

# Instructions for Form IR-25J

## Joint Economic Development District (JEDD) Individual Return

For use in preparing

**2010** Returns

### Columbus Administers for:

North Pickaway County JEDD	2.5%
Prairie Township JEDD	2.5%

If you are working or living within these areas, you are liable for the income tax. These instructions are applicable to LL JEDDs listed for which Columbus administers the tax. If you have any questions about completing any of our forms and/or need tax forms, please call (614) 645-7370. **All forms and instructions are also available on-line at [www.columbustax.net](http://www.columbustax.net).**

## Do I need to file?

You only need to file if any of the following apply:

1. You earned income in a JEDD listed above from which income tax was not fully and/or correctly withheld. (Multiply the largest wage figure shown on your W-2 in Box 5 or 18 by the tax rate of the appropriate city above. If the withholding is correct, your result should equal the withholding shown in Box 19 of your W-2).
2. You are a resident of one of the JEDDs listed above and engaged in a business or profession, including rental real estate, whether the business showed a profit or a loss.
3. You are a resident of one of the JEDDs listed above and your credit for taxes paid to your city of employment does not equal the tax due to your city of residence.
4. You were not a resident of one of the JEDDs listed above, but you engaged in a business or profession in any of the JEDDs listed above, whether the business showed a profit or loss.
5. You received a pre-printed tax form from our office for 2010 but are otherwise not required to file.

## Can we file a joint return?

A husband and wife may file a joint return regardless of the filing method used on their federal return. Joint returns must be signed by both spouses and include both social security numbers.

## Can I use Form IR-25J?

You can use Form IR-25J if you had income taxable for which Columbus administers the tax. Corporations (including S-corporations), partnerships, joint ventures, and fiduciaries (estates and trusts) must file using Form BR-25J.

## When and where do I file?

This return must be filed on or before the fifteenth day of the fourth month following the close of the tax year. For calendar year taxpayers, this means the return is due April 15th.

An extension of time until November 30th to file will be granted provided an extension request has been filed with the Income Tax Division by the original due date of the return. A copy of your Federal extension will be accepted if:

- 1) no payment is required to be made with the extension request; and
- 2) it is received by the City prior to the original due date of the return.

If payment is due with your extension request, it should be made using City Extension Form IR-42J. If you are unable to pay any taxes owed, you should still file your annual return timely with the Division.

Make payable to: CITY TREASURER  
Mail to: Columbus Income Tax Division  
50 W. Gay Street, 4th Floor  
Columbus, Ohio 43215

## What if I file or pay late?

All JEDDs listed for which Columbus administers the tax impose penalties and interest on taxes remaining unpaid after April 15<sup>th</sup>. Thus, if you are unable to pay the full amount of tax owed, you should still file your return along with payment of as much of the tax due as possible.

## Are there any special rules for refunds?

Refunds and credit carryforwards resulting from an overpayment of estimated tax or the deduction of employee business expenses may be requested using Form IR-25J. You must attach a copy of your Federal Form 2106 and Federal Schedule A to claim employee business expenses on Form IR-25J. Federal Form 2106 which has expenses reported on Line 4 only are not required to be filed with I.R.S. and will not be allowed on the city return.

- Refunds due you must be greater than \$1 or they will not be issued.
- There is a three (3) year statute of limitations for claiming a refund or credit of any overpayment of city tax.
- **Mail refunds to:** Columbus Income Tax Division  
50 W. Gay Street, 4th Floor  
Columbus, Ohio 43215

## What is taxable income?

For **RESIDENTS**, taxable income includes all salaries, wages, commissions and other compensation regardless of where it was earned. The income is taxable whether paid in cash, property or other consideration, including the reasonable value of meals, lodging and the like. You may reduce your taxable wage income by your allowable Form 2106 expenses. Taxable income also includes the net profits of all unincorporated businesses such as real estate and equipment rentals, sole proprietorships and your share of partnership income (whether distributed or not).

These unincorporated business profits are taxable regardless of where the business was conducted. You may be entitled to a credit for taxes paid to the city where your income was earned. If you are a partner in a partnership, you may be entitled to a credit for city taxes paid by the partnership.

