

# GENERAL INFORMATION FOR FILING YOUR CITY OF MASON TAX RETURN (FORM IR)

This General Information sheet is a general guideline. Please see the Mason Tax Ordinance for more information.

*Mason Tax Office employees will help you prepare your Mason tax return free of charge. No appointment is necessary. Bring in a copy of your federal tax return along with all W-2 statements.*

## **(A) WHAT TO INCLUDE WITH YOUR RETURN**

- Mason Tax Form IR (Please be sure it is signed and dated.)
- Copy of page 1 of federal return Form 1040 (or 1040-SR pages 1-2), if filed
- All W-2 statements used in filing federal tax return Form 1040/1040-SR  
(Also provide documentation for any other amounts included on the "Wages, salaries, & tips" line of the federal return.)
- Copy of Federal 1040 Schedule 1, if applicable
- Documentation for any amounts reported on Lines 3, 4, 5, 6, and 8 of Federal Form 1040 Schedule 1 (These include Federal Schedules C, E, F, K-1, Form 4797, 1099-MISC, 1099-NEC, and W-2G.)
- Payment must accompany the City of Mason tax return. Make check payable to "Mason Tax Office" or include your VISA or MasterCard information on the form.

## **(B) WHEN TO FILE YOUR RETURN**

The City of Mason 2023 Income Tax Return Form IR must be filed (postmarked) on or before Monday, April 15, 2024.

## **(C) WHO MUST FILE?**

### **Residents:**

- All Mason residents, regardless of age, income level or where their income is earned, are subject to Mason income tax. The rate of the tax is one and twelve one hundredths percent (1.12%) imposed on all qualifying wages (typically found in Box 5 on your W-2), commissions, and other compensation.

- Residents who own or have an equity interest in the real estate that the resident is domiciled and pay real estate taxes shall be allowed an exemption to be given as credit equal to twelve-one hundredths (0.12%) per cent per annum. The resident's legal dependent(s) shall also receive the credit equal to twelve-one hundredths (0.12%) per cent per annum.

The credit does NOT apply to income earned while one is a tenant living in Mason or to wages earned working in Mason while a non-resident.

- Credit is given for income tax paid to another municipality (city/JEDD/JEDZ), not to exceed 100% of the Mason tax. *This credit does not apply to taxes paid to a school district or county.* See Step-by-Step Instructions and Worksheets A and C for calculation.
- Refunds from another city will also reduce the credit.
- All residents who have income from wages or taxable income other than wages (i.e., commissions, tips, rentals, self-employment, partnerships, etc.) must file a City of Mason Income Tax Return Form IR.

### **Part-Year Resident:**

- Residents who moved in or out of the City of Mason during the calendar year are required to file for their time of legal residency. See Step-by-Step Instructions for the Part Year Resident Adjustment for Line 2.
- If you prorate your wages, you must likewise prorate the credit for taxes paid to another city.

### **Non-Residents:**

- Non-residents who generate income from within the City of Mason, either from rental income, work performed, or business income whereby the employer HAS NOT withheld City of Mason Income Taxes and who are subject to City of Mason tax are required to file a City of Mason Income Tax Return Form IR. Non-residents are responsible for paying tax only on salaries, wages, compensation, or profits which result from work performed, services rendered, business transacted or activities conducted within the City of Mason.
- Employers located in Mason are required to withhold the full tax from their employees' wages regardless of where they live. Wages earned within the City of Mason are not prorate regardless of where you live.

## **(D) WHERE TO MAIL YOUR RETURN**

- Returns must be filed with the City of Mason Tax Office, 6000 Mason-Montgomery Road, Mason, Ohio 45040.
- Returns may be dropped off at the Customer Service Counter in the Mason Municipal Center at 6000 Mason-Montgomery Road.
- Returns (or *copies* of the documents and information needed to complete your return for you) may also be sealed in an envelope and placed in the City "Drop Box" located near the exit of the semicircular drive on the east side of the Mason Municipal Center (6000 Mason-Montgomery Road).
- Returns can also be submitted through our secure email at [www.imagemason.org](http://www.imagemason.org)

## **(E) ON-LINE TAX TOOL AVAILABLE with online filing**

- For information, visit [www.imagemason.org](http://www.imagemason.org) beginning February 9, 2024.

## **(F) WHERE TO GET HELP**

- By Phone - 513-229-8535
- By Fax - 513-229-8531
- By Internet - [www.imagemason.org](http://www.imagemason.org)
- By Secure Email – email link at [www.imagemason.org](http://www.imagemason.org)

In Person – Mason Municipal Center  
Customer Service Counter  
6000 Mason-Montgomery Road  
Mason, OH 45040  
Hours: Monday-Friday  
8:00 a.m. - 4:30 p.m.

