



City of Port Clinton – Department of Taxation

1868 E Perry St, Port Clinton, OH 43452

Phone: 419-734-5522 Fax 419-732-655

Income Tax Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS

Q. When are taxes due to the City of Port Clinton?

A. The City of Port Clinton has the same filing deadlines as the IRS and State of Ohio. Although this can vary slightly, the general rule is taxes are due each year by April 15th.

Q-1. What do I need to do to file taxes?

A-1. To file income taxes, please complete a City of Port Clinton Income Tax Return. These returns are available at our website: <http://portclinton.com/Taxation.html>. In addition to completing the form, the following supporting documentation is **required** (as applicable): copies of all W-2, W-2G, 1099, federal tax return (1040) and all supporting schedules (i.e. Schedules, C, E, F, etc.), any attachment to schedules (i.e. loss carry forward worksheets, partnership payment listings, expenses for business use of home, etc.). You will need to also complete the name and address section of the tax return and sign it.

If you have Schedule K-1 income, please include a copy of the K-1(s) as well.

Q-2. What is the City of Port Clinton tax rate and what type of income is taxable?

A-2. The income tax rate is one and a half percent (1.5%). Generally, gross income (including income which is deferred) and business net profits are taxable at the local level. A list of what is taxable is available with the Port Clinton Income Tax Form instructions.

Q-3. I am retired. My only income is from Social Security, company pension, interest and dividends. Am I required to file a City of Port Clinton Income Tax Return?

A-3. No, as long as these are the only sources of income, you are not required to file a city return. If this is the **first year** of only retirement income, please submit a zero return to our office with a copy of your Social Security Pension Statement, Company Pension statement, or copy of your 1040 showing only retirement income claimed. However you will be required to file a return should you return to work or file a Schedule C and/or E with your federal 1040.

Q-4. I live in the city but do not work, do I need to file a tax return with the Port Clinton Income Tax Department.

A-4. Yes. All residents living inside the city limits of Port Clinton are required to file a city tax return. If no taxable income was received, a zero return must be filed in addition to supporting documentation to show no taxable income. Supporting documentation includes, a copy of the 1040 showing you claimed as a dependent; a copy of a 1099-R from the State of Ohio; a letter from the Ohio Job and Family Services Department; or copies of Social Security Disability

Q-5. Why do I need to file when I have earned no income during the tax year?

A-5. Per the Port Clinton Income Tax Ordinance, all those living within the city limits must file a tax return with the city. This is referenced as Mandatory Filing. Even those who earn no income and still reside within the city limits are required to file a tax return with the City Tax Department. If you are retired, see Q-3 and A-3.

Q-6. I reside in Port Clinton, my wages are my only taxable income and my employer is withholding tax for the City of Port Clinton. Do I need to file a Port Clinton tax return?

A-6. Yes. The City of Port Clinton has mandatory filing for all persons, age 18 and over, who are residents or who do business within Port Clinton to file an annual income tax return.

Q-7. I am a taxi driver, do I need to file taxes with the City of Port Clinton Income Tax Department.

A-7. Yes. Any income earned within the city limits is taxable, which includes income from driving taxi. Please complete a Port Clinton Income Tax Return and submit it to our office with a copy of your 1099 and/ or Federal Schedule C.

Q-8. Why are college students away at school required to file a Port Clinton Income Tax Return?

A-8. The Port Clinton Income Tax Ordinance requires residents who have earned income file a Port Clinton City Income Tax Return on that earned income. Students away at school are considered residents of their parents' home due to the temporary nature of the college student environment. Permanent residence is established

by where you maintain your voter registration and file your federal and state tax returns. Therefore, students who earn income while away at school, on spring breaks, or during summer vacation are required to file an income tax return with Port Clinton on those earnings. A student and taxpayer who did not receive any earned income, can file the return by simply stating on the front of the form that no income was earned, and that will qualify as filing a return. In addition, a copy of the Federal 1040, showing dependency will also be required with the submission to verify the no income statement.

Q-9. Is there an age limit for individuals subject to Port Clinton Income Tax?

A-9. Yes, all individuals under the age of eighteen years (18) are exempt from City of Port Clinton Income Tax and are eligible for a refund of municipal tax withheld. If an individual turns eighteen during the tax year, they will be required to file the first full year they are eighteen years of age. An example of this is if an individual turns eighteen on July 1 of 2015. They would be required to start filing taxes beginning with tax year 2016.

There is no upper age limit on filing City of Port Clinton Income Taxes.

Q-10. If I lived in Port Clinton for a portion of the year, do I still need to file?

A-10. Yes, but you will only be responsible to pay taxes on income earned during the time you lived in Port Clinton.

Q-11. If I work outside Port Clinton and municipal tax is withheld for the city I work in do I receive any credit with Port Clinton?

A-11. Beginning in 2016, any resident who resides in Port Clinton but works in a location that withholds another municipality tax, will receive credit of one half percent (0.5%). The resident will then owe the Port Clinton Income Tax Department one percent (1.0%) of their gross wages.

Q-12. I work in another city, does Port Clinton receive any monies from the municipality in which I work and pay taxes?

A-12. No. Port Clinton does not receive any monies or compensation for the taxes paid to any other municipality, whether

they are in Ohio or not. We provide you with a courtesy credit of one half percent (0.5%) of the wages withheld on for the other municipality. The courtesy credit is not a state mandate, but provided to city residents per approval of the Mayor and City Council.

Q-13. I own rental property within the City of Port Clinton, am I required to file a return with Income Tax Department?

