

Dear Taxpayer:

**Welcome to Montgomery!**

You have chosen an outstanding community as your home. Today's Montgomery is an integral part of the Cincinnati metropolitan area and features beautiful neighborhoods, excellent community parks, top-quality services, and a nationally recognized school system. Montgomery also values its diverse business community that provides services and retail opportunities to residents and visitors alike. A variety of religious institutions, community and civic organizations also provide opportunities and services to our citizens. For more information about Montgomery, please visit our website at [www.montgomeryohio.org](http://www.montgomeryohio.org).

As a Montgomery resident, you are required to file a tax return with the City of Montgomery. The City's income tax applies to all who live, work, operate a business or perform a service in Montgomery. The City of Montgomery has a 1% tax levied on all earned income, which includes but is not limited to: salaries and wages, employee contributions to deferred compensation plans and other qualified retirement plans, group life insurance benefits, stock option income, etc. and the net profit of any business income, including Schedule C, rentals, gambling winnings and other business activities. All residents receiving an income are subject to the tax, including those who rent their residence.

**Montgomery has mandatory filing, which requires all residents who receive an income to file an annual return whether or not tax is due.**

Residents employed in another city where the tax rate is 1% or higher, or whose wages are totally taxed by that city, will receive credit, not to exceed 1%, for the amount of tax paid to that municipality. If a resident's income is only partially taxable to the city where employed, the portion of income that is not taxed becomes taxable to the City of Montgomery.

There are some exceptions: interest, dividend, pension and retirement income is not taxable. Business losses; however, may not be used to offset W-2 income. IRA and KEOUGH deductions are not allowed.

An annual return for the previous year is due on or before April 15<sup>th</sup>, or the Federal equivalent. Copies of all W-2 forms and the first page of the Federal Form 1040, along with any applicable schedules must accompany the return. A declaration of estimated tax for the current year, along with payment for first quarter tax, is also due on or before April 30<sup>th</sup>. Quarterly statements will be billed.

To ensure the accuracy of our records, we have enclosed a confidential questionnaire for you to complete. **Please return the completed questionnaire in the envelope provided within 15 days.** If you have any questions, please call my direct number, 513-792-8351 during regular business hours. Thank you for your cooperation.

Sincerely,

Cynthia Abner  
Finance Specialist  
City of Montgomery Tax Office

Enclosure