Extended Hours – The Tax Office will be open for the following extended hours during April 2024:

Sat. April 13, 8:00 a.m. - noon

Mon. April 15, 8:00 a.m. - 7:00 p.m.

## **(G) TAXABLE INCOME INCLUDES, BUT IS NOT LIMITED TO:**

### **Residents:**

- All salaries, wages, commissions, other compensation and other income from whatever source received by residents of the City of Mason

### **Part-Year and Non-Residents:**

- All salaries, wages, commissions, other compensation and other income from whatever source received for work performed, services rendered, business transacted or activities conducted in or while living in the City of Mason

### **Examples include, but are not limited to:**

- Commissions and other compensation, including sick pay, vacation pay
- Income from wage-continuation plans (includes retirement incentive plans), stock options (where exercised as indicated on W-2 form)
- Cost of group term life insurance over \$50,000
- Severance pay
- Compensation paid in property or the use thereof, at fair market value, to the same extent as taxable under the Federal Internal Revenue Act and so indicated on the W-2 form
- Tips, contributions made by or on behalf of employees to tax deferred annuity plans (401k plans and the like), stipends if work required (vow of poverty not recognized), income from guaranteed annual wage contracts, third party disability pay, employer paid premiums, bonuses (which includes meals, trips, golf outings, etc.)
- Net profits from corporations, unincorporated businesses, sole proprietorships (Federal Schedule C), rental properties (Federal Schedule E), partnerships (Federal Schedule E), S corporations generated in Ohio (Federal Schedule E), and Farm Net Income (Federal Schedule F)
- Also taxable are trusts and estates (file and pay as entity), directors fees, executor fees, income from jury duty, gambling winnings, supplemental unemployment pay paid by employer, union steward fees, strike benefits paid by company, ordinary income from Form 4797, profit sharing income or income from a nonqualified plan, excess HSA contributions, and royalties derived from lands and rents (e.g. mineral rights).

## **(H) NON-TAXABLE INCOME INCLUDES, BUT IS NOT LIMITED TO:**

- Interest, dividends, active or reserve duty military pay and allowances, Social Security benefits, welfare benefits, and state unemployment insurance benefits
- Workers' compensation, proceeds from qualified retirement plans as defined by the IRS, and cancellation of debt
- Capital gains resulting from the sale of intangible assets
- Intangible royalties (e.g. copyrights and patents), alimony, and income specifically prohibited from taxation (see page 2)

## GENERAL INFORMATION, continued

### (I) EXTENSION OF TIME TO FILE

- Taxpayers may receive an extension of time in which to file their return of up to six (6) months beyond the due date of the return, not to exceed the due date to which the federal income tax return has been extended.
- Taxpayers who have requested a 6-month extension for filing their Federal income tax return shall automatically receive a 6-month extension for the filing of their city tax return. Please attach a copy of the extension to the return when it is filed to avoid late filing penalty.
- If no Federal extension is filed, an extension must be requested by using City of Mason Form ER and must be postmarked by April 15, 2024.
- No verbal extensions will be honored.
- Payment of your tax liability must accompany the Extension Request Form ER or copy of the Federal Extension Request and must be submitted by April 15, 2024. An extension of time to file is not an extension of time to pay the tax due.

### (J) OPERATING LOSSES AND LOSS CARRY FORWARDS

- For individuals, ALL TAXABLE INCOME earned other than wage income, including income or loss from self-employment, partnerships, S corporations, rentals and any other activity, must be netted together with the income or loss from these (same) activities to arrive at an overall net profit or loss for the current year.
- If the netting process results in an overall loss, the loss may not offset employee wages on Line 1 but may be carried forward as detailed below.
- The portion of net operating loss sustained in any taxable year, allocable to the City of Mason, may be applied against the portion of the profit of succeeding tax years, allocable to the City of Mason, until exhausted, but in no event for more than the five (5) taxable years immediately following the year in which the loss occurred.
- No portion of a net operating loss shall be carried back against net profits of any prior year.

### (K) WORKSHEET B - OTHER TAXABLE INCOME

#### 1. Who should complete Worksheet B?

- Both residents and non-residents who have taxable income from sources other than wages and salaries as reported in Worksheet A. These types of income are found on lines 3, 4, 5, 6, and 8 of Federal 1040 Schedule 1. (See paragraph G above for a description of Taxable Income.)

