



THE VILLAGE VOICE

A Message from the Mayor...

Winter 2017



Mayor
Richard E. Headen

Greetings Residents,

The opportunity to serve the citizens of the Village of Lincoln Heights continues to motivate me, the Village Council, and the staff of the Village. This Newsletter, the first one in a while, comes to you chock full of timely information about income taxes and our responsibilities as residents of this historic community. House Bill 5 brings with it a number of changes that over the past several months we have worked hard at understanding and implementing. House Bill 5 provides major changes in Ohio municipal income taxation that can be quite complex and will greatly impact businesses and individuals. Inside these pages are some of the changes that directly impact all of us, as tax payers, and the rules and regulations we must adhere to in order to stay in compliance with state law.

Respectfully,

Richard E. Headen, Mayor

COUNCIL MEMBER CONTACT INFORMATION

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FOR MORE INFORMATION
PLEASE CALL VILLAGE HALL
513.733.5900
OR VISIT OUR WEBSITE
AT VLHO.ORG

EMPLOYEE SPOTLIGHT



Gwen Franklin
Clerk of Council

Gwen Franklin serves the Village as Clerk of Council and she will be celebrating her first anniversary as a Village employee in April. Some of the tasks that Gwen handles include keeping the minutes for all Council and Committee meetings and posting meeting notices. Her most important role is that of managing the Mayor's schedule and communicating with Council Members to ensure that their Committee meeting agendas and supporting materials are ready for each meeting. Gwen can be reached by dialing 513.733.5900, ext. 4.

THIS YEAR AT A GLANCE

Two of our tax levies are up for renewal this year and will be on the November ballot – the Fire Levy and the Police Levy. Revenue estimates from those levies are falling significantly short of funding their operations which means that Council will be considering asking the voters for an increase in millage and also looking for other funding methods and streamlining operations.

Also this year, there are four seats that will be up for election. If you would like to consider serving your community as an elected official, you can find information on how to file by going to boe.hamilton-co.org. There you can find all of the documents that need to be completed for you to become a candidate in the November 2017 election.

Income Tax Information

The State of Ohio has made significant changes to the Ohio municipal income tax laws (Chapter 718 of the Ohio Revised Code) effective January 1, 2016. Please read below to learn how these changes may impact you.

