



## **Income Tax Frequently Asked Questions**

### **Who is required to file Springfield income tax returns?**

All residents of Springfield are required to file a return each year. All non-residents are required to file if they performed work or services within the city and had earnings which were not withheld upon. Additionally, each business located or performing services within the city is required to file. Returns are required with no regard for the amount of income received or losses incurred.

### **What supporting documents should I attach to my return?**

Most taxpayers will have completed their Federal tax return before completing their City return. Any Federal schedules or forms containing any information that relates to the information on the City return should be attached. Examples: W-2, Form 1099, etc.

### **Are retired persons required to pay city tax?**

Retirees are not required to pay on their income from Social Security or income from Federally-qualified retirement plans.

### **Are students exempt from the tax?**

No, being a student has no effect on your city tax liability. All residents of Springfield are required to file. Additionally, if you are a college student who attends school in another city, and if you maintain Springfield as your legal place of residence, you are required to file a Springfield return even though much of your time may be spent out of the city.

### **I am a resident of the city, but my only income was from wages that were fully withheld upon. Do I still have to file a return since I don't think I will owe any money?**

Yes, all residents of Springfield are required to file an annual tax return regardless of the amount of tax due.

### **I have a rental property that shows a loss each year after expenses. Should I include that in my return?**

Yes, anyone having a rental property located in Springfield is required to file a return and include a copy of their Schedule E or applicable schedule of income and expenses for the rental. A return is required each year even though losses may have been incurred. Also, any Springfield residents having rental properties are required to file on those properties no matter where the properties are located.

### **My W-2 has differing amounts in the federal income box, the local income box and the Medicare box. Which amount should I show as taxable wages on my city tax return?**

You should use the amount in Box 1 of your W-2. Taxable gross wages, for city purposes, is any income not expressly excluded by the Springfield Income Tax Ordinance and includes any income earned, received, accrued or in any other way set apart unto Springfield residents or unto any non-residents performing services in Springfield.

### **I live in Springfield but work in another city and have tax withheld for that city. Do I get credit for that against my Springfield tax liability?**

Yes, credit is allowed for taxes paid to another city.