

**TAX FORM PREPARATION - LINE BY LINE INSTRUCTIONS**

If using a blank form, print NAME, ADDRESS and SOCIAL SECURITY # in the space provided; otherwise, verify information printed and make changes as necessary.

**Provide DAY and NIGHT phone numbers**

If you are a PART YEAR Resident, indicate move IN and/or move OUT date.

If you have MOVED OUT, print clearly new address including zip code and Apt. # if applicable.

**Line 1 – Earned Income – W2**

List each W2 on lines provided. Use the highest Medicare (Box #5) or Local Wages (Box#18) as taxable wages. Be sure to send a copy of each W2. The copy of the W2 must have all boxes completed 1-20 to receive full credit for taxes paid to your work city/cities. \*\*\* Attach a Copy of Page 1 of your Federal 1040 \*\*\*

**Line 2 – Other Income**

Federal Schedule C, Schedule E, K-1, 1099 Misc etc. - Complete appropriate section on Page 2 of tax form and carry total to this line. See instructions for details on reporting this type of income. A loss reported on this line CANNOT be deducted from W2 income reported above.

**Line 3 – Total Taxable Income - Add "Total" Column E and Line 2****Line 4 - Adjustments to Taxable Income:**

- A. 2106 Business Expense – Must attach Federal 1040, Schedule A + Form 2106 for deduction  
See instructions for computing allowable deduction on reverse side
- B. Partial Year Resident - Deduct income earned as non-resident or under 18 years old – See instructions  
Parma Heights Income CANNOT be prorated

**Line 5 – Total Adjusted Taxable Income Subject to Parma Heights Income Tax****Line 6 – Parma Heights Income Tax = 3% of Line 5****Line 7 – Credits**

(a1) Taxes Withheld in other Cities (Total Column C) (Do not list School District Tax – JEDD tax allowable)

(a2) The Total of Taxes Withheld in other Cities must be **reduced** if:

- Work city tax rate is over 2% - See List of Cities with over 2% tax rate on reverse side-credit limit is 2%
- If non-taxable income was reported on Line 4 A/B – the tax withheld on that income must be deducted
- Partial year resident – If you Pro-Rated your income, the tax withheld also must be Pro-Rated
- Withhold taxes refunded to you by your work city must be deducted

(a3) Subtract (a2) from (a1) = Credit for taxes paid to other cities

(b) Taxes withheld in Parma Heights (Total Column D)

(c) Payments to Parma Heights – Quarterly Estimated Installments

(d) Overpayment from Prior Year

(e) Total of taxes paid on Line 2 Income

To receive credit, attach copy of other city tax return – credit limit 2%

(f) Total Credits – Add Lines 7 (a3), b, c, d, e

**Line 8 (a) – Tax Due** – Line 6 less Line 7 (f) – No credit/payment if \$1.00 or less

(b) **Overpayment Claimed** (If Line 7(f) exceeds Line 6)

(c) Enter Amount of Line 8(b) you **want Credited to your 2013 Estimated Tax**

(d) **Enter Amount to be Refunded** (Line 8(b) less Line 8(c)) No refunds less than \$5.00

**Line 9** – Penalties – Late Filing and/or Paying – See instructions

**Line 10** – Penalty – Underpayment of Estimated Payments – See instructions

**Line 11** – Interest – See instructions

**Line 12** – Total Amount due for 2012 (Payable to "City of Parma Heights")

**Line 13** – Total Estimated Income for 2013 times tax rate of 3%

**Line 14** – Credits – for taxes withheld in Parma Heights and other cities

**Line 15** – Total Tax Credits

**Line 16** – Net Tax Due

**Line 17** – Amount Due for 1<sup>st</sup> quarter (1/4 of Line 16) Payable with tax return or due date

**Line 18** – Overpayment from Line 8(c)

**Line 19** – Subtract Line 18 from Line 17 – **Adjusted Amount Due for 1<sup>st</sup> quarter**

**Total Tax Due** – Add Lines 12 & 17 or Lines 12 & 19

**Remit this amount on or before the due date** – Payable to "City of Parma Heights"