



VILLAGE OF DOYLESTOWN FREQUENTLY ASKED QUESTIONS

WHAT INCOME IS TAXABLE

Income tax is levied on all income, qualifying wages, commissions and other compensation earned or received by residents of the Village. Nonresidents are taxable on all work done or services performed or rendered in the Village. Businesses, professions and other entities are taxable on the portion of net profits attributable to the Village. Gross gaming/lottery winnings are taxable.

Interest, dividends, pension income, unemployment and military pay are not taxable at the local level.

WHAT IS THE TAX RATE? WHAT IS THE ALLOWABLE CREDIT

Our current tax rate is 2%. Credit for tax paid to another municipality is limited to 2% of the wages taxed per W-2. No credit is given for the school district income tax.

WHO IS REQUIRED TO FILE

All residents over the age of 18 years are required to file an annual return whether or not a tax is due. The only exceptions are those on record with the tax department as being retired with no earned, rental or farm income.

NEW RESIDENT

Welcome to the Village of Doylestown. New resident questionnaire forms are filled out when signing up for water service. If you are not registered, please call the Income Tax Department to set up your account and for any questions. We will complete your Village of Doylestown return for you at no cost.

EXTENSION TO FILE

Request for an extension to file must be submitted to the Tax Office before the due date of April 15th. This is NOT an extension to pay the tax. Federal Extensions do not automatically apply; however, we accept a copy of your federal extension as notice of a request for an extension.

WHERE ARE FORMS AVAILABE

Forms are available at Village Hall and online all year round. During tax season, you may pick up a form at the Doylestown Post Office or at the Library as well.

CAN I DEDUCT MY BUSINESS LOSS

Business losses cannot offset W-2 income. Effective in 2016; Operating losses may be carried forward for a maximum of five years. Prior to 2016, no business loss carry forward was allowed.

MOVE IN/MOVE OUT

If you moved in or out of the Village during the year, pro-rate both wage and credit figures

WHAT IS “QUALIFYING WAGE”

The “Qualifying Wage” figure which goes on line 1 of the Village of Doylestown Income Tax Form comes from the figure on your W-2 in Box 5. Box 5 is the Medicare Box and includes deferred compensation and stock options when they are exercised. These options are not taxed upon retirement when they are received as pension.

ARE VILLAGE OF DOYLETOWN EMPLOYERS REQUIRED TO WITHHOLD ON EMPLOYEES

Employers are required to withhold on their employees. Withholding payments must be paid quarterly, **unless the tax withheld exceeds \$200 per month, in which case, the remittance must be made monthly. This is a new regulation as of 2016.**

IS THERE A PENALTY

The Income Tax Ordinance provides for the imposition of penalties and interest in the event of late filing and/or late payments of tax due. Further, failure to file or otherwise comply with the provisions of the tax ordinance constitutes a misdemeanor of the first degree.

KEEPING YOUR STATUS UP TO DATE

If you have college age children who live with you and who are filing annually, and then move out of the Village permanently, please notify the tax office of this change so that we can keep our records accurate. A partial return may be required.

If you have any other questions that were not answered here, please call 330-658-2181 ext. 1102 and we will be happy to assist you.