

01-26-2006

FREQUENTLY ASKED QUESTIONS
SALEM, OHIO - CITY INCOME TAX

1.Q- Do I have to file a Salem "City Income Tax Return" ?

A- **Yes- If** you were a resident of Salem during any part of the tax year, and were 18 years of age or older.

If you were not a resident, but had a business or rental property located in the city.

If you were not a resident, but were self employed and performed work within the city.

No- If you are retired and your only source of income is from retirement earnings (Pension, Social Security, etc) . However, you must file a tax return -one time- to explain your retirement situation.

If you were not a resident, but you worked in Salem, and you employer withheld the 1% Salem City Income Tax correctly from your wages.

2.Q- Where and When do I file?

A- Where- Tax returns may be filed in person, in our office located on the second floor of the City Hall Building at 231 South Broadway Ave in Salem.

Normal hours are 8:30 AM to 4:30 PM- Monday through Friday.

Tax Returns may also be mailed to our office at the same address.

When- The normal filing due date is April 15, however if that date falls on a weekend the filing due date will be extended to the next business day.

For **Calendar Year 2005-** the filing due date is **April 17, 2006**

For Fiscal Year filers (corporations and partnerships) the filing due date is 105 days from the end of the fiscal year.

3.Q- What if I need more time to file?

A- An extension will be granted if additional time is needed to file. City regulations are the same as those of the IRS. A Salem City Filing Extension Form, A copy of your Federal Extension Form or a written request must be submitted on or before the normal filing Deadline (April 15)

Caution- an extension of time to file is **not an extension of time to pay**. If you will owe Tax the balance due must be paid with the extension to avoid penalty and interest charges.

4.Q- I did not receive a tax return, where can I pick one up ?

A- Tax forms may be downloaded from the City Web Page <http://www.cityofsalemohio.org>

They are also available at the City Income Tax Office and the Salem Public Library.

Failure to receive a tax form is not an excuse for not filing!

5.Q- I received two tax returns with different account numbers, which should I use.

A- Use either form, but be sure to attach the second form, so we may correct our records.

6. Q- I received a tax form, but I am not required to file, what should I do?

A- Contact the Tax Department to explain your situation so your records can be corrected to avoid non-filing penalties.

7. Q- What if I owe tax and cannot pay the Balance due when I file?
A- File your tax return as early as possible (before April 15) and contact the tax office to make payment arrangements. You will avoid the **late filing penalty of \$25.00.**
After April 15 a late payment penalty (\$10.00 min- or 1 1/2% -whichever is greater) and **interest (1 1/2%)** will be **added monthly** on the unpaid tax balance, until paid.in full.
8. Q- I was a part year resident of Salem, how do I determine my taxable income?
A- Part year residents must apportion their income and report the amount earned while a resident. **Provide detail-** include a copy of your W-2 forms, of your last pay stub before your move and a copy of any calculations.
9. Q- I did not earn enough income to be required to file a Federal Tax Return. Must I still File with the City of Salem?
A- Yes, because there is a mandatory filing requirement for all city residents. A City Tax Return must be filed regardless of the amount of income earned or the amount of tax due. Failure to file by the normal due date may result in a penalty of \$25.00.
10. Q- My W-2 form has several different amounts for wages earned, which should I use on the City Return?
A- Use the amount in W-2 **box 20** (local wages) which should be the same as the amount in **box 5** (medicare wages and tips) in most situations. This amount is **before any deductions** for contributions to deferred compensation plans.
Deferred Compensation (for example a 401K plan) will be taxed by the IRS and State at a later date, normally when the taxpayer retires.
11. Q- Any questions relating to **Property Tax** should be referred to the Treasurer of Columbiana County- 330-424-9514.
12. Q- I still have questions about my tax situation! Where can I get help ?
A- City Tax Personnel are available to assist with local income tax questions or preparation.
Call (330332-1575 ext 125) or come to our office
Office hours are: Monday through Friday 8:30 AM to 4:30 PM.