

## Frequently Asked Questions

### **What is the income tax rate in Urbana?**

One and four-tenths percent (1.4%). If an individual pays income taxes to another municipality, a credit of up to one percent (1%) is allowed.

### **When are my city income taxes due?**

April 15 is the due date. To be considered timely filed the return must be received on or before April 15. A return that is mailed must be postmarked April 15 or before. The cancellation from a postage meter does not constitute a postmark and the day that the City of Urbana receives the tax return will determine the date of filing.

**\*\*Tax Year 2017 income tax returns are due Tuesday April 17, 2018\*\***

### **Where do I obtain tax forms?**

Forms are available at the Finance Department located in the City Building, 205 S Main. Forms can also be downloaded from the website.

### **Where do I file my City income tax return?**

Income Tax returns can be dropped off at the Finance Department window located at the Municipal Building between the hours of 8:00 A.M. – Noon and 1:00 P.M. to 4:30 P.M. Monday thru Friday, can be placed in the Drop Box located at the E. Market Street entrance, or can be mailed to:

City of Urbana  
Attn: Income Tax Department  
205 S Main St.  
PO Box 747  
Urbana, OH 43078-0747

### **If I live in Urbana and my employer withheld enough city tax, do I still have to file a tax return?**

Yes, Urbana requires that a timely tax return be filed even if no additional tax is owed.

### **Can I apply for an extension of time to file my return?**

If you have requested an extension of time to file your federal return with the IRS, you will automatically receive an extension of time to file your Urbana return until

October 15, 2018. Please include a copy of your federal extension when filing your return to avoid a late filing penalty. If you have not requested a federal extension, you may still receive an Urbana extension by filing your request by April 17, 2018. Remember that an extension of time to file is not an extension of time to pay taxes owed.

**Why is City taxable income on my W-2 higher than Federal or State taxable income?**

It is federal and state tax policy to give tax preference or to defer tax on some types of income. For example, to encourage people to save for retirement, income put into a pension plan is not taxed for federal or state purposes until it is received as a pension. Cities in Ohio, however, do tax that income when it is earned (set aside), but don't tax it when it's paid out in your retirement years.

**Can I be assessed penalty, interest and late filing fees?**

Penalty and interest charges are levied unless required payments are made when due.

**My child is working part-time while at college. Are they required to file and/or pay Urbana income tax?**

Yes, so long as their official residence is in Urbana. If they officially change their residency to the city in which they are attending college, they will not have to file an Urbana income tax return. However, they may be required to file and pay income tax to their new city.

**If I moved to Urbana part way through the year, do I have to pay tax on my income for the entire year?**

No, Urbana permits prorating of income for new residents. To calculate how much of your income you will need to pay tax on, divide your income by 12 and then multiply the result by the number of months that you lived in Urbana last year. Any tax that was withheld from your wages is also prorated as above.

**Are Schedule C, E, or F losses allowed to be used against W-2 income?**

No. Schedule C, E, and F losses cannot be used against W-2 income.

## **Who must file a declaration of estimated tax?**

Every taxpayer who will owe at least Two Hundred Dollars (\$200) more than what will be withheld by his/her employer will be set up on estimated payments beginning with the 2016 tax year.

To avoid unnecessary correspondence and delays in processing your return:

- Fill out the form completely
- Attach **ALL** W-2's and/or federal schedules
- Enclose payment for balance due. Make check payable to *City of Urbana*
- DO NOT send cash in the mail
- Be sure to sign your return and check

If you have any questions not addressed, please call (937) 652-4314 or e-mail your questions to [incometax@ci.urbana.oh.us](mailto:incometax@ci.urbana.oh.us)