#### 2. What type of income should be reported on Worksheet B?

- Examples of this income include, but are not limited to:
  - Business income (Federal Schedule C)
  - Rental income (Federal Schedule E)
  - Royalties derived from lands and rents (Federal Schedule E)
  - Partnership income (Federal Schedule E)
  - S-Corporations and Trusts (Federal Schedule E)

- Farm income (Federal Schedule F)
- Ordinary Gains and Losses (Form 4797, Part II)
- 1099 MISC and 1099-NEC income not included on Schedule C
- Gambling winnings, jury duty pay, and excess contributions to a Health Savings Account (HSA)

#### 3. How do you determine the percentage taxable to Mason?

- Residents
  - 100% of this income is taxable.
- Non-Residents
  - Taxes are due only on the percentage of income generated from within the City of Mason.
  - Please include information indicating how the percentage was determined.
- Part-year residents
  - Refer to Step-by-Step Instructions, Line 2 for information on how to prorate your taxable income for the time you were a resident of Mason.

#### 4. Who is entitled to receive a credit on the income reported on Worksheet B for local taxes paid to a city other than Mason?

- Only residents and part-year residents (for the period they lived in Mason) are entitled to claim this credit.
- Copies of the tax returns filed in other jurisdictions must be enclosed, as well as any related Schedule(s) K-1.
- To calculate the credit, complete Worksheet C. The credit must be prorated if the related income was prorated. The credit is limited to the portion of Mason-taxable income shown to be taxed by another city. The credit also cannot be taken on an amount higher than the net 'other income' reported in Worksheet B.

### (L) DECLARATION OF ESTIMATED TAXES

- Taxpayers who do not have City of Mason taxes withheld by their employers are encouraged to file a declaration of estimated income for the upcoming year.
- Regardless of the Declaration amount, penalties and interest will be applied to your account in accordance with Section 182.10 of the Mason Income Tax Ordinance if you do not have at least ninety percent (90%) of your actual 2024 tax liability remitted by January 15, 2025. See the Declaration of Estimated Tax section of Form IR for details on how to calculate your estimate.

### (M) PENALTIES

- Late filing penalty of \$25.00 will be imposed for failure to timely file a return (regardless of liability shown).
- Penalty for late payment will be imposed on all tax remaining unpaid after becoming due. (90% of one's 2023 tax liability is due by January 15, 2024. Any remaining tax balance is due by April 15, 2024 – even if a *filing* extension is granted.) The penalty is 15% of the amount not timely paid.

### (N) INTEREST

Interest will be imposed on all tax remaining unpaid after becoming due. The rate is adjusted annually based on the federal short-term rate, plus 5%. The rate may be verified on our website or by contacting our office. For calendar year 2024, the rate is 0.83% per month.

### (O) HOW TO AVOID PENALTIES AND INTEREST

#### Late Filing Penalty

- Make sure your return is postmarked by April 15, 2024 (or by 10/15/24 if an extension has been accepted as outlined in paragraph I above).

#### Underpayment Penalty and Interest

- To avoid an underpayment penalty, pay at least 90% of your actual 2023 tax liability (or amount equal to 100% of your 2022 tax liability) by January 15, 2024. "Tax liability" is the amount of tax due to the City of Mason after the deduction of the resident homeowner credit, credit for taxes paid to another city, taxes withheld for Mason, and any prior year carryover.

#### AND

- Pay any remaining 2023 tax balance by April 15, 2024 (even if a *filing* extension has been granted).

#### Paying Your Estimated Taxes For 2024

Your taxes can be paid to the City of Mason by:

- Asking your employer to make a courtesy withholding of Mason taxes from your wages, or
- Making electronic payments by using the online tax tool at [www.imagemason.org](http://www.imagemason.org), or
- Making quarterly payments to the City of Mason. Blank vouchers are available on our website. Please ensure that you meet the 90% requirement by January 15, 2025.
- Note: The City of Mason accepts VISA and Mastercard for credit or debit payments by phone during office hours at 513-229-8535.

#### Tips:

- Underpayment penalty is based on your actual tax due, not your tax estimate.
- Call the Tax Office during the year for assistance if your residency, employment or income drastically changes from the estimate used for your declaration.
- Estimate your taxes as closely as possible.
- If the Declaration is less than \$200 (and accurate), no quarterly payments are required.

#### Disclaimer:

Definitions and instructions are illustrative only. The City of Mason Income Tax Ordinance and the Ohio Revised Code supersede any interpretation presented.