

LINE-BY-LINE INSTRUCTIONS
CITY OF MASON
2008 MASON INDIVIDUAL INCOME TAX RETURN (FORM IR)

*These line-by-line 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.
- WORKSHEET A:** Complete Worksheet A on page 2 of Form IR using the instructions below.

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.
Attach a separate schedule if you have more than four W-2s.

- 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 total, if any, of 2106 Unreimbursed Employee Expenses (see General Information (I)).
- Column 3.** Enter the name of the city where you are employed as reported on your W-2, Box 20.
- Column 4.** If box 20 shows Mason, enter the Mason income tax withheld by your employer as reported in Box 19.
- Column 5.** 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.
- Column 6.** Calculate the local tax credit for local taxes withheld for cities other than Mason by multiplying the amount in column 5 less column 2 by .008. Enter that result in column 6.
- Line E.** After all W-2s have been entered, total each column and transfer the amounts to page 1 as indicated below the column.

Note: If a refund was issued from another city, please provide documentation, such as the city tax return or refund request.

Line 3 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 your residency in Mason.

Line 3 should report income that is 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 Mason's income tax. Accordingly, any deductions for 2106 Business Expenses and credits for taxes paid to other cities 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 through the entire year, a check stub from around the time of the move to or out of Mason may be used to indicate the portion of income not subject to Mason's income tax. Place this amount on Line 3.
- 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 25th. They had the same employer prior to and after their move. Their non-taxable income would reflect 3 months out of 12 or 25% of their total income. Place this amount on Line 3.

- If an individual taxpayer moved to Mason from out-of-state and also changed employers, they would be issued two W-2's. One would be from the out-of-state employer and one would be from the new employer which resulted in their move to Mason. *The amount which would be listed on Line 3 would be the amount from box 5 on the W-2 from the out-of-state employer.*

Please attach justification that supports how the prorated amount was calculated.

Note: Employers located within the city limits of Mason are required to withhold one 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 any proration.

WORKSHEET B: If you have income that is not reported on W-2s (see General Information, paragraph L), complete Worksheet B on page 2 of Form IR. You may skip Worksheet B if:

- you did not file IRS Schedules C, E or F
- you do not have any miscellaneous taxable income. (See General Information (G).)

NOTE: Part-year residents: for lines 1d and 2d on Worksheet B, the "Percentage Taxable to Mason" can be determined by using the percentage as calculated per the instructions for Line 3, the Part-Year Resident Adjustment.

WORKSHEET C: If, while living in Mason, you paid local taxes to a city other than Mason on income not included on your W-2s, complete Worksheet C. NOTE: Skip Worksheet C if Worksheet B above was not applicable.

- Continue at line 1 on page 1 of Form IR.
- Line 9a. Credit for taxes withheld to other cities.**
Enter the amount on Page 2, Worksheet A, Column 6, Line E. Part-year residents: don't forget to pro-rate the amount as instructed in line 3, Part Year Resident Adjustment for this credit, if applicable.
- Line 10. 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 11. Estimated payments**
Enter the total of all payments made directly to the City of Mason Tax Office toward your 2008 tax liability or a zero if none. Call the Mason Tax Office at 513-229-8535 to verify the amount, if needed.
- Line 13. Tax due**
Subtract line 12 (Total Payments and Credits) from line 7 (Mason Income Tax) and enter the result. Enter \$0 if the result is less than \$1.
Note: The amount of tax due must be enclosed with your return.
- Line 14. Penalty: late filing or payment penalty.**
Late filing penalty: A minimum penalty of \$20 will be assessed if the return is filed or postmarked after the due date of April 15.
See General Information (N) for more information.
- Payment penalty:**
A minimum penalty of \$20 will be assessed if at least 90% of your 2008 tax liability (Line 7 less line 9) was not paid by January 31, 2009.
See General Information (N) and (P) for more information.
- Line 15. Interest.**
Interest expense of 1/2% per month is assessed on all taxes remaining unpaid after their due date. See General Information (O).
- Line 17. Overpayment**
Subtract line 7 from line 12. Note: If line 14 Penalty and/or line 15 Interest applies, your overpayment must be reduced by these amounts.
- Line 18. Amount from line 17 to be credited to next year**
Enter the portion of the amount on line 17 that you would like to apply toward your next year's tax liability.
- Line 19. Amount from line 17 to be refunded**
Subtract line 18 from line 17. This is the amount of your overpayment that will be refunded to you. Amounts less than \$1 are not refunded.

DECLARATION OF ESTIMATED TAX FOR 2009

- Line 20. Total income subject to tax**
Enter next year's estimated Mason taxable income and multiply it by the Mason tax rate of 1% (0.01). If unsure, use the amount reported on line 7.
- Line 21. Total local taxes withheld/paid**
Enter here the total of your estimated Mason taxes you expect to be withheld from your wages, plus your estimated tax credit related to taxes paid/withheld to cities other than Mason (limited to 0.009 times income taxed by another city). If unsure, use the total of the amounts reported on lines 8 and 9.
- Line 22. Net estimated tax liability**
Subtract line 21 from line 20 and enter the result. 90% of your actual tax liability must be paid by January 31 of the following year to avoid a penalty.
- Line 25. First quarter estimated payment**
Enter the result of line 24 divided by 4. This represents the 1st quarterly installment due with the filing of your Mason Tax Return. Quarterly courtesy installment coupons will be mailed to you in July, October and January as a reminder to make these quarterly payments.
- Lines 26 and 27. Tax due**
Calculate the amount you owe.
- Sign and date your return, include all appropriate copies of federal forms and justifications, and include payment information.**
If you wish to pay by check, please make it payable to City of Mason Tax Office.