

ARTICLE II-10
Reconciliation With Federal Return

In a form satisfactory to the Village Clerk, there shall be submitted with each return filed by a taxpayer subject to the Federal Income Tax, a reconciliation between the amount shown in the return filed with the Village Clerk and the business income reported to the Federal Internal Revenue Department. If, as a result of a change made in business income by the Federal Internal Revenue Department, or by a judicial decision, an additional amount will result as owing to the Village of Smithville, a report of such change shall be filed by the taxpayer within thirty days after receipt of the final notice of such change from the Federal Authorities or after final decision of a Court adjudicating any such Federal Income tax liability.

ARTICLE III
Return and Payment of Tax

1. On or before April 15, 1970, every taxpayer engaged in any business, the net profits of which are subject in whole or in part to the tax imposed by the Ordinance, shall make and file with the Village Clerk a final return on a form furnished by or obtainable from the Village Clerk. Thereafter, each such taxpayer shall, on or before April 15 of each subsequent year, make and file a final return with the Village Clerk. Like returns shall be filed at the same time and in the same manner by all persons whose wages, salaries, bonuses, incentive payments, commissions, fees and other compensation received during the preceding taxable year are subject to the tax imposed by the Ordinance. However, where an employee's entire earnings for the year are paid by an employer and the Smithville tax thereon has in each instance been withheld and deducted by the employer from the gross amount of the entire earnings of such employee-taxpayer, and where the employer of such employee has filed a report or return in which such employee's entire and only earnings are reported to the Village Clerk, and where such employee has no taxable income other than such earnings, it shall not be necessary for such employee to file a return for any taxable year in which such conditions have prevailed. Any person who receives both compensation for services performed for an employer, in whatsoever form, and in addition receives income from any business activity or occupation not subject to withholding under the Ordinance, must file a declaration and a final return.
2. In all returns filed hereunder there shall be set forth the aggregate amount of salaries, wages, bonuses, incentive payment, commissions, fees and other compensation received and/or net profits earned (all as hereinbefore defined) by and during the preceding year and subject to said tax, together with such pertinent information as the Village Clerk may require.
3. If the return is made for a fiscal year or for any period other than a calendar year, the said return shall be made within two and one-half months from the end of said fiscal year.
4. The return shall also show the amount of the tax imposed by the Ordinance on such earnings, or net profits, or both.
5. The taxpayer making the return shall at the time of filing thereof, pay to the Village Clerk the amount of tax shown to be due and unpaid by the return. If pursuant to the provisions of Article V-2, the taxpayer has at the time of making such final return overpaid his tax, such taxpayer shall show the amount of overpayment and may in said return either (a) request a refund therefor, or (b) request that the amount thereof by credited against the amount which will be required to be paid by taxpayer on the next succeeding installment of tax which may become due.
6. Where any portion of the tax otherwise due shall have been paid by the taxpayer pursuant to the provisions of Article IV-1 and Article V-1 of this Resolution, or where an income tax has been paid to another municipality, pursuant to Section 4 of the Ordinance, credit for the amount so paid shall be due and payable at the time of filing said final return.
7. Upon written request of the taxpayer, the Village Clerk may extend the time for filing the annual return for a period of not more than six (6) months or not more than thirty (30) days beyond any extension requested of and granted by the Federal Internal Revenue Department for the filing of the Federal Income Tax return. For payments in installments, see Article V-2.

ARTICLE IV-1
Collection at Source

1. It is the duty of each employer (as hereinbefore defined) who employs one or more persons on a salary, wage, commission, or other compensation basis, to deduct from compensation paid to any employee subject to the Ordinance, the tax of one and one-half percent of such salary, wage, bonus, incentive payment, commission or other compensation due by said employer to said employee. The tax shall be deducted by the employer from: (a) All compensation paid to employees who are non-residents of the Village of Smithville for services rendered, work performed, or other activities engaged in to earn such compensation, within the Village of Smithville; and (b) From the gross amount of all salaries, wages, bonuses, incentive payments, commissions or other form of compensation paid to employees who are residents of the Village of Smithville, regardless of the place where the services are rendered.
2. All employers who or which maintain an office or other place of business in Smithville are required to make the collections and deductions in this article specified, regardless of the fact that the services on account of which any particular deduction is required as to residents of the Village of Smithville, were performed at a place of business of any such employer situated outside of the Village of Smithville.
3. The mere fact that the tax is not withheld will not relieve the employee of the responsibility of filing a return and paying the tax on the compensation received.
4. Commissions and fees paid to professional men, brokers, and other who are independent contractors and not employees of the payer, are not subject to withholding or collection of the tax at the source. Such taxpayers much in all instances file returns and pay the tax pursuant to the provisions of Section 2 of the Ordinance (See Article II-3 and II-4.)
5. In the case of employees who are non-residents of Smithville, the amount to be deducted is one and one-half percent of the compensation paid with respect to personal services rendered in Smithville.
Where a non-resident receives compensation for personal services rendered or performed partly within and partly outside Smithville, the withholding employer shall deduct, withhold and remit that portion of the compensation which is earned within Smithville in accordance with the following rules of apportionment.
 - (a) If the non-resident is a salesman, agent, or other employee whose compensation on the basis of commissions depends directly on the volume of business transacted by him, the deducting and withholding shall attach to the portion of the entire compensation which the volume of business transacted by the employee within the Village of Smithville bears to the volume of business transacted by him within and outside the Village of Smithville.
 - (b) The deducting and withholding of personal service compensation of all other employees (including officers of corporations) shall attach to the portion of the personal service compensation of such employee which the total number of working days employed within the Village of Smithville bears to the total number of working days employed within and outside the Village of Smithville.
 - (c) If it is impossible to apportion the earnings as provided above, because of (1) the peculiar nature of the service of the employee, or (2) the unusual basis of compensation, apportionment shall be made in accordance with the facts and the tax deducted and withheld accordingly.
 - (d) The occasional entry into the Village of Smithville of a non-resident employee who performs the duties for which he is employed entirely outside the Village, but enters the Village for the purpose of reporting, receiving instructions, accounting, etc., incidental to his duties outside the Village, shall not be deemed to take such employee out of the class of those rendering their services entirely outside the Village.
6. An employer shall withhold the tax on the full amount of any advance made to an employee on account of commissions (whether by way of drawing account or otherwise - but see paragraph 7 below) where such advances are in excess of commissions earned.
7. An employer required to withhold the tax on compensation paid to an employee shall, in determining the amount on which the tax is to be withheld, ignore any amount allowed and paid by the employer to the employee for expense necessarily and actually incurred by the employee in the actuarial performance of his services. Provided, that such expense must be of the kind and in the amount recognized and allowed as deductible expense for Federal Income Tax purposes.