

Village of Waterville Income Tax – FAQ’s

All Village of Waterville residents with taxable income must file an annual city income tax return. Listed below is a series of topics and frequently asked questions regarding the Municipal Tax.

What is the Village of Waterville Income Tax rate and what type of income is taxable?

The income tax rate is 2%. Generally, gross income (including income which is deferred) and business net profits are taxable.

I am retired. My only income is from Social Security, company pension, interest and dividends. Am I required to file a Village of Waterville income tax return?

No. You are not required to file an income tax return with Waterville, nor does Waterville tax you on these types of income. However, if you have not already done so, you must file a *final* return stating this, along with verification of retirement income. Once you have filed a final return we will not send you income tax notices in future years.

Please note: if you return to work, any earnings (other than retirement income) would be subject to the Waterville income tax and you would be required to file with us.

My child works. Is there an age minimum for filing a Waterville Tax Return?

No. If your child earned more than \$250 in documented wages (they received a W2 or a 1099) he/she is required to file.

My spouse and I file separately at the federal/state level. Do I have to file the same for Waterville?

No. At the municipal tax level, there is no advantage in filing separately. However, we do suggest filing jointly.

I live in an apartment and do not own any real estate in Waterville. Do I still have to file a Waterville income tax return?

Yes. Apartment dwellers within the Village limits are residents of Waterville and are required to file an annual Waterville income tax return.

Can I have my employer withhold my Waterville taxes?

Employers are not required to withhold for your city of residence however many will upon request. This is called “courtesy withholding”. An employee must contact their human resource and/or payroll department to see if courtesy withholding is an option. Your employer will need to contact the Waterville tax department at 419-878-8102 for information on setting up a withholding account.

I am a college student, living and working outside Waterville. Do I need to file a return and pay tax on that income?

Yes, assuming Waterville is considered your domicile (i.e., you are eligible to vote in Waterville, you file a State of Ohio tax return with a Waterville address, etc.).

I pay tax to my city of employment. Do I still owe Waterville tax?

Yes. If you work in and pay taxes to another municipality you are allowed a credit of up to 1.5% for tax paid to another municipality. Therefore, if your city of employment tax rate is at least 1.5%, the amount of tax that you owe for Waterville is .5%. If you work in a municipality with a tax rate of less than 1.5%, your Waterville tax due is based upon the difference in rates.

Example: Your city of employment tax rate is 1%. You are allowed that 1% credit and would owe Waterville 1% of your gross wages.

I'm self-employed but my business has not shown a profit. Am I required to file a return?

Yes. All residents or non-residents conducting a business within Waterville must file an annual return and report the net profits or net losses of said business. The leasing of real or tangible property (i.e. income from a rental property) that you own is considered a taxable business activity that must be reported.

Losses from the operation of a business, including rental losses, *are not* deductible from W-2 income, but they may be carried forward for a period of five (5) years to apply against subsequent profits.

If I file a Federal extension does that automatically extend my due date for my Waterville Return?

No. You must submit a copy of your federal extension or a written request for extension to Waterville on or before the original due date of the return.

If I file an extension, does my payment still have to be made by April 15th?

Yes. An extension only extends the amount of time that you have to file. Your payment is still due by April 15 (or the original due date of the return). Statutory interest will be charged on payments made after the original due date.

Who can I call for help in preparing my city tax return?

You may contact the Waterville Tax Department at 419-878-8102, M-F, 8:00am – 4:30pm for answers to questions or for assistance with your return. Many returns, such as those with multiple W-2's or for partial year residents, can be more difficult to prepare and may require making an appointment.

In order to better serve our residents we ask that those people needing assistance please contact the tax department between now and **April 5th**. The final days leading up to April 15th are always very busy and residents may have to wait for a return call or to be seen.

If you have additional questions, please contact our office Monday through Friday between the hours of 8:00 a.m. and 4:30 p.m.