return. Blank 2nd, 3rd, and 4th quarter coupons, which can be used to submit subsequent estimated tax payments during the year, are available on our website, [www.imaginemason.org](http://www.imaginemason.org).
- ☐ **Line 26. Total Tax Due**  
Add lines 24 and 25 to calculate the amount due.

**To Submit Return:**

- Print, sign and date your return.
- Include all appropriate documentation (W-2s, page 1 of federal 1040/1040-SR, federal Schedule 1, etc.) and payment for any balance due, and mail to or drop off at the Mason Municipal Center (6000 Mason-Montgomery Road, Mason, OH 45040). If you wish to pay by check, please make it payable to "City of Mason Tax Office".