For **NON-RESIDENTS**, taxable income includes all salaries, wages, commissions and other compensation earned in any of the JEDDs for which Columbus administers the income tax, after allowable Federal Form 2106 expenses. Taxable income also includes the net profits of all unincorporated businesses such as real estate and equipment rentals, sole proprietorships, and your share of partnership income (whether distributed or not) if the business was conducted in any of the JEDDs for which Columbus administers the income tax.

Your city taxable wages are calculated before any deduction for such things like 401(k) deferrals. For city tax purposes, partnerships include LLCs and joint ventures.

Determine net profits from unincorporated business in accordance with the accounting method used for Federal income tax purposes. Any expenses claimed must be ordinary and necessary. Passive activity losses are deducted the year incurred: PAL carry forwards are not allowed for city tax purposes. In addition, net operating loss carry forwards and carry backs are not permitted for city tax purposes.

If you are engaged in two or more unincorporated businesses in the same city, the net loss of one unincorporated business

may be used to offset the profits of another for purposes of arriving at overall net profits from unincorporated businesses for that city. Only **residents** of the JEDDs administered by Columbus may offset unincorporated business profits not reportable to any municipality but their city of residence with unincorporated business losses not reportable to any municipality (if the loss is reportable to a city with a lesser tax rate, a partial offset is allowed).

Shareholders in one or more subchapter S corporations do not report gains or losses from subchapter S interests. Subchapter S corporations are taxed at the corporate level for municipal tax purposes.

City taxable income does not include proceeds of insurance policies if the employee paid all the premiums. City taxable income also does not include compensation for personal injury and property damages. Expenses, costs, and losses incurred in connection with income not subject to city income tax may not be used to reduce your city taxable income.

## What is taxable "Other Compensation"?

1. Bonuses.
2. Compensation paid in property or the use thereof at fair market value to the same extent as taxable for federal tax purposes and so indicated on the W-2 form.
3. Contributions made by or on behalf of employees to a qualified deferral plan (401K and the like) - taxed in year earned, deferral not permitted. Exception: employer matching contributions offered under a cafeteria plan are not taxable. Deferrals even under a cafeteria plan are always taxable.
4. Contributions made by or on behalf of employees to a tax-deferred annuity or stock purchase plan (includes any plan where employee has the option to defer).
5. Contributions made by or on behalf of employees to a non-qualified deferred compensation plan.
6. Cost of group term life insurance over \$50,000.00 (unless part of a cafeteria plan).
7. Director's fees.
8. Short-term disability pay if received as a benefit from employment (includes third party plan) prior to 6/30/07.
9. Adoption assistance payments (unless part of a cafeteria plan).
10. Excess employee discounts.
11. Golden parachute payments.
12. Income from guaranteed annual wage contracts.
13. Income from jury duty.
14. Income from wage continuation plans (includes retirement incentive plans and buy-outs).
15. Income received as a result of a covenant or agreement not to compete, which relates to employee wages.
16. Interest on below market loans.
17. Moving expense reimbursements (follow Federal rules but non-reimbursed expenses are not deductible).
18. Pre-retirement distributions from retirement plans (except previously taxed income from deferred plans).
19. Prizes, awards and gifts - if connected with employment.
20. Profit Sharing.
21. Royalties (unless derived from registered copyrights, patents or trademarks).
22. Severance pay.
23. Sick and/or vacation pay.
24. Stipends - if work required (vow of poverty not recognized).
25. Stock bonus incentive plans.
26. Stock options.
27. Strike benefits paid by employer.

28. Supplemental unemployment pay paid by employer.
29. Taxes paid by employer on employee's behalf.
30. Tips.
31. Union steward fees.
32. Executor fees.



*This list is intended for reference purposes only. It may not be all inclusive and is subject to revision without notice.*

## What are unincorporated businesses?

- a) Sole proprietorships – Schedule C, Federal Form 1040
- b) Rental properties - Schedule E, Federal Form 1040
- c) Partnerships, Joint Ventures and other type associations (These businesses file their own returns using Form BR-25J; however, you must report your share of their city taxable income on your individual return if you are a partner).
- d) Farm Net Income - Schedule F, Federal Form 1040

