



**IMPORTANT
HEBRON INDIVIDUAL
INCOME TAX FORMS
2009**

THIS PACKET CONTAINS IMPORTANT DOCUMENTS

2009 INDIVIDUAL INCOME TAX RETURN	4/15/10
2009 EXEMPT STATUS STATEMENT	4/15/10
2009 DECLARATION OF ESTIMATED TAX	4/15/10

FILING IS REQUIRED, EVEN IF NO TAX IS DUE, BY APRIL 15, 2010

FOR ASSISTANCE OR INFORMATION

TAX OFFICE: Municipal Complex 934 W. Main.

PHONE: (740) 928-3641 **FAX:** (740) 928-5104

HOURS: MON.-FRI., 9:00A.M.-3:00 P.M. for Tax Return Preparation.

NOTE: You received this Return because your account is active. If you feel this is an error, contact our Office.

MID-YEAR RATE CHANGE: Hebron's tax rate changed from 1% to 1.5% effective July 1, 2009. The maximum credit allowed for income properly taxed by another city where the work was done also changed. It is now at 1.5% maximum. For simplification, the rate and credit used for the 2009 tax returns is an average or blended rate of 1.25%.

Remember to use the 1.5% rate for the 2010 declarations, and to adjust tax withholding used in the declaration to reflect that too. You (generally) can't just copy those figures from the 2009 tax return.

MAILING YOUR RETURN: No penalty will be imposed on Returns that have a US Post Office cancellation Postmark of April 15, 2010. To ensure proper cancellation, do not place mail in a mail receptacle, take it directly to a Post Office for postmarking.

REMITTANCE: Do not send cash through the mail or put cash in the drop box. Make check payable to: Village of Hebron, Income Tax. Tax due under \$1.00 – no payment required.

TAX OFFICE PREPARATION OF YOUR RETURN: If staff is available, service will be given between 9:00 A.M. & 3:00 P.M., Monday through Friday.

You must provide:

1. This tax packet.
2. All copies of your W-2's, 1099's, payroll summaries, etc.
3. Federal tax return copy and attachments.

4. W-2s/other City Tax Returns that support credit for taxes paid to other cities. NOTE: WE WILL NOT ASSIST IN THE PREPARATION OF YOUR TAX RETURN OVER THE TELEPHONE nor will we process blank Returns submitted with records through the mail. You need to come into the Office or have a tax preparer complete your Return. Long waiting lines can be expected after March 15.

GENERAL INFORMATION

WHO MUST FILE:

- A. All Hebron residents, 16 or older, including any legally domiciled resident who is temporarily living away from Hebron, such as college student, construction worker, teacher, etc. **Mandatory filing for all residents was effective January 1, 1997.** If past due Returns need filed, contact our Office. Total exemption from compliance may only be granted by the Tax Office.
- B. Every non-resident who has income derived from within Hebron that was not subject to full withholding of Hebron tax by employer.

PARTIAL YEAR RESIDENTS: A Tax Return or Exempt Status Form must be filed if you lived in Hebron for any part of 2009. See Schedule X on Page 2.

DO NOT FILE JOINTLY: Are not allowed unless you have received prior authorization for the Tax Office. If separate returns have been received, joint filing is not permitted. Failure to receive a Return does not constitute a valid reason for non-compliance.

EXEMPT STATUS STATEMENT: Is for use by individuals who have only tax-exempt income or no income and/or meet the conditions indicated on the Form (see direction/information on the Form enclosed).

REQUEST FOR EXTENSION OF TIME TO FILE:

All taxpayers unable to file a completed tax return by the due date must file an extension of time to file before the due date of the return. Copies of federal extension forms or other written requests will be accepted.

INSTRUCTIONS FOR PREPARING VILLAGE OF HEBRON INCOME TAX RETURN

PAGE ONE:

