

## FREQUENTLY ASKED QUESTIONS

### **Does the City of Trotwood impose a municipal income tax?**

Yes. The City of Trotwood does impose a municipal income tax to provide revenue in support of municipal operations as authorized by Ordinance #13-68 and subsequently amended. This tax was first adopted in 1968 and is imposed on the earnings of all residents and, as well, to nonresidents who work within the City of Trotwood. In addition, the tax is imposed on all businesses that operate within Trotwood, performing work and/or service within Trotwood, and on the net profit from all business activity from Corporations, S-Corps, Partnerships, LLC's and any other type of entity with nexus within the City of Trotwood. (Note: Single entity LLC's who file a Schedule C on their individual Federal Income Tax Return may also file reporting the Schedule C on their individual City of Trotwood Income Tax Return). Individuals who are Trotwood residents, but have pass-through income (with the exception of S-Corp income) must report the pass-through income on their individual income tax return (unless the entity files a Trotwood tax return reporting all income to Trotwood). If the pass-through income of a resident has been taxed at either the entity or pass-through level by another municipality, credit as provided by the Income Tax Ordinance will be allowed for tax paid on said pass-through income. S-Corporations will report Trotwood activity only on an entity level.

Residents of the former Madison Township have been subject to the tax since its merger with Trotwood on January 1, 1996.

For more detailed information regarding the imposition of tax, please refer to the Income Tax Ordinance.

### **What is the current income tax rate?**

The current City of Trotwood income tax rate is 2.25%.

### **Must I file an income tax return?**

The City requires all individuals residing within the Municipality (mandatory filing provision for all residents) as well as each person engaged in business within the Municipality (regardless of residency) to file a tax return, regardless of whether or not tax is due. In addition, there is no minimum or maximum age limit for the requirement to file an income tax return. For additional information, refer to the **Individual General Information link**, or the Income Tax Ordinance.

### **I am a Trotwood resident who works outside the City of Trotwood. My employer withholds local income taxes from my pay. Do I still owe income taxes to the City of Trotwood?**

The City allows credit for tax properly withheld for other city tax paid up to Trotwood's rate of 2.25%. If you work in a city with a tax rate of less than 2.25%, you will owe the City of Trotwood on the difference between the amount withheld and our rate of 2.25%. If you work in a city with a tax rate equal to or greater than 2.25%, and tax has been properly withheld, you will

not owe the City of Trotwood additional tax on that income. As a resident, even if you do not owe tax to the City of Trotwood, you still must file an income tax return with the City of Trotwood.

### **Where can I get income tax forms?**

Income tax forms may be obtained by accessing them on this website. Forms are also available at the Trotwood Government Center, 3035 Olive Rd, Trotwood, and at the Income Tax Support Services Division, 4 Strader Drive, Trotwood OH 45426.

### **Where do I file my income tax return?**

Your City of Trotwood income tax return can be filed with the Income Tax Support Services Division, 4 Strader Drive, Trotwood OH 45426.

### **When is my income tax return due?**

The due date for individuals and calendar year businesses to file an annual income tax return is April 15<sup>th</sup>. A business that files its federal income tax return on a fiscal year basis must file the city tax return within 3 ½ months after the end of the fiscal year period.

### **Can someone assist me in completing my City of Trotwood Income Tax Return?**

Yes! By simply bringing your income tax information to the Income Tax Support Services Division, 4 Strader Drive, Trotwood, the staff will complete your tax return for you. There is no charge for this service. **To have your return prepared during tax season, you must appear in the office no later than March 31<sup>st</sup>. After March 31<sup>st</sup>, an appointment may be required.** Note: We cannot offer assistance with preparing your Federal or State tax returns.

### **My spouse and I file separate federal tax returns. Do we need to file separate City of Trotwood Income Tax Returns?**

A husband and wife may elect to file either separate Trotwood tax returns or file jointly, regardless of how they file their Federal and State income tax returns. The tax calculations will show the same result regardless of whether returns are filed separately or jointly.

### **How can I obtain an extension of time to file?**

In the case where a taxpayer has requested an extension for filing their federal income tax return, a request for extension of time to file the City of Trotwood Income Tax Return may be requested. The request must include the following:

1. Copy of federal extension request
2. Payment in full of anticipated tax due for year subject to extension
3. Payment in full of the first quarter estimated tax due for the current year

The extension request and payments must be remitted on or before the original due date of the return (April 15<sup>th</sup> for individuals and calendar year business filers, 3 ½ months after the end of the fiscal year period for fiscal year businesses). Failure to include any required payment or documentation or any delinquency on the tax account will result in the denial of an extension request.

An extension of time to pay will not be granted.

**What will happen if I don't file my income tax return or pay my balance due?**

Failure to file a tax return and failure to pay the outstanding balance due are both violations of the Income Tax Ordinance of the City of Trotwood. In addition to penalty and interest assessments, criminal charges and/or civil judgment can be obtained in order to enforce the provisions of the Income Tax Ordinance.

**I am starting a business in Trotwood. Where do I get information and forms for a business account?**

To establish a business account and withholding account and to secure the necessary reporting forms, you may download the appropriate forms from this website for your initial filings of withholding tax, estimated tax due for business, or the business income tax return. In addition, you should also download and complete the Business / Withholding Questionnaire and remit for proper account set-up. You may also call our office at (937) 837-3415 and we can set up your accounts over the phone.

For additional information and requirements, you may refer to the Income Tax Ordinance, found in a downloadable PDF format on this website.