## What income is not taxable?

1. Alimony.
2. Annuities - at time of distribution.
3. Capital gains.
4. Dividends.
5. Gambling winnings (losses not deductible).
6. Government allotments.
7. Housing for clergy.
8. Income earned while under 18 years of age.
9. Income from Foster Grandparent Program.
10. Income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities.
11. Insurance benefits - unless your employer paid the premiums. (Pro-rating is allowed if you paid a portion of the premiums).
12. Interest.
13. Long-term disability payments paid after 1/1/04.
14. Meals and lodging required on premises.
15. Military pay including reserve pay.
16. Nonresident subchapter S corporation income to a resident shareholder (effective 1/1/03) is no longer subject to the tax.
17. Patent and copyright income.
18. Pension income - includes lump sum distributions.
18. Prizes - unless connected with employment.
20. Royalties - if derived from intangible property.
21. Salaries of the mentally retarded or developmentally disabled while working in a government funded workshop for less than minimum wage - City of Columbus only.
22. Short-term disability payments paid after 7/1/07.
23. Social Security benefits.
24. State unemployment benefits.
25. Welfare payments.
26. Worker's Compensation.
27. Income from serving as a precinct election official less than \$1,000.



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## Can I reduce my taxable wages with unincorporated business losses?

No. All of the other JEDDs administered by Columbus do not allow the net loss from an unincorporated business to be used to offset wages, salaries, commissions or other compensation.

## Completing Form IR-25

1. If you received a preprinted form containing incorrect information, make the necessary corrections on the form. If the form is not preprinted, please enter the information in the spaces provided for name, current address and SSN. If you are filing a joint return, provide your spouse's name and social security number also.
2. If you are anticipating a refund for the year in which you are filing, place an "X" in the box marked REFUND located in the upper right section. The requested amount of the refund should appear on Line 6B. If you are amending a tax year, place an "X" in the box marked **AMENDED** and be sure to indicate the tax year that you are amending in the space provided. If you are amending the City return based upon an amended return that you filed with the I.R.S., you must include a copy of the amended Federal return, including any applicable schedules that pertain to the amendment. If you are filing an amended City return based upon an audit that the I.R.S. conducted, you must include documentation pertaining to the audit and note any changes that were made by the I.R.S. to reduce or increase your taxable income.
3. Indicate your filing status.
4. If you moved, enter the date of your move. Attach a statement to your return indicating your former address. If you are allocating your income as a result of your move, you will need to attach documentation to your return explaining the allocation (such as a copy of a paystub dated close to your move date).
5. If you are requesting that your account be inactivated, indicate the reason (taxes fully withheld by employer, sold business or rental property, etc.) and attach supporting documentation such as Federal Form 1040, W-2P or Statement of Social Security Earnings.
6. Enter your occupation. If you are self-employed, enter the nature of your business and your trade name.
7. Enter the names of the JEDDs in which you worked.
8. Enter city (or cities) of residence for the year. For residency clarification, please call (614) 645-7370.

## Part A: Taxable Wages

1. Indicate your employer(s) and the address(es) where you actually reported for work (this may differ from your employer's address printed on your Form W-2). If you run out of space, please attach an additional page.
2. Indicate city taxable wages from each employer.



*Wages for city tax purposes may differ from the Federal Medicare wages reported in Box 5 of your W-2 as adjusted under §718.03 of the Ohio Revised Code. City taxable wages include all wages that may be deferred or excluded from Federal and State taxable wages under §401 of the Internal Revenue Code. These deferrals appear in Box 12 of your W-2 with codes D, E, F, G and S. You may be subject to additional tax due to residency if your employer does not collect and remit courtesy withholding or your employer has incorrectly reported taxable income.*

3. **Form 2106 Expenses.** You may offset your earnings using Form 2106 expenses subject to a few limitations. First, you must attach a copy of Form 2106 and Schedule A, and it must clearly indicate to what job the expenses relate. If you are claiming Form 2106 expenses for several jobs, you need to attach a separate Form 2106 for each job. Second, your Form 2106 expenses may not exceed your earnings from the job to which the expenses relate. Third, you must be required to complete a Form 2106 to claim the expenses on your Federal return. Thus, if you can claim all the expenses reported on your Form 2106 directly on Schedule A of your Federal return without being required to file Form 2106, you may not claim these expenses on your city return. Form 2106 expenses (and the associated wages) related to your work as a nonresident truck driver or nonresident railroad employee are reported on Lines 14 and 15 on Page 2 of Form IR-22. Form 2106 expenses (and the related wages) associated with your work as a nonresident claiming a refund for wages earned outside of our taxing districts are reported on Lines 18-24 on Page 2 of Form IR-22.

