

**CITY OF SPRINGDALE
2011 DETAILED INSTRUCTIONS
FORM IR**

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2011 Springdale Tax Return

FEDERAL 1040 - Indicate whether you filed a Federal 1040 and attach a copy of the first page of the 1040. **This confidential information is required and for internal use only.** If you are on Federal extension, it does not automatically apply to the Springdale return. Please submit a written extension request or a copy of the Federal extension to Springdale by April 17 to extend your Springdale return.

- Line 1 **W-2 QUALIFYING WAGES** - Enter the grand total of all qualifying wages (box 5) from all W-2 forms. Most benefits listed on a W-2 are taxed by a municipality. **Therefore, income taxed by a municipality may differ from that taxed by the IRS.**
- Line 2 **OTHER INCOME OR DEDUCTIONS** - Complete Line 13 through Line 21 of Page 2 of the Form IR and enter the total from Line 21 on this line. Refer to the General Instructions for a complete listing of taxable/non-taxable income.
- Line 5A **TAX WITHHELD BY EMPLOYER(S) FOR THE CITY OF SPRINGDALE** - Enter only the tax withheld by your employer specifically for the City of Springdale. Your W-2 form must identify the city or credit will be disallowed. If the local taxing city is blank, or states "various" or "all cities," you must attach an employer list of tax amounts paid to each municipality.
- Line 5B **ESTIMATED TAX PAID TO THE CITY OF SPRINGDALE** - Enter the total amount of estimated tax which you have paid directly to the City of Springdale.
- Line 5C **CREDIT FOR TAX PAID TO ANOTHER CITY/COUNTY** - Enter the total credit for tax withheld by your employer or paid directly by you to a city/county other than the City of Springdale. Your W-2 form must identify the city/county or credit will be disallowed. If the local taxing city is blank, or states "various" or "all cities," you must attach an employer list of tax amounts paid to each municipality. In no event may the credit exceed the Springdale tax rate. Any overage between the tax paid to another city/county and the allowable Springdale credit will not be refunded as the overage in tax was not paid to or received by the City of Springdale. To calculate your Springdale credit see Page 2 Worksheet "B". Notice: No credit is allowed for tax paid on income earned while you did not live in Springdale.
- Line 5D **PRIOR YEAR TAX OVERPAYMENT** - Enter the amount from your prior year return which you requested as a credit to the 2011 tax year.
- Line 5E **TOTAL TAX PAYMENTS AND CREDITS** - Enter the sum of Line 5A through Line 5D. Notice: This total must be at least 70% of Line 4 in order to avoid penalty and interest charges (70% of your tax liability is required to be paid by January 31).
- Line 7 **OVERPAYMENT** - If Line 5E is greater than Line 4, you have overpaid. If you wish for the overpayment to be refunded, mark the refund box and indicate the amount. If you wish for the overpayment to be credited toward payment of your 2012 tax liability, indicate the amount.

Declaration of 2012 Estimated Income Tax

- Line 8 **ESTIMATED 2012 INCOME AND TAX** - Multiply your estimated 2012 income by the City of Springdale tax rate of 1.5% and enter the result on this line.
- Line 9 **ESTIMATED 2012 CREDIT FOR TAX PAID TO A CITY AND/OR WITHHELD BY EMPLOYER(S)** - Enter the estimated credit for tax withheld by your employer or paid directly by you to a city/county. The estimated credit can not exceed the estimated tax on line 8.
- Line 10 **TOTAL ESTIMATED 2012 TAX DUE** - Subtract Line 9 from Line 8 and enter the difference on this line. This is your 2012 estimated tax due. Quarterly payments are due April 15 (with the declaration), July 31, October 31, and January 31. You will receive quarterly statements regarding your estimated tax balance. Note: 70% of your tax liability is required to be paid by January 31 to avoid penalty and interest charges.

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Other Income and Deductions

- Line 13 **OTHER TAXABLE INCOME** - Enter other taxable income which has not been reported on a Federal Schedule or W-2. See General Instructions for a complete listing of taxable/non-taxable income.
- Line 14 **NET PROFIT (LOSS) FROM BUSINESS** - Enter the net profit (loss) from business income as reported on the Federal Schedule C. You must attach a copy of your Federal Schedule C and all other city returns filed. Do not include losses attributable to other cities.
- Line 15 **SUPPLEMENTAL INCOME (LOSS)** - Enter the net profit (loss) from rental real estate, royalties, partnerships, estates, trusts, etc, as reported on a Federal Schedule E and/or Federal Schedule F. You must attach a copy of your Federal Schedule E, Federal Schedule F and all other city returns filed, including complete addresses for rental properties, and partnerships. Do not include losses attributable to other cities.
- Line 17 **BUSINESS LOSS TOTAL FROM PREVIOUS SPRINGDALE TAX RETURNS** - Enter the loss amount to be carried forward as reported on the 2008, 2009 or 2010 Springdale tax return.
- Line 20A **EMPLOYEE BUSINESS EXPENSES** - Enter the amount of employee business expenses reported on Federal Form 2106, **ONLY IF**, Springdale tax was paid or less than 1.5% local tax was paid. You must attach the required copies of page 1 and 2 of your Federal 1040, Federal schedule A and Federal Form 2106.
- Line 20B **PART YEAR RESIDENT** - Part year residents are allowed a deduction for that part of their income which was earned while residing outside the City of Springdale. If such income is specific to a particular W-2, **please clearly mark the applicable W-2.** If the actual amount can be verified by a pay stub or a letter from your employer, please attach it to your return. If the actual amount cannot be easily determined, you may prorate your income and deduct your earnings while you did not live in Springdale. To prorate your income see Page 2 Worksheet "A". Notice: No credit is allowed for tax paid on income earned while you did not live in Springdale.
- Line 20C **ACTIVE DUTY OR RESERVE MILITARY PAY** - Enter the amount as reported on your W-2.
- Line 21 **TOTAL OTHER TAXABLE INCOME OR DEDUCTIONS** - Enter the sum of Line 13 plus Line 19 minus Line 20D. Enter this total on Line 2 of Page 1.