

INSTRUCTIONS FOR FORM L-1

GENERAL INSTRUCTIONS

WHO MUST FILE -

- All residents age 18 or older, unless exempt, that lived in Lakewood at any time during the tax year (January through December) whether or not this is a permanent home. If exempt, see "Taxpayer Exemption" below.
- Resident or non-residents that have business including rental income (Schedule C and Schedule E filers only) in Lakewood. If you have a net loss you are still required to file a return.
- Non-residents who worked in Lakewood and for whom their employer did not withhold income tax.

TAXPAYERS AND/OR SPOUSE EXEMPTION - If you are not required to pay city income tax, please complete Table C, sign and date the return, and mail to us before the federal filing deadline.

DECEASED TAXPAYERS - If the taxpayer died before filing a return for the current year, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. The person who files the return should write "DECEASED" and the date of death in the contact information portion of the tax return, and submit with a copy of the death certificate—**please do not send an original**. When signing the tax return, write "DECEASED" in the space provided for the signature. Spouse should sign as "Surviving Spouse" and agent should sign as "Personal Representative" on the relevant line.

WHEN & WHERE TO FILE - File as early as possible with the City of Lakewood - Division of Municipal Income Tax Office located at 12805 Detroit Avenue, Suite 1, Lakewood, Ohio 44107 on or before the federal filing deadline following the close of the tax year. If the due date falls on a weekend or legal holiday, file by the next business day.

EXTENSION(S) OF TIME TO FILE - A federal extension will extend the municipal due date to the federal extension due date. Please submit a copy of the federal extension to the Lakewood Municipal Income Tax Office by the extended due date for filing the return.

METHOD OF PAYMENT - Checks or money orders should be made payable to CITY OF LAKEWOOD - DIVISION OF TAX. Amounts \$10.00 or less need not be remitted. There will be a \$30.00 charge for dishonored checks.

Visa, MasterCard, Discover, or American Express may also be used for payment of municipal income tax. To charge the amount of tax due, please either call our office directly at (216) 529-6620 or visit our office during our hours of operation. The amount charged may be considered a cash advance with interest starting from the date recorded. Please note that a fee for card payments may be applied at the time of payment.

HEADING - Print or type your name, address, phone number, and social security number in the spaces provided. If you are filing a joint return, print your spouse's name and social security number as well.

AMENDED RETURN - If you are amending a tax year be sure to indicate the tax year that you are amending in the space provided. If you are amending your Lakewood return based upon an amended return that you filed with the I.R.S., you must include a copy of the amended Federal return, including any applicable schedules that pertain to the amendment. If you are filing an amended Lakewood return based upon an audit that the I.R.S. conducted, you must include documentation pertaining to the audit and note any changes that were made by the I.R.S. to reduce or increase your taxable income.

OTHER INFORMATION - The information requested here can help avoid notices being sent to you requesting additional information.

1. Indicate your filing status. Taxpayers who prepare their federal and state tax returns using the "married filing separate" status may still file a joint return for the City of Lakewood. Filing a joint return will neither increase nor decrease your City of Lakewood tax liability.
2. If you moved, enter the date of your move and your previous and/or present address.
3. Please be sure to attach ALL supplemental documents requested per these instructions and the instructions found on the form itself.
4. If you are requesting that your account be inactivated due to your moving from the jurisdiction with no intent to return, although retaining a mailing address within the jurisdiction as your address of record, please enter the date of your move and the reason, and attach supporting documentation with regard to your relocation.

SPECIFIC INSTRUCTIONS

ATTACH COPIES OF YOUR 2025 FEDERAL 1040 AND SCHEDULE 1 TO THE BACK OF THE RETURN.

Line 1 - Please use Table A-1 and attach all city copy W-2s to the designated area on the front of the return. Enter total from Table A-1, Section 2, Column 1. **NOTE:** Use **Box 5** or **Box 18**—whichever is greater—for all income calculations involving W-2s. **DO NOT** use **Box 1**.

Line 2 - Please enter additional income not reported on Tables A or B. This includes any gambling winnings earned in 2025. Please attach all city copy W-2Gs, 1099-MISCs, and 1099-NECs to the designated area on the front of the return.

Line 3 - Add Lines 1 and 2. This is your non-schedule taxable income.

Line 4 - Please use Table B on the back of the tax form and attach copies of all appropriate federal schedules to the end of the return. Enter total from Table B, Column 6, Line 7.

Line 5 - Multiply Line 3 by 1.5% or .015.

Line 6 - Enter total from Table A-1, Section 2, Column 2.

Line 7 - Enter total from Table A-1, Section 2, Column 6.

