

**ATTENTION:** ALL ST. BERNARD RESIDENT TAXPAYERS - ANSWER THE FOLLOWING 4 QUESTIONS BEFORE COMPLETING THE ENCLOSED TAX RETURN – IT COULD SAVE YOU A LOT OF TIME!

**INDIVIDUAL 2007 INCOME TAX – SHORT FORM**

1. Did you have wage income (W-2 income)? Yes\_\_ NO\_\_
2. Did you own rental property? Yes\_\_ NO\_\_
3. Did you participate in a business, partnership or s-corporation? Yes\_\_ NO\_\_
4. Did you have income derived from gambling, wagering, lotteries, or schemes of chance? Yes\_\_ NO\_\_

**SHORT FORM INSTRUCTIONS:**

If all answers marked above are no, tear at perforation below, attach to your local return, sign and date your local return, attach a copy of the first page of your federal form 1040 and mail to 110 Washington Avenue, St. Bernard, OH 45217.

If any answer is yes, follow the attached instructions and complete the long form.

**NOTE ALL TAXPAYERS:** If you are a St. Bernard resident whose entire income was from employment sources and tax was withheld at a rate of 2.1% or more, you are permitted to attach W-2 forms (or other proof of taxes paid), a copy of the first page of your federal form 1040, and sign, date and return the local return without having to complete the long form.

**NOTE ALL TAXPAYERS:**

- REVIEW ALL PREPRINTED INFORMATION TO ENSURE ACCURACY – NOTE: Date estimated tax payments recorded thru may not include all of your payments. Check your records and add any missing payment amounts!
- DUE DATE FOR FILING YOUR 2007 RETURN IS APRIL 15, 2008.
- ALL FILERS ARE REQUIRED TO PROVIDE ALL FEDERAL FORMS Used to complete local tax and all residents are required to submit the first page of their applicable federal form 1040.
- MANDATORY FILING IS IN PLACE – meaning that anyone 18 years of age or old domiciled in St. Bernard is required to file a City of St. Bernard income tax return.
- WHAT IS NOT TAXABLE? State Unemployment Compensation, Social Security Benefits, Welfare benefits, Workers' compensation, Interest and Dividends from savings and investments (unless considered ordinary income), royalties (if derived from intangible property), 1099-R Income reporting distributions from a qualified IRS pension, 401-K, etc., or when you change employers or make a withdrawal from a retirement plan.
- AN EXTENSION REQUEST will be granted if a Federal Extension is filed with the St. Bernard Tax Department prior to the initial due date, an adequate estimate is paid, and all requirements of the local tax ordinance has been met. Extensions are to provide additional time to file – NOT TO PAY!
- IF YOU ARE IN NEED OF ASSISTANCE in filing your St. Bernard return, simply bring in your federal return, W-2 forms, and any other applicable federal schedules to our office and we will assist you in filing. We do not prepare state, federal or other local returns. Please file early to avoid last minute rush, which may cause you considerable delay.

**CITY OF ST. BERNARD**  
**INDIVIDUAL – 2007 INCOME TAX RETURN INSTRUCTIONS**  
OFFICE PHONE: (513) 242-7710      WEBSITE: <http://www.cityofstbernard.org/taxforms.htm>  
[tax@cityofstbernard.org](mailto:tax@cityofstbernard.org)  
Edward J. Geiser, Tax Commissioner

**Income**

**LINE 1:** Enter the total qualifying wages, salaries, tips and other compensation (including gambling winnings). "Qualifying wages" generally include amounts reported in the Medicare wage base (The amount in Box 5 on the W-2.) plus supplemental unemployment compensation benefits described in Section 3402(o)(2) of the Internal Revenue Code and compensation of pre-1986 employees exempt from Medicare that is not in the Medicare wage base solely because of the Medicare grandfathering provision.

Gambling, prize and lottery winnings reported on IRS form W-2G, Form 5754 and/or any other form required by the IRS to report winnings from gambling are taxable for City of St. Bernard income tax purposes, regardless of where derived. Gambling losses cannot offset winnings. Business losses cannot offset gambling winnings.

Deferred compensation, i.e., **contributions** to 401K plans, pension plans, etc., is subject to municipal tax. Stock Options are taxable when they are includable on Form W-2 or 1099.

Attach copies of the federal forms and schedules showing all reportable income with the return. For multiple W-2s complete Worksheet A on page 2.

**LINE 2:** Complete Worksheet B Business/Miscellaneous Income or Loss, page 2.

**1. Schedule C- Business Income:** Combine the profits and losses from all businesses reported on Schedule C. Residents are subject to St. Bernard tax on all business income no matter where earned. Nonresidents of St. Bernard must multiply net profits by the apportionment percentage derived on Schedule Y to determine the St. Bernard Taxable Income / (Loss).

**2. Schedule E-Rental Income:** St. Bernard residents report all profits or losses from rental property no matter where property is located. Nonresidents of St. Bernard report profits or losses only from properties located within St. Bernard. **Total** monthly rents collected must exceed \$300 per month to be reportable to St. Bernard.

