2024 GENERAL INFORMATION FOR INDIVIDUALS

1. WHO MUST FILE

All residents of Vandalia/Brookville that are 18 years of age or over, whether or not any income was earned or any tax due, are required to file an annual return. All non-residents that earn or receive income within Vandalia/Brookville that is not fully withheld upon are required to file a return. All resident business entities including trusts, corporations, S-corporations, partnerships and other unincorporated businesses are required to file an annual return on an entity basis. Non-resident business entities that conduct business, perform services, have a location or have income earned in Vandalia/Brookville are required to file on an entity basis. For corporations, partnerships and other taxable entities, a Business income tax return will be needed.

NOTE: Anyone receiving a notification letter has an active account and will need to file a return. All accounts remain in active status until a "final" return is filed.

2. UNDER 18 YEARS OF AGE

You may be eligible for a refund if Vandalia/Brookville taxes were withheld on income earned prior to your 18th birthday. If you are under 18 or if you turned 18 years of age during the year, only the income earned after your 18th birthday is subject to Vandalia/Brookville tax. Submit verification of your date of birth (photocopy of driver's license or birth certificate) and verification/computation of your taxable/non-taxable earnings.

3. PART-YEAR RESIDENTS

Part-year residents will need to allocate their income and any deductions and credits based on the amount of time they lived in each city. Verification/computation (pay stubs, etc.) will need to be submitted with the return. Those living in Vandalia/Brookville for any part of the year are required to file a return. College students, even though they may reside away from home for a portion of the year, are required to file if their permanent residence is within Vandalia/Brookville.

4. DUE DATE

Returns are due by **April 15th** following the close of the calendar year, or within 3½ months of the end of the year for those businesses on a fiscal year basis. The due date may vary slightly depending on weekends and/or federal holidays.

5. EXTENSIONS

Extensions may be granted on an automatic basis if an automatic six-month extension was requested for filing the federal income tax return. A copy of the federal extension must accompany the municipal income tax return when filed by the extended due date. An extension of the time to file does not extend the time to pay the tax. Penalty and interest charges may be imposed on any tax remaining unpaid after the original due date. Additionally, there is no provision for extending the current year first quarter estimated payment. Extension request forms may be obtained from the Tax Office or our website: www.vandaliaohio.org.

6. SUPPORTING DOCUMENTATION

Documentation is necessary to verify all amounts of taxable and non-taxable incomes, expenses, deductions and credits. All of the Internal Revenue Service Form W-2s (Wage and Tax Statements) and the Internal Revenue Service Form 1040 (including Schedule 1, if applicable) are required to be included with each annual return, amended return, or request for refund. Those taxpayers claiming deductions for commissions paid, contract labor and the like must provide a schedule showing a breakdown of amounts paid, how much of said work was in each city, names to whom paid with addresses and social security (or federal identification) numbers. Copies of Form 1099-NEC or 1099-MISC may be sent in lieu of the schedule.

7. TAXABLE WAGES

Income subject to taxation includes, but is not limited to, qualifying wages, commissions, bonuses, incentive programs and other compensation received, accrued or in any other way set apart. Note: The qualifying wage for city purposes is generally the same amount as the federal Medicare wage amount. A more complete listing of examples of taxable and non-taxable income is available on our website: www.vandaliaohio.org.

8. FILING STATUS

A married couple may file either joint or separate returns. The filing status will not affect the amount of tax due.

9. RENTALS

Net rental earnings from all types of real estate or other property are taxable for residents regardless of where the rental is located. Net rental earnings derived within the city are taxable to the property owners without regard for their place of residence. An annual return is required even though a loss may be incurred.

10. BUSINESS INCOME

Income derived from a profession, sole proprietorship, joint venture, partnership or similar business endeavor is taxable to residents no matter where that income is earned. Non-residents receiving such income derived within a city are taxable without regard to their place of residence. A return is necessary even though a loss may have been incurred.

11. OTHER CITY TAX CREDITS

Residents of a city who work in and pay tax to another city may take a credit against their city tax liability for other city tax paid up to a maximum of 2% of taxable income earned in the other city. A proration of taxable income will result in a proration of the other city tax credit. In some instances, an adjustment of credit may be necessary if the tax paid or withheld for another city is incorrect. When claiming a credit for other city taxes paid, verification, such as W-2s or other city tax returns, must be submitted with the income tax return.

12. DECLARATION OF ESTIMATED TAX

Every taxpayer who anticipates having income tax due of $200.00 or more that is not fully withheld must file an annual declaration of estimated tax. At least 90% of the current year tax liability or 100% of the previous year liability must be paid either through employer withholding and/or estimated payments by January 15th following the taxable year. In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed on the amount of underpayment. Quarterly statements are available on our website: www.vandaliaohio.org.

13. CORPORATIONS, PARTNERSHIPS, TRUSTS, ETC.

Corporations, S-corporations, partnerships, trusts, joint ventures and similar business entities having a location or doing business in Vandalia/Brookville are required to file annual income tax returns on an entity basis. Such entities will need to obtain a Business income tax return. Distributions from S-corporations should not be included on individual tax returns. Individuals who receive payments from partnerships should only include those on their individual return when the distributing partnership is not doing business in or located in their city of residence.

14. BUSINESS LOSSES

Net business losses including rental losses may be deducted from net gains of other businesses and rentals. Such losses may not be used to offset wage income.

15. NET OPERATING LOSSES

For taxable years beginning in 2018, a person may deduct any net operating loss incurred in a taxable year beginning on or after January 1, 2017. The amount of such net operating loss shall be deducted from the net profit to the extent necessary to reduce taxable income to zero, with any remaining unused portion of the net operating loss carried forward for five consecutive taxable years or until fully utilized. Net operating loss carryforwards are permitted beginning in tax year 2023 at 100% of the current year's income.

16. LATE FILING FEE, PENALTIES AND INTEREST

When returns are filed after the due date by Vandalia/Brookville residents or by businesses performing services in Vandalia/Brookville, a late filing fee of $25.00 is imposed without regard for the amount of tax due. Late filing fees may apply even though no tax may be due. In addition, for taxable year 2024, any Vandalia/Brookville income tax remaining unpaid after the due date may be charged a penalty of 15% and interest of 0.83% per month (10% annually).

17. VISA/MASTERCARD

City taxes may be paid online with your credit card or by electronic check. Please refer to the City of Vandalia's website, www.vandaliaohio.org, to access the online payment center. Credit card payments are now accepted in person in the tax office as well.

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