

City of Marion, Ohio Tax Credit Change and Example

CREDIT

The credit for tax paid to other cities only applies to income earned while a resident of the City of Marion.

The credit for tax paid to another city is:

paid on or before June 30, 2012: 100% credit

paid after June 30, 2012: 50% credit

-The 100% credit is limited to the amount of tax assessed by Marion against the income earned in the other city

-The 50% credit is 50% of the income taxes paid to that other city at that city's tax rate

You may not claim credit for tax paid to another city if the tax was paid to the other city in error and/or you are entitled to a refund from the other city. If you claimed a deduction on line 2 and worked in another city, you may need to file for a refund from the other city. Any refund to which you are entitled will reduce the credit you may claim for tax paid to that city.

Example:

You earn \$10,000 while being a resident of Marion and working in Columbus.

Columbus income tax rate is 2.5%, Marion tax rate is currently 1.75%.

On income earned on or before June 30, 2012:

\$10,000 earned while paying 2.5% tax rate to Columbus = \$250 paid to Columbus

Marion tax rate is 1.75%. / $\$10,000 * 1.75\% = \175 . You would get credit for \$175.00.

On income earned after June 30, 2012:

\$10,000 earned while paying 2.5% tax rate to Columbus = \$250 paid to Columbus

50% credit on taxes paid is 50% of \$250. Credit is \$125.00.