

## LINE BY LINE INSTRUCTIONS

### WHO MUST FILE?

1. Every Village of Middlefield resident who is 18 years and older regardless of income. If you are retired or on disability then you need to file an exemption form every year.
2. Every business operating within the Village of Middlefield limits must file a fiscal year end income tax return.

### WHAT IS EARNED INCOME?

Earned income is defined as salaries, wages and earnings designated for deferred compensation, commissions, and other compensation and would include but not be limited to bonuses, incentive payments, directors fees, property in lieu of cash, tips, dismissal or severance pay, tax shelter plans, vacation and sick pay, wage continuation plans, 401k plans and lottery/gambling winnings.

### WHAT IS **NOT** EARNED INCOME?

Income not taxable includes: dividends, interest, military pay and allowances, insurance proceeds, alimony, social security, medicare, poor relief, unemployment insurance benefits, gifts, inheritances, scholarships, involuntary conversions, sub pay, strike benefits, disability income, child support, annuity and pension withdrawal.

### WHAT ATTACHMENTS ARE NEEDED WITH THE RETURN?

W2(s), page 1 & 2 of Federal 1040 return, Federal Schedules of income: Schedule A, C, E, F, K-1, 1120, 1120S, 4797, 1099-Misc, W2G.

### TAX FORM INSTRUCTIONS:

#### **INCOME:**

1. Enter wages, salaries tips from either **box #5 or box # 18** (whichever is greater)
2. Other taxable income (federal schedules/1099's/gambling)
3. Total taxable income (add lines 1 & 2)

### **TAX AND CREDITS**

4. Middlefield Village tax due before credits (total from line 3 multiplied by 1.25%)
5. Estimated payments made to Middlefield Village
6. Taxes withheld and paid to Middlefield Village
7. Overpayments from prior year(s)
8. **\*\*MIDDLEFIELD ALLOWS NO CREDIT FOR TAXES PAID TO OTHER CITIES\*\***
9. Total credits (add lines 5 through 7)

### **REFUND**

10. If line 9 is greater than line 4, subtract line 4 from line 9. This is the amount you overpaid
11. Amount of line 10 to be credited to next years estimate
12. Amount of line 10 to be refunded

### **TAX DUE** (if greater than \$10.01)

13. If line 4 is more than line 9, subtract line 9 from 4, this is the tax amount you owe
14. Penalties, interest, late file, late pay (to be calculated by tax office)

### **DECLARATION OF ESTIMATE**

15. Estimated income
16. Estimated tax due multiply line 15 by 1.25%
17. Taxes to be withheld and paid to Middlefield and other localities
18. Prior credit applied to estimated tax payments (From line 11)

- 19. Net estimated tax due (subtract line 17 and 18 from 16)
- 20. Minimum amount due for first quarter (Multiply line 19 by .25%)

**AMOUNT YOU OWE**

- 21. Total amount due (Add lines 13, 14 and 20)

**MAKE SURE TO ATTACH ALL DOCUMENTS  
NEEDED OR RETURN WILL NOT BE ACCEPTED!**