WHO MUST FILE	<p>Residents: The Village of Lincoln Heights has mandatory filing requirements, which means that all residents (18 and older) must file a village tax return (Form IR-1040) on an annual basis. Active duty military personnel, unemployed persons, or other persons with no reportable income or loss for the current year are also subject to the mandatory filing requirements and must file a village tax return each year.</p> <p>Non-Residents: Non-residents of The Village of Lincoln Heights who have taxable income or loss, earned or derived from within the Village, from which The Village of Lincoln Heights tax was not withheld, must file a return.</p> <p>Part Year Residents: If you only lived in The Village of Lincoln Heights during part of the taxable year, you must file a return covering that time. You must calculate both your tax liability and tax credit only on the portion of your income earned as a Village of Lincoln Heights resident. Income earned in The Village of Lincoln Heights may NOT be pro-rated. Pay statements with YTD figures must be used if available. If actual records are not available, you may break down your earnings by the number of months employed at the job to determine your monthly earnings. This figure may then be multiplied by the number of months you lived in The Village of Lincoln Heights to determine your Village of Lincoln Heights taxable income. If you pro-rate your taxable income, you must also pro-rate your village tax that was withheld on the same income. You must attach a worksheet explaining your calculations.</p>
DUE DATE	Your Village of Lincoln Heights Income Tax Return (Form IR-1040) is due on or before APRIL 18, 2017 and should be mailed to: The Village of Lincoln Heights Income Tax Department, 1201 Steffen Avenue, Lincoln Heights, OH 45215.
PAYMENTS	Make checks or money orders payable to The Village of Lincoln Heights. Credit and debit cards are accepted for payment in person only and a convenience fee of \$3.00 will be added for all credit card and debit card transactions. If the balance due with your return is \$10.00 or less payment need not accompany your return.
NEW EXTENSIONS	Taxpayers who have requested an automatic 6-month extension for filing their federal income tax return shall automatically receive a 6-month extension for the filing of their village tax return. Taxpayers who have not requested a 6-month extension for their federal income tax return may be granted a 6-month extension by submitting a request to the Tax Administrator by the due date of the return. An extension of time to file is not an extension to pay taxes due. Penalty and interest charges will apply to all payments received after the return due date.
NEW FORM 2106 EXPENSES	Business expenses reported on Federal Form 2106 are deductible on your village income tax return but are limited to the amount deducted on your federal income tax return as shown on Federal Schedule A. Please attach a copy of your Form 2106 & Federal Schedule A to your return. If wages are allocated between cities, Form 2106 expenses should likewise be allocated, & tax credit reduced accordingly.
ESTIMATED TAX:	Taxpayers who anticipate a net tax liability of at least \$200.00 are required under Ohio law to make estimated tax payments. Quarterly estimated tax payments are due on April 15, June 15, September 15, and December 15.
NEW REFUNDS	Refunds are allowed only when village income tax has been paid to or withheld for The Village of Lincoln Heights. Refund requests, including those related to travel days, taxpayers under the age of 18 and in cases where The Village of Lincoln Heights tax was withheld in excess of a taxpayer's liability must be filed on The Village of Lincoln Heights Income Tax Return (Form IR-1040). Note: There is a three (3) year statute of limitations for claiming a refund or credit of any overpayment of village tax. Overpayments of \$10.00 or less will not be refunded.
NEW TAXABLE INCOME	Taxable income includes but is not limited to the following: qualifying wages, salaries, commissions, other compensation, wage continuation plans (includes retirement incentive plans and buyouts), contributions made by or on behalf of employees to a tax deferred annuity plan (401k plans and the like), bonuses, directors fees, fringe benefits such as car allowance, stock options, gambling winnings, net profits from the operation of a business, profession, enterprise or other activity and royalties.
NEW EXEMPT INCOME	Exempt income includes but is not limited to the following: interest, dividends, military pay and allowances, social security benefits, welfare benefits, unemployment insurance benefits, worker's compensation, proceeds from qualified retirement plans as defined by the IRS, personal earnings of all persons under the age of 18, capital gains, alimony, contributions to a section 125 plan (cafeteria or flexible spending account), proceeds of sickness, accident or liability insurance policies and disability payments.
S-CORPS	Individual shareholders should not include any gain or loss from an S-Corporation on their individual return. S-Corporations doing business in The Village of Lincoln Heights must file a Village of Lincoln Heights Business Income Tax Return (Form BR-1040) available on our website.
NEW OTHER INCOME/ LOSS CALCULATION	All income earned (other than wage income) including income or loss from self-employment, rentals, partnerships, fees, ordinary gains and losses reported on Form 4797, gambling winnings and any other activity must be netted together to arrive at an overall net profit or loss for the current year. If the netting results in an overall loss, the loss may be carried forward for a period not to exceed three (3) years. Please note the method for computing overall net profit or loss has changed effective Jan. 1, 2016 as a result of changes made to Chapter 718 of the Ohio Revised Code. Please refer to the return instructions for calculation details.
NEW PENALTY & INTEREST	Late filing penalty will be imposed for the failure to timely file a return (regardless of liability shown) at the rate of \$25.00 per month or fraction thereof, not to exceed \$150.00. Penalty will be imposed on all tax remaining unpaid after becoming due. The penalty rate is 15% of the amount not timely paid. Interest will be imposed on all tax remaining unpaid after becoming due. The rate is adjusted annually based on the federal short-term rate + 5%. Please call our office at (513) 733.5900 x2 for the current rate.
ATTACHMENTS	Attach page 1 of your Federal 1040 and a supporting document to verify each income, loss or deduction item reported on your village return. Examples include: Federal Schedule(s) A, C, E, F or K-1, Form(s) 1099-Misc., Form(s) W-2 and W-2G.
DISCLAIMER	Definitions and instructions are illustrative only. The Village of Lincoln Heights Income Tax Code and the Ohio Revised Code supersede any interpretation presented.

2016 VILLAGE OF LINCOLN HEIGHTS INCOME TAX FILING INFORMATION

You are receiving this information because our records indicate you are required to file a 2016 Village of Lincoln Heights Income Tax Return. This return is due by **April 18, 2017** even if you do not have any taxable income and even if no tax is due. The Village of Lincoln Heights has **mandatory filing** for all residents (age 18 and older), business owners, and property landlords.