**3. Schedule K-1-Flow-through Profits or Losses:** The tax is levied on the partners, members or other owners of a flow-through entity excluding S-Corporations. Businesses operating in St. Bernard are required to report their portion of Net Profit in St. Bernard and remit the tax on behalf of all their partners. Residents of St. Bernard are to report their distributive shares of income or loss that was not withheld on by the business. The resident taxpayer may claim a credit for taxes paid to other localities by the business

**4. Miscellaneous Income:** Please provide documentation such as copies of federal schedules or Forms 1099-MISC not already reported on Schedule C. (1099s reporting interest, dividends & retirement income are NOT taxable.) Capital Gains from the sale of depreciable property are taxed to the extent of depreciation taken (attach Form 4797).

**5. Employment Expense Deduction:** Enter the amount of unreimbursed employee business expenses. You must include a copy of Federal Form 2106 or 2106EZ to support the deduction. Deduction will be allowed only when W-2 is attached and all expenses substantiated. Expenses allowable only with respect to wages on which tax is paid to St. Bernard.

**6. NOL Carryforward:** Enter the amount of net operating losses apportioned to St. Bernard. Operating losses may be carried forward for a maximum period of five tax years. *An explanatory schedule is **required** to support the carry-forward operating losses claimed on the return.*

**7. Total Income/(Loss):** Add all the profits and deduct the losses in the St. Bernard Taxable Income column. Insert amount on Line 2.

NOTE: LOSSES CANNOT OFFSET INCOME FROM LINE 1!!!

**SCHEDULE Y – BUSINESS APPORTIONMENT FORMULA**

The St. Bernard taxable income is determined by multiplying the St. Bernard percentage indicated by the net profits from Schedules C, E, F, K-1 or 1099. The Schedule Y- Business Apportionment Formula on page 2 is completed by non-residents that earn a portion of their net profits in St. Bernard.

**LINE 3:** Line 1 plus/minus Line 2. NOTE: Losses on Line 2 do not offset income from Line 1.

**Tax and Credits**

**LINE 4:** The tax rate is 2.1%. Multiply Line 3 to .021 and enter on Line 4.

**LINE 5:** Enter the amount of estimated tax payments including any amounts paid with an extension

**LINE 6:** Enter the amount of St. Bernard Tax withheld by all employers.

**LINE 7:** Enter the amount of prior year overpayments

**LINE 8:** Enter the amount of taxes withheld for or paid to another city. Residents of the City of St. Bernard may claim taxes paid to another city up to 2.1% of the Qualifying Wages reported on the W-2. Credit is limited to the local tax rate used (2.1% or less) multiplied by the Qualifying Wages. The credit of each W-2 must be computed individually and is not transferable to other W-2's. Part year residents may claim taxes paid to other cities for the part of the year they were a resident. Non-residents may not claim taxes paid to another municipality. (Provide documentation in the form of W-2s or tax returns submitted to other municipalities). Partners claiming credit for taxes withheld by a partnership must provide documentation to support this credit.

**LINE 9:** Add Lines 5 through 8.

### **Refund**

**LINE 10:** If Line 9 is greater than Line 4, enter the overpayment.

**LINE 11:** If you want your overpayment credited to next year's estimate, enter it on this line and skip Line 12. If you want a refund skip this Line and go to Line 12. Go to Line 15 to make a declaration of estimate for 2008.

**LINE 12:** If you want your overpayment refunded, enter it on this Line. Go to Line 15 only if you want to make estimated payments for 2008.

### **Tax Due**

**LINE 13:** Subtract line 9 from line 4, if line 4 is greater, enter tax due. Payment must be enclosed with this form.

**LINE 14:** If late, penalties and interest will be assessed. Interest is assessed at a rate of 1% and penalties at the greater of \$50.00 or 11/2% per month. There is a \$50.00 penalty for non-filing for each year.

### **Declaration of Estimate for 2008**

**LINE 15:** Enter the amount of estimated income for 2008. *The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual St. Bernard tax liability to be ultimately determined shall have been paid by estimate within one month following the close of each such period so applicable.*

**LINE 16:** Enter the total estimated tax due for 2008 by multiplying Line 15 by 2.1%.

**LINE 17:** Enter the total of St. Bernard and other allowable municipal taxes estimated to be withheld from wages.

**LINE 18:** Enter the amount of credits from Line 11.

**LINE 19:** Subtract line 17 and 18 from 16 and enter it here.

**LINE 20:** Multiple Line 19 by 25% and enter it here. **This is the first of four quarterly estimated tax payments. The second payment is due on July 31, 2008, third payment is due October 31, 2008 and the final estimated payment is due January 31, 2009. Failure to remit timely estimated payments may result in the assessment of interest and penalties.**

### **Amount You Owe**

**LINE 21: TOTAL AMOUNT DUE WITH RETURN      Combine Line 13, 14 and 20**

**Make Checks Payable to: City of St. Bernard**  
**Mail to: 110 Washington Avenue, St. Bernard OH 45217**  
**The 2007 Due Date: April 15, 2008**  
**Tax Department Hours 9-5 Monday through Friday**  
**or by appointment**