- Line 1.** Enter total gross wages, salaries & other compensation, before any payroll deductions (income cannot be deferred for City tax purposes); include: 401K, car allowance, unused flex dollars, etc. Use "qualifying wages", which are wages so defined in IRC Section 3121(a), generally the Medicare Wages in Box 5 of the W-2. Your W-2 may not reflect your total "Village" taxable income, check your W-2 summary or with your employer for your total gross compensation. Attach ALL W-2's, 1099's, W-2 summaries.
- Line 2.** Enter income exempt from taxation from Schedule X on the back of the Return. Adjustments must be substantiated with proper documentation. We will disallow any adjustment not fully documented.
- Line 3.** Subtract line 2 from line 1, this is your taxable income from wages and salaries.
- Line 4.** Report miscellaneous income, and income from schedules C, E and O from the back of the Return, but not less than -0-. A net loss realized from a business activity must be reported as zero: a net loss cannot reduce line 3 taxable wages.
- Line 5.** Add lines 3 and 4. Enter total Village taxable income.
- Line 6.** Multiply line 5 taxable income by 1.25% (.0125). This is your gross Hebron tax due before credits. No rounding.
- Line 7A,B,C,D.** Hebron residents may calculate credit for taxes due and paid to another city for work/services performed in that city. NOTE: A REFUND OF TAX FROM ANOTHER CITY, WHETHER OR NOT RECEIVED MUST REDUCE THE ALLOWABLE INCOME EARNED IN THAT CITY; ALSO, APPLICABLE 2106 EXPENSES MUST REDUCE INCOME; AND, PARTIAL YEAR RESIDENTS MUST ONLY USE INCOME EARNED IN ANOTHER CITY WHILE LIVING IN HEBRON. Substantiation with W-2's and/or city tax returns is required or credit will be denied. Enter name of City income earned in, enter allowable income and multiply by 1.25% (maximum allowed). Add lines 7A and 7B and enter total (do not round) on line 7C. If additional space is needed use separate piece of paper and attach.
- Line 8.** Enter HEBRON TAX from "local" box on W-2's, no rounding. ATTACH W2's. No other City tax to be entered here.
- Line 9.** Add lines 7C and 8 to obtain total miscellaneous credits. Enter total on line 9.
- Line 10.** Enter 2009 estimated tax payments. If you need verification of the amount of estimated tax you paid, contact the Tax Department. No rounding is permitted.
- Line 11.** Add lines 9 and 10. This is the total credit allowed against your tax due for 2009.
- Line 12.** If line 6 is greater than line 11, subtract line 11 from line 6, enter tax due. If penalty is not applicable, go to line 15.
- Line 13.** If line 11 is greater than line 6, enter difference as a credit/overpayment. NOTE: Overpayment will be reduced by any penalty owed or any unpaid previous balance owed. Overpayment distribution is reported on line 16.
- Line 14A,B,C,A.** Enter 10% of line 12 tax due. B. Enter .5% (.05) per month late of line 12 tax due and paid after the due date. C. Enter .5% (.05) per month late of line 12 tax due. Add 14A, B, and C. Enter total penalties and interest on line 14 (Total Pen/Int).
- Line 15.** Add line 12 plus line 14, or, if line 14 penalty is greater than line 13 overpayment, enter balance of penalty due. NOTE: If balance due is less than \$1.00, no payment is required and adjust amount to zero. Carry balance due to line 23.
- Line 16.** Enter tax overpayment from line 13. NOTE: If penalty is applicable, reduce overpayment by penalty on line 14. Overpayments of less than \$1.00 will be adjusted to zero with no refund or credit carry forward allowed. If overpayment is more than \$1.00, carry it forward toward 2010 tax liability, or, if no future tax liability is anticipated, request a refund. NOTE: If no indication is made, your overpayment will be applied toward 2010 tax.
NOTE: If 100% of your 2010 Hebron tax will be payroll deducted an estimate is not required. Go to line 23.
- Line 17.** Enter total anticipated 2010 gross income from wages/salaries & other taxable income sources. Multiply by 1.5% (.015). This is your gross estimated 2010 Hebron tax due.
- Line 18A,B,C,A.** Enter anticipated HEBRON tax withheld through payroll deductions. B. Hebron residents enter anticipated 1.5% credit for taxes paid to another city. C. Add lines 18A and 18B. Enter total credits on line 18C.
- Line 19.** Subtract line 18C from line 17 to get your 2010 Estimated Tax. If \$50.00, or more, you are required by Tax Ordinance to file this Estimate and make quarterly payments. If under \$50.00, payments are not required but can be made if you wish.
- Line 20.** Calculate first quarter payment by dividing line 19 by 4, then subtract applicable 2009 credit carried forward from line 16 and enter balance due for the first quarter, 2010 estimated tax payment.
- Line 21.** If you are paying the 2010 1st quarter estimated tax payment after the due date, penalty and interest at the rate of 1% per month, of line 20 is assessed. The maximum penalty is equal to 12% of the total Declaration of Estimated Tax.
- Line 22.** Add lines 20 and 21. This is the first payment due for 2010. Carry amount due to line 23.
- Line 23.** Enter line 15 (2009 tax/penalty/interest due) and line 22 (2010 est. tax/penalty due) where provided for. Add lines 15 and 22. Enter total due and remit payment by April 15, 2010.

PAGE TWO

- Schedule X:** Is for reporting and calculating adjustments allowed against your W-2 income. Any questions, call the Tax Office. Carry line 4 total to page one, line 2. If no other income is to be reported, return to page one. Attach documentation.
- Schedule C:** Is for reporting income earned from a self-employment activity, such as 1099-misc. income, Federal Schedule C, etc. If you are a non-resident that has self-employment income earned in and out of Hebron, you must use Schedule Y to allocate taxable income to Hebron. Attach schedules/documentation.
- Schedule E:** Is for reporting income earned from rental, farm and/or taxable royalty activities. Attach schedules/documentation.
- Schedule H:** Is for reporting Net Business Income. Gross business income may be reduced by previous period business losses. Losses may be only applied to business income (and not to personal wages) for a limited period of three years forward.
- Schedule O:** Is for reporting income from partnerships, estates, trusts, fees, misc. income reported on Federal Tax Return, etc.. Do not include income from a Hebron Partnership that files as an entity reporting 100% of its income to Hebron. Attach schedules/documentation.
- Line 5.** Other Income Summary is the total from Sch. C, Sch. E and Sch. O. Enter total on line 5C on page one, line 4. NOTE: A net loss from a business activity must be reported as zero -0- on page one of the Tax Return.

DATE AND SIGN THE RETURN (if jointly filing has been authorized by the Tax Dept., you both must sign). ATTACH ALL REQUIRED SUBSTANTIATION, ATTACH PAYMENT AND FILE BY APRIL 15, 2010, AN INCOMPLETE RETURN WILL BE CONSIDERED NOT FILED AND WILL BE RETURNED TO YOU FOR PROPER FILING AND MY BE SUBJECT TO PENALTY AND INTEREST.

A COPY OF THE VILLAGE OF HEBRON INCOME TAX ORDINANCE IS AVAILABLE IN THE TAX OFFICE.