

CITY OF DAYTON AMNESTY INFORMATION

1. *What is tax amnesty?*

An opportunity to pay back income taxes without penalty or fees. This chance to “catch up” with your taxes includes both taxes due on returns that have not yet been filed as well as taxes due on tax returns previously filed but not paid.

2. *How much might I expect to save if I take advantage of the amnesty program?*

For a taxpayer with an annual income in 2006 of \$39,500 on which no taxes were paid the tax owed is \$889, interest owed is \$142, penalty owed is \$378, a failure to pay estimated tax fee of \$80 is owed and a non-filing fee of \$50 is owed. **This tax payer could save \$508 in penalty and fees if the balance were paid during the amnesty period.** Call our office at (937) 333-3500 or use our online tax prep tool at <https://www.cityofdaytontax.com/login.aspx> to find out your liability.

3. *Who must pay Dayton Income Taxes?*

Individuals that live or work within the City of Dayton, all employees who work in the City (regardless of where they live) and all businesses (including partnerships and sole proprietorships) that operate in the City.

4. *I am not a Dayton resident. Why should I be interested in Amnesty?*

Some nonresidents may be unaware that they owe City of Dayton taxes. Most nonresidents and businesses outside of Dayton who work or conduct business in Dayton must pay a 2.25% tax on their income.

5. *Who qualifies for Tax Amnesty?*

Taxpayers or businesses who have not paid the full tax amount due for their Dayton income taxes and whose cases have not been referred for legal action.

6. *How do I take advantage of Tax Amnesty?*

(1) Calculate how much you owe for back taxes by preparing the appropriate returns or refer to your City of Dayton tax bill. Forms are available online at <http://www.cityofdayton.org/departments/finance/Pages/TaxForms.aspx>. A tax prep tool is available at <https://www.cityofdaytontax.com/login.aspx>.

(2) Mail or deliver all returns, along with full payment of back taxes before the close of business on November 19, 2008.

- i.* Short-term payment plans (up to 12 months) will be considered for taxpayers who demonstrate financial hardship. These plans require the applicant to pay 25% of the income tax due with the Financial Review (information requirements available online). Only the non-filing fee will be forgiven when payment in full including tax and interest is not made for the year.
- ii.* Returns postmarked after November 19, 2008 will not be considered for amnesty.
- iii.* Tax Forms are available through the City’s website at

<http://www.cityofdayton.org/departments/finance/Pages/TaxForms.aspx> or from the

City of Dayton Income Tax Division, PO Box 1830, Dayton OH 45401-1830. To request a mailed, emailed or faxed copy call (937) 333-3500.

7. *What are your office hours?*

During the amnesty period, the office is open:

- (1) Monday, through Friday from 8 AM to 5:30 PM.
- (2) Extended hours will be offered on the first and third Wednesday (evening Commission meeting days) from 8 AM until 7 PM during September, October, and November 2008.
- (3) The office will also be opened each Saturday morning from 9 AM until 12 Noon during September, October, and November 2008.

8. *Why should I take advantage of Amnesty?*

Tax Amnesty is a one-time opportunity for businesses and individuals who owe City of Dayton taxes to file returns and pay those back taxes without penalties or fees.

9. *What if I don't take advantage of Amnesty?*

The City of Dayton's Income Tax Division will be increasing its efforts to locate and assess delinquent taxpayers, including matching information with IRS records, State of Ohio data and other information sources. In addition, all administrative and judicial remedies will be pursued to the fullest extent to collect the entire amount owed. Following the Tax Amnesty program, all applicable penalties, fees and interest will be imposed on any individual and/or business that owe income taxes.

10. *With the current economy, isn't this a bad time for this project?*

The City of Dayton is offering this one-time amnesty to assist the taxpayers in catching up with their tax liability. The City believes it is critical that all residents pay their fair-share of income tax.

11. *How do I know how much I owe?*

To determine your tax liability, you will need to complete your tax returns. If you have already filed your tax returns, you can refer to your tax bill. If you need assistance completing your return or computing the amount due, assistance is available at (937) 333-3500. An online tax prep tool is available at <https://www.cityofdayontax.com/login.aspx>. You may visit the City Income Tax Division on the first floor of City Hall at 101 W. Third Street (northwest corner of Third and Ludlow).

12. *What if I can't pay my taxes in full?*

Short-term payment plans (for 6 months with a review at that time for an extension) will be considered for taxpayers who demonstrate financial hardship. You must pay 25% of the income tax liability with a completed Financial Review (form available online) unless extreme hardship is shown. Only the non-filing fee will be forgiven when payment in full for a single year is made for tax and interest when there are multiple years outstanding.