Line 8 - Add Lines 6 and 7.

Line 9 - Subtract Line 8 from Line 5.0

Line 10 - Enter total from Table B, Column 6, Line 14.

Line 11 - Add Lines 9 and 10.

Line 12 - Enter the total amount of 2025 estimated income tax payments and unused prior year credits. Up-to-date estimate amounts are available through the Lakewood E-Preparation service at www.lakewoodoh.gov. If your records do not agree, please enter the amount you have paid and attach documentation to the end of the return.

Line 13 - Subtract Line 12 from Line 11 and proceed to Line 16. This is the net income tax due. If the difference is over \$10.00, you have overpaid. Enter zero (0) and proceed to Line 17.

Line 14 - If Line 12 is greater than Line 11, and not \$10.00 or less, you have overpaid. Subtract Line 11 from Line 12 and enter amount of overpayment on Line 14.

Line 15 - Using overpayment on Line 14, enter the amount to be credited and/or refunded on the appropriate line. Proceed to Line 17.

Line 16 - If Line 11 is greater than Line 12, and not \$10.00 or less, an amount is due to Lakewood. Subtract Line 12 from Line 11 and enter the tax you owe on Line 16.

Line 17 - Enter the amount from Line 11. Your 2025 tax amount is used to determine your 2026 tax estimate. If you anticipate earning more or less income in 2026, use Form L-ES to determine your 2026 estimate. Quarterly payment of estimated tax is required if the anticipated tax due is over \$200.00.

Line 18 - Multiply Line 17 by 25% (.25). This is your 2026 first quarter estimate amount.

Line 19 - Enter amount from Line 15 to be credited towards your 2026 estimated tax liability.

Line 20 - Add Lines 16 and 18, and subtract Line 19. Enter this amount on Line 20. This is the amount due to the City of Lakewood. Amounts \$10.00 or less need not be paid. Make your check or money order payable to the CITY OF LAKEWOOD - DIVISION OF TAX.

SIGNATURE - Both the primary and joint taxpayers (if applicable) must sign the return before submitting it to the City of Lakewood. If someone other than the taxpayer(s) prepared the return, this person should also sign the return. A return is not "filed" within the meaning of the law until signed by the taxpayer(s) or an agent legally authorized to sign for such taxpayer(s).

TABLE INSTRUCTIONS FOR FORM L-1

OVERVIEW

The tables below are designed to assist in determining items that should be reported as taxable to the City and items that should not be listed on your tax return. The following lists are not all-inclusive:

Taxable Income

Salaries, wages, and bonuses
Commissions and fees
Sick pay
Third party sick pay (employer provided)
Qualified pension plans
Employer supplemental unemployment benefits
Lottery and gambling winnings
Director fees
Vacation pay
Employee contributions to retirement plans
Incentive payments
Group term life insurance over \$50,000
Severance pay
Compensation paid in the form of property
Distributive shares of LLC or Partnership
Ohio-located S-Corp

Non-Taxable Income

Interest income
Dividend income
Welfare benefits
Social Security benefits
State unemployment
Worker's compensation
Insurance proceeds
Cafeteria plans
Alimony
Military pay
Capital gains
Annuity distributions
IRA distributions
Government allotments
Clergy housing allowance
Precinct election official (up to \$1,000)
Intangible income
Child support
Retirement income

Taxable Forms

W-2, W-2G
1099-MISC, 1099-NEC
Schedules C, E, F, K-1

Non-Taxable Forms

1099-R
1099-INT
1099-DIV

TABLE A-1: WAGES AND COMPENSATION

This table is for wage income only. Special situations (i.e. Schedule income, asymmetrical employment and residency dates) may require additional calculations and/or separate tables. Provide calculations if not using this table. **NOTE:** W-2Gs may be entered on this table *only* if the casino/gambling establishment withheld for the location city.

THIS TABLE WILL CALCULATE THE APPROPRIATE TAX CREDIT ONLY IF THE EMPLOYER WITHHELD THE CORRECT WORKPLACE TAX PERCENTAGE.

Table A-1, Section 1: Part-Year Resident Calculation

NOTE: This section should only be used for moves within the State of Ohio. If you lived in Lakewood for the entire year, or if you moved directly into Lakewood from a residency out of state, enter 100% on Line 3.

Line 1 – Enter the number of months you lived in Lakewood.

Line 2 – Divide Line 1 by 12.

Line 3 – Multiply Line 2 by 100. This is your Part-Year Resident Percentage. Enter this percentage in Columns 1 and 3 of Table A-1, Section 2 and Table A-2 (if needed).

