

The Village of Baltic

Income Tax Department

General Guidelines - Baltic Income Tax Return for Business

Filing income tax returns:

- All correspondence and forms submitted to the tax office must contain the employer identification number (EIN). The EIN is your account number.
- Complete all appropriate taxpayer identity fields at the top of the income tax return.
- Complete all appropriate entries (Lines 1-17), the declaration for the subsequent tax year if appropriate, and the total amount you owe. Sign the return, attach all forms and schedules, and include your check for the amount due plus the declaration amount. **Returns without the supporting documents (forms or schedules) will be returned.**
- The short version of the schedules (included) or IRS forms/schedules may be used.
- Calendar and fiscal year returns are due four months following the close of your year.
- You may request a filing extension by completing IRS Form 7004 or 4868 and mailing to the tax office prior to the four months following the close of your fiscal year.
- Capital gains are excluded from net profit calculations.
- Loss carry forwards may be carried forward a maximum of 5 years.
- Loss carry backs are not permitted.
- The due date for employers to remit quarterly payments for local income taxes withheld from employees is 30 days from the end of each calendar quarter.

Compensation subject to income taxes:

- All salaries, wages, commissions and other compensation earned by residents living within the corporate limits of the Village. Such income includes shares of earned income from partnerships and other unincorporated business organizations.
- All salaries, wages, commissions and other compensation of non-residents for work or services performed within the corporate limits of the Village including shares due from partnerships and other unincorporated business organizations which is attributable to work or services performed within the Village.

- On the net profits of all business organizations, corporations, professions, and other legal entities located or operating within the Village.
- Residents with rental units are subject to the tax regardless of the location of the rental units.
- Non-residents with real property within the Village are subject to the income tax.
- Employee contributions to deferred compensation plans, e.g. 401(k), 403(b), are taxable.
- All compensation not specifically excluded from income taxes as described below is subject to the income tax.

Excluded from income taxes are the following:

- Persons under 18 years of age. To receive a refund for taxes withheld by an employer, the individual must file a tax return regardless of residency status.
- Active duty or reserve military pay
- Interest and dividends from intangible property.
- Employee cafeteria plans, e.g. "section 125" plan for health insurance or HSAs are not taxable.
- Welfare benefits, poor relief, unemployment benefits, and pensions from government or charitable groups.
- Workmen's compensation, social security benefits, pensions, annuities, insurance proceeds, compensation for damages for personal injury, and insurance or other proceeds for property damage.
- Domestic servants employed in a person's residence.

Penalties and interest:

- Failure to pay taxes or installments when due may result in a penalty of 1% or \$1.00 per month, whichever is greater, from due date until paid for a period not to exceed 36 months.
- Failure to pay taxes or installments when due may result in an interest charge of 1% or \$1.00 per month, whichever is greater, from due date until paid for a period not to exceed 36 months.
- Any person who shall fail, neglect, or refuse to make any return or declaration required by the ordinance; or make any incomplete, false, or fraudulent return; or fail, neglect, or refuse to withhold tax of employees or remit such withholdings shall be guilty of a misdemeanor of the first degree and shall be fined not more than \$1,000.00 or imprisoned not more than six months or both for each offense.