As in the past, residents who work outside of Lincoln Heights and pay other municipality income tax receive a 1% credit (not to exceed 1% of the amount of income on which tax was withheld) for taxes paid to other municipalities.

Example:

- In 2016, a Lincoln Heights resident works in Cincinnati, earns \$50,000/year,
- Person has Cincinnati tax of 2.1% withheld from paycheck totaling \$1,050.
- Lincoln Heights will allow a credit up to 1% of \$50,000 or \$500.00.
- Total Lincoln Heights Liability: $\$50,000 \times 2.0\% = \$1,000 - \$500.00 = \500.00 balance due.
- A 2017 Estimate will also need to be set up in the amount of \$500.00 with \$125.00 paid quarterly.*

***If it is estimated that you will owe more than \$200 tax the following year, you MUST set-up quarterly estimated payments with the final payment being made by December 15th to avoid a penalty.**

We strongly encourage you to file your 2016 Lincoln Heights Income Tax Return early. The forms and instructions are available on the Village website www.vlho.org. Printed forms, instructions, and other information may be obtained from Lincoln Heights Tax Office, or the Village Hall Lobby (1201 Steffen Avenue, Lincoln Heights, Ohio 45215). **No forms will be mailed.**

VILLAGE OF LINCOLN HEIGHTS TAX OFFICE HOURS

The Lincoln Heights Income Tax Office is open year round, for taxpayer assistance, Monday thru Thursday from 10:00 AM – 2:00 PM. During the tax season, April 3rd -April 17th, extended hours as listed below.

Mondays – April 3 rd , 10 th and 17 th 10:00am – 6:00pm	Thursdays - April 6 th and 13 th 7:00am – 3:00pm	Saturdays – April 8 th and 15 th 10:00am – 2:00pm
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If you visit the Tax Office for assistance in filing your Lincoln Heights return, be prepared for a long wait. Walk-in taxpayers will be served in the order they arrive at the Tax Office. **We will stop accepting walk-in taxpayers when we reach the number of persons we can serve by closing time.**

FILING DOCUMENTS NEEDED

Provide or bring with you **ALL** of the following items to file your Lincoln Heights Income Tax Return:

W-2 Forms for all employers

Federal Tax Return (Form 1040, pages 1)

Federal Schedules A, C, E, K-1, Forms 2106 (if applicable)

Other income information (unemployment/welfare/disability/retirement/Social Security benefits)

You must submit to our office by **APRIL 18, 2017** your completed and signed income tax return that includes the above listed supporting documents and payment due, if any. You are subject to a **\$25.00 late filing penalty** (per month, not to exceed \$150.00) if you submit your Lincoln Heights Tax Return after the April 18th deadline. You will also be charged **interest** if you do not pay your 2016 taxes due, in full, by April 18, 2017. The Tax Office may also request additional documents and information to complete your filing.

If you have any questions, you may call the Tax Office at (513) 733-5900, ext. 2, between 10:00am and 2:00pm or leave a message and it will be answered, by the next Tax Office business day.

IMPORTANT TAX INFORMATION ENCLOSED

VILLAGE OF LINCOLN HEIGHTS
1201 STEFFEN AVENUE
LINCOLN HEIGHTS, OHIO 45215

MONTHLY MEETING SCHEDULE

COUNCIL MEETINGS		
MEETING	MONTHLY DATES	START TIME
Committee-of-the-Whole	2 nd & 4 th Mondays	6:30pm
Regular Council		7:30pm

COMMITTEE MEETING SCHEDULE & MEMBERS			
COMMITTEE	CHAIR	MEMBERS	MONTHLY DATES
Law	Jeannie Stinson	Phyllis Baber	1 st Monday 5:30pm
		Linda Childs-Jeter	
Safety	Linda Childs-Jeter	Jeannie Stinson	1 st Monday 7:00pm
		Ruby Kinsey-Mumphrey	
Finance	Ruby Kinsey-Mumphrey	Jeannie Stinson	3 rd Monday 5:30pm
		Kathy Goodwin-Williams	
		Linda Childs-Jeter	
		Frankie Dotson	
Economic Development	Kathy Goodwin-Williams	Ruby Kinsey-Mumphrey	1 st Tuesday 5:30pm
		Phyllis Baber	
Recreation	Phyllis Baber	Kathy Goodwin-Williams	1 st Wednesday 5:30pm
		Frankie Dotson	