13. *I currently have a payment plan. Can I add any additional taxes I owe to my payment plan?*

Yes, you may be eligible for amnesty for the additional taxes you may owe if the amount total tax and interest is paid in full for the tax year. They may be added to your existing agreement. Please contact a City of Dayton Income Tax Division representative at (937) 333-3500 for assistance.

14. *Will I be audited if I am granted amnesty?*

Receiving amnesty will not affect your chances of being audited. Tax Returns receiving amnesty will be treated the same as any other tax returns filed with the City of Dayton's Income Tax Division.

15. *How will I know if amnesty has been granted?*

You will only be contacted if your information and/or payment are not correct or in-full. You will have fifteen (15) days to pay the balance due if the amnesty period has ended prior to our notifying you of a problem.

16. *What if I make a clerical error and over/under pay during Amnesty?*

When you file for Amnesty, you must be as accurate as possible when computing the amount you owe. The Income Tax Division may calculate the correct tax based on your returns and contact you if an additional amount is due. You must pay any additional amount within fifteen (15) days of notification by the City or your Amnesty will be revoked.

17. *Can amnesty be revoked?*

Yes, Tax Amnesty will be revoked for:

- (1) filing a false or fraudulent return;
- (2) failure to pay any additional amount within fifteen (15) days after the Income Tax Division has determined that this amount is owed to the City after review of your return.

18. *Can tax returns filed under Amnesty be amended later?*

Any return filed under Amnesty can be amended. However, you forfeit the benefits of the program if the amended return is filed past November 19, 2008. You will be responsible for all tax, penalty and interest due on the amended return.

19. *Will enforced collection actions continue during the Tax Amnesty period?*

Yes, enforcement actions will continue until such time as payment in full is received. The City is reporting and/or referring non-compliant accounts delinquent tax accounts to:

- (1) credit bureau(s);
- (2) Special Prosecutor Project;

- (3) referring to a collection agency;
- (4) using Debt Collectors to contact delinquent accounts; and/or
- (5) filing court cases against delinquent tax payers.

20. *Will amnesty be offered each year?*

No, amnesty is a one-time only offer. The City is offering this opportunity because of the new access to IRS tapes that the City will use to identify non-compliant taxpayers.

21. *I received a letter saying that I was identified as needing to contact the City because my name is on the Ohio Department of Taxation records as having filed a return with them. What is this all about?*

The City of Dayton is now using the Ohio Department of Taxation records to identify City residents that may not be paying their fair share of Dayton Income Tax. Over 7,800 residents were identified as possibly being non-compliant with the Dayton Income Tax Ordinance. This information only tells the City that you filed a return with the State of Ohio and does not give the source of the income.

- (1) *First, determine if your income is taxable* - A listing of taxable and non-taxable income is located on the back of the letter you received.
- (2) *Second, if your income **is not taxable*** – send us proof of the source of your income and a copy of your State or Federal Tax Return. Mail to the City of Dayton, PO Box 1830 Dayton OH 45401-1830.
- (3) *Third, if your income **is taxable*** – Use a form available on the City's website at <http://www.cityofdayton.org/departments/finance/Pages/TaxForms.aspx> to complete your City of Dayton Tax Return or all years for which you owe tax. A tax prep tool is also available at <https://www.cityofdaytontax.com/login.aspx> that will fill in your form from information you provide online.
- (4) *Fourth take advantage of the Amnesty Period* - print your return(s) and forward with payment in full for tax and interest owed to the City of Dayton at PO Box 643700, Cincinnati OH 45264-3700.
- (5) *Finally, understand that households that do not update their records may be* – referred to our legal section for collection, have legal charges filed and/or have the delinquency reported to the credit bureau(s).

22. *What does the use of the IRS Tapes mean to me?*

- (1) If you pay your City of Dayton Income Tax on a regular basis on all income, the IRS Tapes will have no impact on you. If all of the household income is from W2 wages on which your employer withholds 2.25% City of Dayton income tax, you are not required to file a return.
- (2) If you have not paid your City of Dayton Income Tax on all of your income, the IRS tapes will provide that information to the City. We now have a contract with the Central Collection Agency in Cleveland to compare our tax records to the IRS Tapes to find taxpayers who are not paying all or part of the income tax they owe the City of Dayton. After the amnesty period, these taxpayers will face penalties, fees and higher interest than if the tax is paid during the amnesty period.