

2009 CITY OF SPRINGDALE

NON-RESIDENT EMPLOYEE INCOME TAX RETURN AND DECLARATION (Filing required on or before April 15, 2010)

Enclosed is your 2009 Springdale Non-Resident Employee Income Tax Return (Form NRE). The due date for filing your 2009 tax return and declaration of 2010 estimated tax is April 15, 2010.

GENERAL INSTRUCTIONS

We have included line by line instructions, however the following general information should be noted:

WHO MUST FILE - NON- RESIDENT EMPLOYEES working in Springdale who DID NOT have Springdale tax withheld or who were under withheld by their employer, are required to file a return and submit payment of tax.

WHEN TO FILE - File as early as possible, but no later than April 15, 2010. To avoid penalties and interest your 2009 tax return and payment must be postmarked or hand delivered no later than April 15, 2010.

EXTENSIONS

EXTENSIONS - A written request for an extension, or a copy of your federal extension must be submitted on or before April 15, 2010. A federal extension does not automatically apply to Springdale. Upon receipt of the written request, and for cause shown, the Tax Commissioner may extend the time for a period not to exceed seven and one half months. No extension will be considered if the account is delinquent, nor will any extension be considered if it is received after April 15, 2010. No extension will be granted for filing the "Declaration of 2010 Estimated Income Tax" or payment of tax due.

DOCUMENTATION

DOCUMENTATION REQUIRED - All income, credits and deductions must be substantiated by copies of your W-2's, W-2C's, appropriate federal forms and schedules, date pay stubs, itinerary (travel refunds only) and employer verification letter.

ALLOWABLE CREDITS

CREDITS - Non-Residents employees are allowed credit for taxes paid/withheld to Springdale for income earned in the city. The amount of the credit depends upon the amount of tax actually paid to Springdale. If your employer over withheld and paid the tax, the Non-Resident employee is entitled to file for a refund from the city for the said overpayment. If the employer only withheld the tax and did not forward payment to the city, the Non-Resident employee is responsible for any tax owed to Springdale and will be required to file a return by the April 15, 2010 due date.

TAX RATE LESS THAN 1.5% - If income earned in Springdale was withheld and paid at a rate of less than 1.5%, you will receive credit for the actual amount withheld and paid to the City. If taxes withheld were less than 1.5%, the Non-Resident employee will be required to file a return and pay any additional tax still owed to Springdale.

TAX RATE 1.5% OR GREATER - Income withheld and paid to Springdale at the rate of 1.5% or higher will receive credit of 1.5%. Any amount over 1.5% for this period is refundable, if the Non-Resident employee files a return requesting a refund.

MULTIPLE JURISDICTIONS - If your W-2(s) are marked "Various" or "All Cities", you are required to provide an employer(s) breakdown, itemized by city/county. If not attached to your return, credit can not be given and your request for a refund will be denied.

2010 SPRINGDALE DECLARATION OF ESTIMATED TAX

WHO MUST FILE - All Springdale Non-Resident employees expecting to owe \$60 or more for the 2010 tax year are required by the Springdale Code of Ordinances to file a declaration. If your estimated tax liability is \$60 or more, and you wish to make quarterly payments, simply file the declaration form; we will then send quarterly statements to assist you.

WHEN TO FILE - The declaration and the first quarterly payment (at least 25% of estimated tax owed for the 2010 tax year) is due by the due date of your return. If you have been granted an extension for filing your 2009 Springdale Tax Return, you must still file the declaration by the due date of your tax return. Absolutely no extension will be granted for a declaration.

ESTIMATING YOUR 2010 TAX LIABILITY - A declaration of estimated Income tax which is less than 70% of the tax shown on the final return shall not be considered an estimate filed in good faith, and the difference shall be subject to penalty and interest. However, no penalty or interest charges shall be assessed for late payment of the estimated tax when the amount paid by the due date is equal to one hundred percent (100%) of the taxpayer's tax for the preceding year, providing the taxpayer filed a return with the city which reflects a full 12 month period.

AMENDING THE ORIGINAL DECLARATION - An amendment to the original declaration may be made on any quarterly statement. Failure to adjust this estimate when required, may result in penalties and interest.

TAXABLE AND NON-TAXABLE INCOME

TAXABLE - Qualifying wages, salaries, commissions and other compensation paid by an employer or employers before deductions: sick pay; vacation pay; income from wage continuations plans (retirement incentive plans regardless of when it was paid or where it was received); deferred compensation; stock options (when exercised on the amount indicated on the W-2 form and regardless of when it was paid or where it was received); cost of group term life insurance over \$50,000; severance pay (regardless of when it was paid or where it was received); compensation paid in property or the use thereof at fair market value to the same extent as indicated on a W-2 form; tips; contributions made by or on behalf of employees to any type of tax-deferred annuity (401K); stipends; income from guaranteed annual wage contracts; third party disability pay; bonuses; director's fees; income from jury duty; supplemental unemployment pay; union steward fees; strike benefits; ordinary income from Form 4797 and net profits from the operation of a business, profession, or other enterprise or activity.

NON-TAXABLE - Military pay (including reserve pay); alimony; capital gains; interest; dividend; social security benefits; workers' compensation; state unemployment benefits; insurance benefits; prizes (unless connected with employment); gambling winnings (losses are not deductible); welfare payments; pension income; patent and copyright income; royalties (if derived from intangible property); annuities (at time of distributions); meals and lodging; government allotments; and profit sharing from qualified plans.

IF YOU NEED ASSISTANCE

If you need assistance with your tax return, telephone and walk-in assistance is available from 8AM to 5PM Monday through Friday and from 9AM to 1PM on scheduled Saturdays. Please contact the Springdale Tax Commission at (513)346-5715 or visit our web site at www.springdale.org.