

CITY OF NEWARK – DIVISION OF INCOME TAX

TAXABLE INCOME

Wages, salaries, commissions and other compensation to include:

1. Allowances for uniforms, automobile and travel.
2. Bonuses.
3. Compensation paid in goods, services, property or the use thereof at fair market value to the same extent as taxable under the Federal Internal Revenue Act and so indicated on the W-2 form.
4. Contributions made by or on behalf of employees to a tax-deferred annuity or stock purchase plan (includes any plan where employee has the option to defer).
5. Cost of group term life insurance over \$50,000.
6. Director Fees
7. Employee's contributions to cost of fringe benefits.
8. Employee's contributions to retirement plans.
9. Employer paid death benefits.
10. Employer provided educational assistance (if taxable under Federal Internal Revenue Act).
11. Excess employee discounts.
12. Executor Fees.
13. Gambling winnings effective 8-6-2004.
14. Golden parachute payments.
15. Income from guaranteed annual wage contracts.
16. Income from jury duty.
17. Income from wage-continuation plans (includes retirement incentive plans and buy-outs).
18. Interest on below market loans.
19. Miscellaneous earned income (examples: Child-care provider, house cleaning, yard work, etc.).
20. Moving expense reimbursement.
21. Ordinary income from Form 4797 as described in I.R.C. Section 1245 or 1250.
22. Prizes, awards and gifts – if connected with employment.
23. Profit Sharing.
24. Reimbursements in excess of deductible expenses.
25. Severance pay.
26. Sick and/or vacation pay.
27. Stipends – If work required (vow of poverty not recognized).
28. Stock bonus incentive plans.
29. Stock options – taxed when exercised on the amount indicated on W-2 form.
30. Strike benefits paid by company.
31. Supplemental unemployment pay – paid by employer.
32. Taxes paid by employer on employee's behalf.
33. Tips.
34. Union steward fees.
35. Value of health insurance paid by employer after separation of service on behalf of employee (1099-Misc. issued to employee).

Net profits from:

1. Corporations - Federal Form 1120 or 1120S
2. Businesses filed by owner, member, shareholder, partner or at partnership or Sub-S Corp level:

Sole proprietorships	Schedule C
Rental Properties	Schedule E
Farm Income	Schedule F
Distributive share on K-1 1065	
Distributive share on K-1 1120S effective 1-1-2002 (1120S K-1 Ohio based source only eff. 1-1-2004)	
Partnerships	Fed. Form 1065
Subchapter S Corp—Fed. Form 1120S	
3. Fiduciaries – trusts and estates – this includes grantor trusts (file and pay as entity if income is taxable).
4. Exempt organizations with Unrelated Business Taxable Income as defined on Federal Form 990-T, line 30.

NON-TAXABLE INCOME

1. Alimony and child support.
2. Annuities – at time of distributions.
3. Short term disability income (effective 9/29/07)
4. Capital gains.
5. Contributions made to S-125 Cafeteria Plan (Pre-tax)
6. Dividends
7. Government allotments.
8. Housing for clergy (to extent used to provide a home – excess allowance is taxable).
9. Income earned while under 18 years of age.
10. Income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities.
11. Insurance benefits – unless connected with employment.
12. Interest.
13. Meals and lodging required on premises.
14. Military pay including reserve pay.
15. Patent and copyright income.
16. Pension income – includes lump sum distributions.
17. Poll worker income (under \$1,000)
18. Prizes – unless connected with employment.
19. Royalties – if derived from intangible property.
20. Social security benefits.
21. State unemployment benefits.
22. Welfare payments.
23. Worker's Compensation.

This list may not be all inclusive and is subject to modification as warranted.
For items not listed, Phone (740) 670-7580 Fax (740) 670-7581 Revised 2/2009 blj