4. Indicate net wages after deduction of Form 2106 expenses (if applicable).



*Your Form 2106 expenses may not exceed your earnings from the job to which the expenses relate.*

Be sure to attach copies of any applicable forms to the back of the return that pertain to your adjustments (Federal Form 2106 and Federal Schedule A, days out listing, birth certificate or driver's license).

## Part B: Tax Calculation

Report all taxable income and withholding to the city where the income was earned.

Column B - Enter all income from wages, salaries, commissions and other compensation net of Form 2106 expenses in this column.

Column C - Enter all income from net profits, rents and other taxable income. Individuals engaged in business or holding partnership interests should complete Parts C, D & E before completing Column C.

Column D - Column B plus Column C.

Column E - Multiply the figures in Column D by the appropriate tax rate(s).

Column F - Enter all of the following, if applicable:

- 1) city tax shown as withheld on the W-2s taxes withheld to cities with allocated 2106 expenses should be reduced proportionately;

- 2) city tax paid directly to a city not listed on Form IR-25J (attach a copy of the return filed with that city); and
- 3) city tax paid on your behalf by a partnership (attach a copy of the K-1).



*DO NOT enter declaration payments in this column: they are entered on Line 2 of Part B. You cannot claim credit for taxes withheld to the city of income that exceed:*

- 1) *that city's tax rate times that job's city taxable income after Form 2106 expenses; or*
- 2) *your resident city's tax rate times that job's city taxable income. .*

Column G - Enter net tax due (Column E less Column F).

Line 1 - Enter total net tax due (total of Column G).

Line 2 - Enter all declaration payments made during the current tax year and any overpayment carried forward from the prior year. Do not enter tax withheld or paid by a partnership on your behalf (see Column F).

Line 3 - Subtract Line 2 from Line 1 to arrive at the net tax due. However, if the result is an overpayment, indicate amount with parentheses and carry to Line 5.

Line 4 - Enter penalty and interest, if applicable. All taxes unpaid after April 15<sup>th</sup> are subject to a 10% penalty. Taxes due remaining unpaid after April 15<sup>th</sup> are subject to interest at a rate of .33% per month.

Line 5 - Enter total amount due - Line 3 plus Line 4. If tax due is less than \$1.00, no payment is necessary.

Line 6 - Enter overpayment, if applicable, from Line 3 as a positive number (do not use parentheses).

Line 6A - Enter amount of the overpayment from Line 6 you want credited to your next year's tax estimate.

Line 6B - Enter the amount of the overpayment from Line 6 you want refunded. You must sign your return and attach all documentation for your refund to be issued.

## Part C: Income from Sources other than Wages, Salaries, Commissions etc.

Taxable income from net profits should be entered into the proper city in the following manner:

Column H - Enter net income (or loss) from Page 2, Part D, Line 21 or from Schedule Y if you are allocating your income. If you attached a copy of your Federal Schedule C in lieu of completing Part D on Page



2, enter your income from Schedule C. Schedule Y is used only if you engaged in business in more than one taxing district. A Schedule Y is provided in your packet.

- Column I - Enter net income (or loss) from Page 2, Part E, Section 1, Line 6, or from your Federal Schedule E if attached in lieu of completing Part E or Schedule Y. Individual taxpayers who report more than one rental property on Federal Schedule E are considered by the Division to be in the business of renting property. Per §718.02 of the Ohio Revised Code a business or profession conducted within and without the boundaries of a municipal corporation is required to use the three part allocation formula when calculating net profits for municipal taxation.
- Column J - Enter your share of city taxable income from Page 2, Part E, Section 2, or from your Federal Schedule K-1 which must be attached to your return even if you attach Federal Schedule E.
- Column K - Enter total income (or loss) from Columns H through J. Carry income figure(s) shown in Column K to the appropriate city line(s) in Column C. If loss is indicated, enter zero in Column C.

### Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your tax return with the City of Columbus, check the "YES" box in the "Third Party Designee" area of your return. Also enter the designee's name, phone number and SSN. But if you want to allow the paid preparer who signed your return to discuss it with the City of Columbus, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

If you check the "YES" box, you, and your spouse if filing a joint return, are authorizing the City of Columbus to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the City of Columbus any information that is missing from your return,
- Call the City of Columbus for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain City of Columbus notices about math errors, offsets, and return preparation.

You are **not** authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the City of Columbus. The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2010 tax return.

