

ABERDEEN INCOME TAX RETURN - 2006

- 22 Taxable Income Not Reported on a W-2 Form (Attach copy of Federal Tax Document) _____
- 23 Net Profit (Loss) from Business or Profession(Attach copy of Federal Schedule Tax Schedule) _____
- 24 Net Profit (Loss) from Rental Property (Attach copy of Federal Schedule E) _____
- 25 Businesses Loss Total from Previous Year(s) (Maximum Carried Forward 3 Years) _____
- 26 Nontaxable Income (Identify Source) _____

27 Total (Add Lines 22 to 26) _____ Enter total on Line 2 of Page 1 _____
 Note: Losses for businesses and rental activities cannot be used to reduce taxable wages.

INSTRUCTIONS

Taxable income is all wages, salaries and other compensation paid to an individual for work or services performed prior to deduction of any kind (except Section 125 deductions), the net profits from any business or profession located inside the Village of Aberdeen or conducting business inside Aberdeen and/or the net profits from the rental of real estate property.

Income

- Line 1 Add Total Taxable Wages from all W-2 and 1099 forms and enter total on Line 1. **Use the larger amount from Box 18, Box 5, or Box 1 from each W-2 form whichever amount is larger.** Note: Income received from Social Security, retirement, interest income, disability or similar non-employment income is not subject to the Aberdeen Income Tax. **INCLUDE ALL W-2 AND 1099 FORMS WITH RETURN.**
- Line 2 Enter the additional net taxable income from Line 27, Page 2. Note: Losses from business and rental activities cannot be used to reduce taxable wages, but can be carried forward up to three (3) years to offset future profits.
- Line 3 Add amounts on Line 1 and Line 2 and enter on Line 3.

Tax and Credits

- Line 4 Multiply amount on Line 3 times tax rate of 1% (.01) and enter amount on Line 4.
- Line 5 Enter the amount of estimated tax paid directly to Aberdeen during 2006 for your 2006 tax liability. Do not include any payments made in 2006 that were for the balance due for 2005.
- Line 6 Enter the amount of Tax withheld for the Village of Aberdeen in 2006 by your employers. If the city indicated in Box 20 of a W-2 form indicates Aberdeen, enter the total amount indicated in Box 19 from each appropriate W-2 form.
- Line 7 Indicate any overpayment from your 2005 tax return that was credited to 2006.
- Line 8 Enter the Maximum Credit allowed for local tax paid to another city or village in 2006. To calculate the credit, multiple the taxable wages subject to another city/village from each W-2 form (Box 18) by 1% (.01) then enter the smaller amount from the actual amount listed in Box 19 or the amount from the calculation. **EXCESS TAXES PAID TO ANOTHER CITY ARE NOT REFUNDABLE**
- Line 9 Add the amounts in Lines 5 through 8 and enter on Line 9.

Refund/Credit

- Line 10 If the amount on Line 9 is larger than the amount on Line 4, subtract Line 4 from Line 9 and enter the difference on Line 10.
- Line 11 Enter the amount from Line 10 (if any) that is to be credited towards your 2007 tax liability.
- Line 12 Enter the amount from Line 10 (if any) that is to be refunded. **NOTE: REFUNDS OF LESS THAN \$5.00 WILL NOT BE ISSUED.**

Tax Due

- Line 13 If the amount on Line 4 is larger than the amount on Line 9, subtract Line 9 from Line 4 and enter the amount due on Line 13.
- Line 14 Enter the amount of Penalties for Late File, Late Pay Late Estimate and Interest charges. Contact Income Tax Office for amounts.

Declaration of Estimate (Note - If after subtracting Lines 5 and 7 from Line 4 the amount is less than \$100, you may skip to Line 21.)

- Line 15 Estimate the amount of total income expected in 2007. (Use amount indicated in Box 5 of 2005 W-2 forms.)
- Line 16 Multiply amount indicated on Line 15 by tax rate of 1% (.01) and enter on Line 16.
- Line 17 Enter estimated amount of taxes to be withheld for Aberdeen or for another city or village up to 1% (.01) of wages per W-2 form.
- Line 18 Enter the amount indicated on Line 11 that is to be applied to your 2007 tax liability.
- Line 19 Subtract the amount from Line 17 and Line 18 from amount indicated on Line 16.
- Line 20 Multiple the amount on Line 19 by 25% (.25).

Amount You Owe

Line 21 Add amounts on Line 13, Line 14 and Line 20 and enter on Line 21. Make check payable to: **Village of Aberdeen**

NOTE: LOSSES FROM BUSINESS AND/OR RENTAL ACTIVITIES CANNOT BE USED TO REDUCE TAXABLE WAGES FROM LINE 1, PAGE 1 BUT CAN BE CARRIED FORWARD UP TO THREE (3) YEARS TO OFFSET FUTURE PROFIT.
NOTE: UNLESS ACCOMPANIED WITH PAYMENT OF TAX DUE (LINE 21) THIS IS NOT A FINAL RETURN

TAX PAYMENT SCHEDULE				
ON OR BEFORE	ON OR BEFORE	ON OR BEFORE	ON OR BEFORE	ONE OR BEFORE
4/16/2007	7/31/2007	10/31/2007	1/31/2008	4/15/2008
FILE 2006 TAX RETURN	PAY 2ND QUARTER	PAY 3RD QUARTER	PAY 4TH QUARTER	FILE 2007 TAX RETURN
PAY TAX DUE	2007 ESTIMATED TAX	2007 ESTIMATED TAX	2007 ESTIMATED TAX	PAY TAX DUE