

INSTRUCTIONS FOR PIONEER INCOME TAX RETURNS

SECTION I.

GENERAL INSTRUCTIONS

1. WHO IS REQUIRED TO FILE THIS RETURN

ALL RESIDENTS having earned income, MUST file a Village Income Tax Return no later than April 15th of each year, even though the entire tax has been withheld. Failure to comply is considered a misdemeanor under the Tax Ordinance, subject to severe penalties. The Ordinance imposes the tax on all salaries, wages, commissions and other personal service compensation from all sources, regardless of where it is earned, and allows full credit up to 1% for tax paid another municipality on the same income.

Non-resident business entities, and / or individuals, must file a return on income attributable to and /or earned in Pioneer on which no tax was withheld to Pioneer.

A resident individual who is sole owner of a resident unincorporated business entity shall pay the tax on the entire net profits of the resident unincorporated business entity to this municipality; provided, however, that on the income attributable to another taxing municipality there shall be a credit allowed of the amount of tax paid, up to 1% to such other municipality.

2. FILING

Other income reported on line 2 and / or line 3, from any source whatsoever, on which there is no tax withheld, requires copies of Federal Schedule(s) must be attached. Losses are carried forward to future year. PROFITS ONLY ARE REPORTED ON LINE 2 & 3.

3. WITHHOLDING CREDITS

Credits claimed for withholding to any municipality must be supported by copy of your W-2(s).

4. RESIDENTS EMPLOYED IN NON-TAXING AREAS

Any income earned in a non-taxing area is taxable to your resident city. If the tax has been withheld to another city, Please show the location of your employment under Schedule "A".

5. If the tax is not paid with a timely return, a 5% penalty per month and interest of 9% per annum is assessed.

A FEDERAL EXTENSION DOES NOT RELIEVE PENALTIES AND INTEREST.

ITEMS TAXABLE

1. Bonuses & Commissions
2. Deferred Wages Plans
3. Director Fees
4. Net Profit on Rental Property
5. SEP Plans
6. Sick Pay
7. Vacation Pay
8. Wages & Compensation of any kind
9. 401 K Plan
10. Self Employed Income

ITEMS NOT TAXABLE

1. Capital Gains
2. Copyrights
3. Disability Benefits
4. Inheritances
5. Moving expenses reimbursed by employer, when they are included in wages earned on a W-2.
6. Pensions of any kind
7. Welfare
8. Royalties
9. Social Security Benefits
10. Unemployment Compensation
11. Dividends
12. Interest Income

Any Pioneer resident, or married couples, who had no Pioneer taxable income need only to write that fact in the Schedule A area, sign the Certification lines at the bottom of the form, date it, and return the form to the Pioneer City Clerk-Treasurer's Office. **A FORM MUST BE FILED, EVEN IF NO TAX IS DUE.**

Mandatory filing requires all Pioneer residents, who are 18 years of age and over, to file a return, regardless of where they worked, or if they had no Pioneer taxable income to report. Persons under 18 are not required to file a return. Married persons should file a joint return, even if only one of them had taxable income.

INSTRUCTIONS FOR PREPARING MUNICIPAL INCOME TAX RETURNS

Heading. Print your name, address, social security number plainly or make necessary corrections if already printed. Indicate your residency status including dates if you were a partial year resident of Pioneer.

Schedule "A" is for wages earned as an employee. From your W-2 form(s), enter your employer's name(s), the location of your employment, the amount of City tax withheld (not to exceed 1% of the earnings), and the total wages paid.

Deferred compensation and other tax shelters your company may have are taxable by Pioneer. When filling out your tax return, remember to include your TOTAL income.

NOTE: If you are filing W-2 wages only compute your tax on Line 5.

Line 2 and 3 - is the total of other income subject to the tax. Attach the appropriate federal schedules. Interest and dividends are not taxable.

Line 4 - is the total of Lines 1, 2 and 3.

Line 5 - enter only percent (1%) of Line 4, or one percent (1%) of Line 1 for taxpayers whose only source of income is from wages.

Line 6(A) - Enter all municipal income tax withheld by your employer for Pioneer.

6(B) - Enter here the total of all estimate payments made to Pioneer for this taxable year including any credit from overpayment on the prior year's return.

6(C) - (Pioneer residents only) Enter here tax paid to other municipalities, not to exceed one percent (1%) on income shown on Line 1 or 4. Attach itemized breakdown if W-2(s) are marked "Various" or "All Cities".

6(D) - Enter tax paid by Partnership on income reported on Schedule "E".

6(E) - is the total of 6(A), 6(C), and 6(D).

Line 7 - If line 5 is greater than Line 6E, the difference is entered here. Remittance of this amount must accompany the return when filed. If this amount is less than \$2.00 you do not have to pay. No refunds for amounts under \$2.00 will be made.

Line 8 - Total amount due. Make check payable to VILLAGE OF PIONEER.

Line 9 - If Line 6(E) is greater than Line 5, the difference is entered here. Enter on line (A) the amount to be credited to current year's estimate and line (B) the amount you request as a refund.

Be sure to attach copies of your W-2(s) and sign the return.

SECTION II.

PARTIAL RESIDENT CALCULATIONS

Step 1. Total Gross Wages ÷ 12 months x (months as Pioneer resident) x 1% equals Pioneer Tax Due (Line 5)

Step 2. Total City Tax Withheld (not to exceed 1%) ÷ 12 months x (months as Pioneer resident) = Credit Allowable (Line 6C.)

Step 3. Line 5 minus Line 6C = Line 7