### Sign Your Return

Form IR-25 is not considered a complete return unless you sign it and attach all W-2 statements and applicable federal tax documents. If you are filing a joint return, your spouse must also sign.

**Paid Preparers Must Sign Your Return.** Anyone you pay to prepare your return must sign and date it in the space provided, and provide their Federal employer identification number (EIN) or Social Security number (SSN). A paid preparer may not use a preparer tax identification number (PTIN) in lieu of an EIN or SSN.

## Instructions for Page 2 of IR-25

### Part D: Schedule C - Income From Self-Employment

The questions on Schedule C should be answered in full. List income and subtract expenses to determine net profit or loss from business or profession. A copy of your Federal Schedule C will be accepted in lieu of completion of Part D on Form IR-25. *All schedules and/or forms supporting the information listed should be attached to your tax return.*

### Part E: Rental and Partnership Income

#### Section 1: Income or Loss from Rental Real Estate

Enter income (loss) produced from rental property by providing the detailed information in the appropriate columns. Federal Form 1040, Schedule E should be provided on all property reported. Individual taxpayers who report more than one rental property on Federal Schedule E are considered by the Division to be in the business of renting property. Per §718.02 of the Ohio Revised Code a business or profession conducted within and without the boundaries of a municipal corporation is required to use the three part allocation formula when calculating net profits for municipal taxation. Therefore, individual taxpayers with more than one rental property are now required to use Schedule Y to allocate income from business rental activity when completing the city return. Rental income is taxed first to the city where the income has been allocated, and then paid to the city of residence (if the allowable credit for taxes paid to the city where the income has been allocated is not equal to or greater than tax due your city of residence). If the property is not located in any taxing city, income is taxed to owner's city of residence.

#### Section 2: Partnership Income

**Partnership Income** – Enter your share (whether or not distributed) of city taxable income of resident and nonresident partnerships. Federal Schedule E may be substituted only for nonresident partnerships not subject to city tax in any municipality (including municipalities not administered by Columbus). Partnership income is taxed first to the city in which the partnership's income-producing activity is located. It is then taxed to your city of residence (if the allowable credit for taxes paid to the city where the partnership operated is not equal to or greater than the tax due your city of residence). If not located in any taxing city, income is taxed to partner's city of residence. Your share of city taxable income (and taxes paid) should be shown on page 2 of your Federal Schedule K-1 (contact general partners if not shown). Partners may not reallocate partnership income that has been subject to allocation by the partnership.

**S-Corporation Income** – do not report any S corporation gains or losses on this return. Subchapter S corporations are taxed at the corporate level for municipal tax purposes.

## Instructions for Page 3 of IR-25

### Schedule Y – Business Allocation Formula

Provide a completed IR-25, Schedule Y, to properly allocate your city taxable income. In order to promote uniformity and consistency in the calculation of net profits, it is the City of Columbus' policy to strictly interpret the changes in Ohio Revised Code §718.02. Commencing with tax year 2004, the use of Separate Accounting in the calculation of Net Profits is no longer an available option.

**Column A, Line a-** For each locality listed in which you conducted business, list the average original cost of all real and tangible personal property owned or used by the taxpayer that was situated within the city limits. Include on each line the annual rental on rented and leased real property situated within the city limits multiplied by 8.

**Column A, Line b-** Divide Column A, Line a, by the amount of Line 3. If the amount of Line 3 is zero, enter "n/a" on this line.

**Column B, Line a-** For each locality listed in which you conducted business, list the gross receipts from sales made or services performed within the city limits.

**Column B, Line b-** Divide Column B, Line a, by the amount of Line 4. If the amount of Line 4 is zero, enter "n/a" on this line.

**Column C, Line a-** For each locality listed in which you conducted business, list the wages, salaries and other compensation paid to W-2 employees for services performed within the city limits except compensation exempt from municipal taxation under O.R.C. §718.11.

**Column C, Line b-** Divide Column C, Line a, by the amount of Line 5. If the amount of Line 5 is zero, enter "n/a" on this line.

**Column D-** For each locality listed in which you conducted business, divide the sum of line b for Columns A-C by the number of factors used.

**Example 1:** Line 5 shows no wages companywide. If Line b for Columbus shows 30%, 60%, and n/a for Columns A-C respectively, you would divide 90% (30% + 60%) by 2 (since only two columns had numbers).