A-13. Yes, any individual who owns property and receives rental income from said property is required to file a City of Port Clinton Income Tax Return. Please complete an Income Tax Return Form and submit to our office with a copy of your Federal Schedule E and any supporting documentation referenced in your rental profit/loss statement.

Q-14. I rent property to individuals residing inside the city limits of Port Clinton, am I required to report these individuals to the Port Clinton Income Tax Department?

A-14. Yes. They city has Landlord Reporting Requirements in the Port Clinton Ordinance. Landlord Reporting is due to the City Income Tax Department each January 1st and July 1st. Forms are available by contacting the Port Clinton Income Tax Department office.

Q-15. Why do I need to set up Estimated Taxes when submitting my city tax return?

A-15. Due to the new 2016 tax laws enacted by State Legislature, all individuals residing in municipalities are required to set up estimated payments if the proceeding year's tax liability exceeds \$200.00. Because Port Clinton Ordinance does require estimated payments, the Tax Department is required to enforce this portion of the ordinance. Failure to set up estimated tax payments; or failure to pay at least 90% of the estimated taxes by December 15th, will result in penalty of 15% and interest will be assessed at the rate of the Federal Interest rate plus 5%.

Q-16. When are Estimated Tax payments due to the city?

A-16. Estimated tax payments are due four times a year. The following due dates were established by new 2016 tax laws:

- April 15th of each year,
- June 15th of each year,
- September 15th of each year,
- January 15th of each year.

Late penalties will not be assessed if 90% of the declared estimated tax is paid by December 15th of the declaring year. (i.e. Declared estimated of \$250 x 90% = \$225 due by December 15th)

Q-17. If an individual files late is there a penalty?

A-17. Yes. A late filing penalty may be imposed if the return is not received by April 15th. at a rate of \$25.00 per month (or fraction of a month) that a return other than an estimate income tax return remains unfiled. This late filing penalty applies regardless of the liability on the return. The late filing penalty shall not exceed \$150.00 for each failure to timely file.

Q-18. Why is a resident charged penalty and interest on a tax return if a Federal Extension has been filed?

A-18. As with federal and state returns, if taxes are not paid by the April 15th due date, penalty and interest are charged on the balance due. A federal extension does not extend the due date of the tax balance, only the date they must be filed. To avoid paying penalties and interest, pay the estimated liability by January 15th and any presumed additional amount due by April 15th.

Q-18. Can I receive assistance in preparing my city of Port Clinton taxes?

A-18. Yes. The Income Tax Department can assist you in filing your city taxes. The Income Tax office is open Monday through Friday from 8:00 A.M. to 4:00 P.M. During the off season, taxes are processed during the hours of 9:00 A.M. and 3:00 P.M. Please call (419) 734-5522, option 4, or visit the Income Tax Office (1868 E. Perry Street). If you visit the Tax Office please bring with you a copy of your Federal Income Tax Return and all W-2's and 1099's for wages. (See Q-1 and A-1 for additional information) We will be

unable to assist you in processing your taxes without this documentation. There is no fee for this service.

Q-19. I'm starting a business. What do I need to do about city taxes?

A-19. You will normally have to remit two types of city taxes: the net profits tax and (if you have employees) the employee withholding tax. The first is the tax due on profits of your business, whether your business is a sole proprietorship, corporation, limited liability company, or partnership. Please complete a City of Port Clinton Income Tax Return and include a copy of your entire Federal Tax Return, along with any supporting documentation.

To remit the second type of tax, the tax withheld from your employees' wages, you will need to establish a withholding account with us. You can do this by completing a Business Registration, which is a simple questionnaire. Employers are liable for all city withholding taxes that should have been withheld from their employee's wages EVEN if those taxes were not, in fact, withheld. Because of this obligation, you'll want to make sure you set up an employer withholding account with us as soon as you hire.

Q-20. How do I know what city I live and/or work in?

A-20. First, don't always rely on the mailing address to determine the city in which you live or work. The U.S. Postal Service establishes mailing addresses based upon the Post Office that serves your area, not the city in which you may actually live or work. If you are a registered voter, it should be easy to determine your city of residence. If you vote for the city council or mayor, you live in that city. If you are not a registered voter, you may call the City of Port Clinton at (419) 734-5522 option 4 and tell the representative that you wish to verify your city of residence.

Q-21. Where does my income tax go?

A-21. Taxes collected are to be allocated ninety percent (90%) to the General Fund for the general operating expenses and ten percent (10%) for purposes of maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Q-22. Can I file my City of Port Clinton Income Taxes online?

A-22. Not at this time. The City of Port Clinton Income Tax Department does not have the ability to accept returns via online databases. Forms are available for print at <http://portclinton.com/Taxation.html> and can be mailed or dropped off to City Hall. If you are using Turbo Tax, H& Block, and any other tax preparation services, you will need to submit the return.

Q-23 Covid-19 Work from Home Refund Requests

-Am I able to receive a refund of the tax my employer took out for my work city/village while I worked at home due to COVID-19 pandemic?

This question is being decided in the courts. You can fill out and file a refund request and the City of Port Clinton will hold the request until a final court decision is made. Make sure to complete the entire form.

-How long will be before the courts make a final decision?

It is not clear right now when a final ruling will be made. The court case was filed in July of 2020 and is still in its early stages. (*The Buckeye Institute v. City of Columbus Auditor*, 20 CV 004301, Franklin County Common Pleas Court)

-How will I know when a final court decision has been made?

When a final ruling is made, The City of Port Clinton will either issue a refund (if that's the decision or notify you that are not eligible to receive the refund due to the court ruling.

*Note: Remember that even if you are able to receive a refund of the tax withheld for your workplace city/village, you will likely owe that tax, or some portion of it to your residence community if that community has a tax.