

Frequently Asked Questions

What is the City of Toledo income Tax rate and what type of income is taxable?

Since January 28, 1946 Toledo's tax rate has been 1.50%. The citizens approved a temporary .75% income tax on July 1, 1982 bringing the Toledo's income tax rate to 2.25%, which is the current rate. Generally, an individual's gross income (including income which is deferred) and a business's net profits are taxable. A list of taxable and non-taxable income is available from our Income Tax Office.

Is it possible to file my Toledo Income Tax returns electronically or online?

No. The City of Toledo does not allow for electronically or online filing. A paper return must be submitted.

I am a Toledo resident and work in an area with no municipal tax or where the tax withheld is lower than Toledo's 2.25% rate. When do I pay Toledo the difference that is due them?

Any taxpayer having or anticipating an annual tax liability to the City of Toledo exceeding \$100.00 shall file a declaration of estimated tax and pay the estimated tax due in quarterly installments. Complete the estimated Toledo Tax Form D-1 for each quarterly payment. The due dates are: April 15th, July 31st, October 31st and January 31st or the next business day if the due date falls on a weekend or holiday.

Can we file a joint Toledo Tax Return?

No. Individuals required to file must file separately. There is no provision for joint filing in the Toledo Tax Ordinance. If you file jointly with the IRS, you must separate your individual incomes for purposes of filing with the City of Toledo.

Is there an age limit for individuals subject to Toledo Income Tax?

No. All residents and non-residents working in Toledo who have earned income are subject to the 2.25% City of Toledo income tax regardless of age.

I am retired. My only income is from Social Security, company pension, interest and dividends. Am I required to file a City of Toledo Income Tax Return?

No. You are not required to file an income tax return with Toledo, nor are you taxed by Toledo on these types of income.

If an individual files late, is there a penalty?

Yes. There is penalty and interest for late returns that have a tax liability due. The penalty is 5% of the balance of the unpaid tax for each of the first five months or portion thereof of delinquency and 1.5% for each month or portion thereof thereafter on the unpaid balance of the tax. The interest is .5% per month for each month or portion thereof of delinquency on the unpaid balance of the tax. If there is no balance due on the return, then there is no penalty or interest for late filing.

Can I receive assistance in preparing my City of Toledo Income Tax Return?

Yes. Our Income Tax Division personnel will assist you either by phone, mail or in person. Our office is open Monday through Friday, 7:30 a.m. to 4:30 p.m. Please feel free to call 419-245-1662 or visit us at the Government Center (400 Jackson St – 20th Floor). If visiting in person, please bring a copy of your Federal Tax Return and all of your W-2s and 1099s. These will help us assist you in preparing your Toledo Income Tax Return.

Where can I find a copy of the Toledo Income Tax Ordinance and Regulations?

Both the Income Tax Ordinance and Regulations can be viewed or printed from our website at www.toledo.oh.gov.

Are gambling winnings taxable?

Yes. Gambling winnings, including lottery winnings, are taxable to the City of Toledo. Gambling losses are not deductible against gambling winnings unless the taxpayer is deemed to be a "professional gambler," where gambling is the taxpayer's primary business activity for federal tax purposes. Gambling losses are not deductible against any taxable income. There is an annual exemption for gambling and lottery income, and this deduction can be taken on Line 8 of the Toledo tax return.

GENERAL INFORMATION

Form 2106

We apply the same guidelines to 2106 expenses as does the federal government; i.e., expenses must be carried forward to Schedule A and then reduced by the 2% of AGI factor. We allow the remaining expense, subject to audit and approval by the Income Tax Division. For verification, it is necessary that a copy of the Schedule A also be submitted if the taxpayer is submitting a form 2106. Please note: other miscellaneous deductions shown on Schedule A are not deductible on Toledo's tax return.

Early Retirement / Separation Payouts

Regardless of the terminology assigned to the payout (e.g. retirement incentive, separation pay, termination pay, etc.) the payout is taxable if the recipient was employed within the City of Toledo at the time of retirement. The residence of the individual at the time of the payout has no bearing on the taxability of the payout.

Estimated Payments

To avoid penalty and interest assessments for underpayment of estimated taxes, we require at least 80% of the final tax due Toledo or 100% of the prior year liability be remitted to us in four equal quarterly installments. If 80% has been paid by January 31st following the tax year no assessment will be applied.

Federal Schedules

When submitting copies of Federal schedules, please remember to copy both sides of the schedules where appropriate. Processing delays will occur when insufficient documentation is provided.

Gross Income

For employees, Toledo income tax is based on gross income (normally Box 5 of the W-2). Business and partnership income is tax based on the "Net Profit". If there is any question as to whether a specific source of income is taxable, please contact this office.

Withholding

Any taxes withheld by an employer are held in trust. It is illegal to withhold any sum and not forward it to the Income Tax Division as is required by the Toledo Municipal Code. Businesses must remit taxes monthly or quarterly, depending on the amount withheld. If withholding more than \$1,000.00 per month, employers must remit on a monthly basis.

Extensions

In order to receive consideration for your extension, a copy of the federal extension must accompany your Toledo tax return. The extended time is 30 days after the extension date approved by the IRS. Filing an extension with us does NOT relieve you of the responsibility for making payment, by the original due date, of the anticipated tax due.

Contractors (building trades)

All contractors must be registered with the City's Income Tax Division before performing work in the City. Many are also required to obtain a Certificate of Compliance before building permits or licenses can be issued. (See Section 798.01 of the Toledo Municipal Code). A \$250.00 tax deposit must be made at the time of registration.

1099's

The Toledo Income Tax Division requires companies to file copies of the 1099's that they issue. (1099s for interest or dividend payments are excluded.) 1099's should be filed along with the company's Toledo tax return.

Rental Properties

If the gross monthly rents from any real property exceeds \$250.00 per month, the net income is taxable to the City of Toledo.