**Example 2:** Line 5 reports wages companywide. None of those wages are earned in Columbus. Thus, if Line b for Columbus shows 30%, 60%, and 0% for columns A-C respectively, you would divide 90% (30% + 60% + 0%) by 3 (since all three columns had numbers... even though Column C's number was zero).

**Column E-** For each locality listed in which you conducted business, multiply the amount shown on the taxable form (Example Schedule C, Schedule E, etc.) by the percentage shown in Column D. If the amount is zero or less, enter zero on the appropriate city lines on Form IR-25, Page 1, Column H or I. If Column D is more than zero, enter the amount on the appropriate city lines on Form IR-25, Columns H or I.

## Instructions for Filing Form IR-21 - Declaration of Estimated Tax and Quarterly Payment Vouchers (Form IR-18)

Taxpayers who anticipate owing city tax to any municipality for which Columbus administers the tax or who are residents of one of the municipalities administered by Columbus which has taxable income must complete this form. Nonresidents who have taxable income in any municipality for which Columbus administers must also complete this section. Individuals anticipating no income subject to the tax in the year 2010 must complete this section, showing zero in Column G.

The declaration (Form IR-21) should be filed by April 15th. Your first quarter payment should be submitted with the declaration. No extensions of time to file or pay will be granted. Each subsequent quarterly payment should be filed using one of the vouchers (Forms IR-18) that came with your Form IR-21. Your second, third and fourth payments are due on July 31, 2011,

October 31, 2011 and January 31, 2012. Each estimated tax payment must show a credit carryforward and/or be accompanied by a payment of at least one-fourth (1/4) of the total estimated tax shown on your declaration. To be considered as filed in good faith and not subject to penalty and interest, your timely paid estimated tax must not be less than **80%** of the total tax liability shown on your tax return. We will also consider your estimated taxes as filed in good faith if your timely payments equal or exceed 100% of the tax shown on your prior year return. Failure to make timely estimated tax payments will result in penalty and interest assessments. Each municipality is considered a separate entity in the calculation and payment of a good faith estimate.

**AN AMENDED DECLARATION** - may be filed by each quarterly due date to increase or decrease the original declaration as deemed necessary by checking the box marked "AMENDED" at the top right of the form. If an amended declaration is filed, the balance of the estimated tax, as amended, should be paid in equal installments on or before the remaining payment dates. If no amended declarations are filed, it shall be assumed that estimated income in the amount shown on the original declaration is earned ratably throughout the year. Documentation may be requested to verify the date and nature of unanticipated income resulting in the filing of an amended declaration of estimated tax.

Report all estimated taxable income and withholding to the city where the income will be earned. If income will be earned in a non-tax area or a city that is not listed on this form, that income (with related withholding) should be reported to your city of residence. You must assign estimated tax liability to the appropriate cities in order to qualify for the "good faith" exception to penalties and interest.

The alternate city line is used by residents of the municipalities listed on Form IR-21 to report estimated tax due to their resident city on income earned in another city listed on Form IR-21 with a lesser tax rate. For example, a resident of Columbus (a 2.5% city) working in Harrisburg (a 1% village) would owe Columbus alternate city tax at a tax rate of 1.5%.

## Line Instructions for Form IR-21

- Column B - Enter estimated income from wages, salaries etc.
- Column C - Enter estimated income from net profits, rents and partnerships.
- Column D - For each city line, combine Columns B and C.
- Column E - Multiply the figures in Column D by the appropriate tax rate(s).
- Column F - Enter: 1) estimated W-2s withholding; 2) estimated city tax paid directly to a city not listed on Form IR-21; and/or 3) estimated city tax paid on your behalf by a partnership.
- Column G - For each city, subtract Column F from Column E.
- Line 2 - Enter any overpayment carried forward from the prior year. This credit may be applied entirely to the first installment or apportioned to each installment. Any balance due on each installment must be paid with the installment payment voucher.
- Line 5 - Divide Line 1 by 4 to determine the amount of each quarterly installment payment. The first payment due (less credits from overpayment of the prior year return however applied) should be shown on Line 5 and paid with this form.

## Line instructions for Form IR-18

- Line 1 - Indicate amount of installment.
- Line 2 - Indicate amount of unused credit, if any, applied to installment.
- Line 3 - Amount of payment due (Line 1 less Line 2).