CITY OF OREGON INCOME TAX INSTRUCTIONS

TAX RATE: The Oregon City income tax rate is 2.25%

WHO MUST FILE:

- All **residents** having taxable income, regardless of their age or where the income is earned. Unlike Federal/State returns, there is no dollar threshold for filing.
- All **resident businesses**, regardless of whether or not the business had a profit.
- Any **non-resident** with income earned within the City of which Oregon city tax was not withheld.
- Any **non-resident business** conducting business within the City regardless of whether or not the business had a profit.

WHO DOES NOT HAVE TO FILE:

- If all tax has been properly withheld by their employer, nonresidents who work inside the city do not have to file. The same is true for retirees whose only source of income is from social security and qualified pensions. If you were sent a tax form and feel you do not need to file, please call our office at 419-698-7034.

WHEN AND WHERE TO FILE:

Taxpayers who end their taxable year on December 31 must file **on or before the IRS due date.** Returns should be sent to the Commissioner of Taxation, 5330 Seaman Rd, Oregon, OH 43616.

LOSSES: Losses cannot be netted against W-2 wages. However, beginning in 2016 losses and gains from multiple schedules are allowed to be netted against one another. Any loss can be carried forward for up to 5 years to use as an offset against future profits.

PHASE IN RULES FOR POST 2016 LOSSES USED:
Resident and nonresident business losses posted in 2017 and future years are limited to phase-in rules when used against profits in tax years 2018 through 2022. During this five-year phase-in period, fifty percent (50%) of each tax year's loss (2017 – 2021) can be used against profits. The remaining unused portion can be carried forward (5-year limit).

EXTENSIONS: If the deadline to file cannot be met, an automatic extension will be granted if the taxpayer received an extension on his/her federal return. If an extension was not requested or received for federal purposes a taxpayer may still request an extension to file his/her city tax by sending a request to the Tax Commissioner by the original due date of the return. **An extension of time to file is not an extension of time to pay.** Payment of any estimated tax due should be sent in by the original due date of the return to avoid a late payment penalty. Although not required by state law, a courtesy copy of the extension by the due date of the return would be appreciated. **A copy of the extension must be attached to the return when filed or the return will be considered late and a late filing penalty will be applied.**

PENALTY AND INTEREST:

- Penalty at the rate of 1.5% per month will be charged on all unpaid tax as of the original due date of the tax.
- Interest (visit City website for rates) will be charged on all unpaid tax as of the original due date of the tax.
- A late filing fee of $25 will be charged in all cases where a return is received by our office dated with a postmark after the due date or extended due date of the return.
- Additional penalty and interest may be charged for underpaying estimated tax. See instructions for Filing Estimated Tax for an explanation.

OTHER FREQUENT QUESTIONS:

- **College Students –** If an individual is a student attending college away from home, they are generally still considered to be an Oregon resident and should file an Oregon return on all income earned for the year.
- **Partial Year Residents –** If you only lived in Oregon during part of the year, you must file a tax return covering that time. Report the amount of income you earned while you lived in Oregon. Pay stubs with year-to-date figures or a statement from your payroll department must be used, if possible.
- **Pass-Through Entities (Partnerships, S Corporations, LLCs, etc.) –** Tax is imposed first and foremost at the entity level, based on the income that is attributable to Oregon. Resident individual general partners, members, and shareholders must then report their untaxed distributive shares on their individual return. Losses are treated identically.
- **Assistance in preparing the City of Oregon return** is available by visiting our office at 5330 Seaman Road or by filling out a Tax Return Completion Request Form and sending it to our office, along with pertinent information. There is no charge for this assistance and an appointment is not necessary. Regular office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m. Please call 419-698-7034 with any questions.

TAXABLE INCOME

- Wages, salaries and other compensation
- Bonuses, fringe benefits, incentive payments, severance pay, vacation pay, stipends, tip income, commissions, fees and other earned income
- Covenants not to compete
- Net housing allowance (if taxable by IRS)
- Cost of group term life insurance in excess of $50,000 (active employees only)
- Income from mineral rights, gas and oil wells, or timber rights
- Resident general partner's income from limited partnership
- Sick pay, including third party sick pay (unless designated as Code J in Box 12 of the W-2)
- Employee contributions to retirement plans and tax deferred annuity plans (including Section 401K, 403b, 457b, etc.)
- Non-qualified pension plan contributions
- Ordinary income portion from stock options
- Net rental income
- Net farm income
- Net profits of businesses, professions, sole proprietorships, etc.
- Income of corporations, partnerships, S-Corporations, estates, or trusts (taxed at the entity level)
- Prizes and gifts, if connected with employment (to the same extent as taxable for IRS purposes)
- Ordinary income from sale for personal business property (Form 4797)
- Director/Executor fees
- Income from jury duty
- Union steward fees
- Strike pay
- Uniform, automobile, moving and travel allowances (in excess of expense)
- Supplemental Unemployment Benefits (SUB pay)
- Compensatory insurance proceeds from lost wage settlements

NON-TAXABLE INCOME

- Interest/dividend income
- Pre-tax contributions made by or on behalf of employees to Section 125 (cafeteria) plans
- Welfare benefits
- Social Security
- Income from qualified pension plans (1099R income)
- State unemployment benefits
- Worker's Compensation
- Proceeds of life insurance
- Alimony/child support
- Government disability payments
- Pollworker income up to $1000
- Military pay (including National Guard)
- Capital Gains
- Royalties derived from intellectual properties such as patents, copyrights and trademarks
- Compensatory insurance proceeds derived from property damage or personal injury settlements
- Gambling/lottery income (unless it is listed on a Schedule C)

DISCLAIMER: The information in these Instructions is not intended to discuss all provisions in the Income Tax Ordinance of the City of Oregon. Please contact our office at 419-698-7034 if you have any questions.

Payments by credit card can be made by visiting our website, www.oregonohio.org/tax-department/tax/payments.html or by calling us at 419-698-7034 between the hours of 8:00 a.m. and 4:30 p.m.