Table A-1, Section 2: W-2 Income Calculation

REMEMBER: Enter the dates and location where the wages were earned.

Column 1 – Multiply each W-2 wage amount by the part-year percentage and enter the amount on the appropriate line. Use wage income as reported in **Box 5** or **Box 18** of the W-2, whichever is greater. Enter the total calculation from Table A-2, Column 1 on the appropriate line. Enter total on Line 1 of the return. **Note: Income earned in Lakewood should be calculated at 100%. Do not prorate.**

Column 2 – Enter tax withheld for Lakewood for each W-2. Enter the total calculation from Table A-2, Column 2 on the appropriate line. Enter total on Line 6 of the return.

Column 3 – Multiply each W-2 withholding amount by the part-year percentage and enter the amount on the appropriate line.

Column 4 – Multiply Column 1 by 1% (.01) for each W-2.

Column 5 – Enter the smaller of Column 3 or Column 4.

Column 6 – Multiply Column 5 by 50% (.50). Enter total calculation from Table A-2, Column 6 on the appropriate line. Enter the total on Line 7 of the return.

TABLE A-2: WAGES AND COMPENSATION (EXTENDED)

This table is for wage income only. Special situations (i.e. Schedule income, asymmetrical employment and residency dates) may require additional calculations and/or separate tables. Provide calculations if not using this table. **NOTE:** W-2Gs may be entered on this table *only* if the casino/gambling establishment withheld for the location city.

THIS TABLE WILL CALCULATE THE APPROPRIATE TAX CREDIT ONLY IF THE EMPLOYER WITHHELD THE CORRECT WORKPLACE TAX PERCENTAGE.

REMEMBER: Enter the dates and location where the wages were earned.

Column 1 – Multiply each W-2 wage amount by the part-year percentage (from Table A-1, Section 1) and enter the amount on the appropriate line. Use wage income as reported in **Box 5** or **Box 18** of the W-2, whichever is greater. Total Column 1 and take this amount to Table A-1, Section 2, Column 1. **Note: Income earned in Lakewood should be calculated at 100%. Do not prorate.**

Column 2 – Enter tax withheld for Lakewood for each W-2. Total Column 2 and take this amount to Table A-1, Section 2, Column 2.

TABLE A-2: (CONTINUED)

Column 3 – Multiply each W-2 withholding amount by the part-year percentage (from Table A-1), and enter the amount on the appropriate line.

Column 4 – Multiply Column 1 by 1% (.01) for each W-2.

Column 5 – Enter the smaller of Column 3 or Column 4.

Column 6 – Multiply Column 5 by 50% (.50). Total Column 6 and take this amount to Table A-1, Section 2, Column 6.

TABLE B: NET OPERATING LOSS (NOL) CONSOLIDATED TAX CALCULATION

This table is for non-wage "Schedule" income, or earned income not derived from employment. This includes Federal Schedule C business income and Federal Schedule E rental/supplemental income. For residents this means all non-wage Schedule income. For non-residents, only include non-wage Schedule income earned in Lakewood. **ATTACH ALL APPLICABLE FEDERAL SCHEDULES AND NON-LAKEWOOD RETURNS.**

NOTE: Income earned due to ownership in an LLC, Partnership, or (Ohio-located) S-Corp is taxable and should be recorded on the appropriate line.

UNSUBSTANTIATED LOSSES AND LOSSES OLDER THAN 5 YEARS WILL BE DISALLOWED PER ORC 718.

Table B, Section 1: Five Year NOL Carryforward Schedule

Enter any unused prior year NOL Carryforwards from 2020-2024 in Columns 1 through 5. Total all NOL losses in Column 6. **NOTE: Losses may only be used for 5 years.** Losses may be carried forward for a maximum of 5 years, or until exhausted, whichever is earlier. Losses may not be carried back.

Table B, Section 2: Net Operating Loss (NOL) Consolidated Tax Calculation Schedule

Enter non-Lakewood municipality where income/loss was earned in Columns 2 through 5, if applicable.

Line 1 – Enter the non-wage business net income/loss from Federal Schedule C, separated by locality as applicable across Columns 1 through 5. Subtract loss from income across all Columns and enter total in Column 6. Attach copies of any Federal Schedule C to the return.

Line 2 – Enter the non-wage rental net income/loss from Federal Schedule E, separated by locality as applicable across Columns 1 through 5. Subtract loss from income across all Columns and enter total in Column 6. Attach copies of any Federal Schedule E to the return.

Line 3 – Enter the non-wage LLC, Partnership, and/or (Ohio-located) S-Corporation net income/loss from Federal Schedule E page 2 and/or K-1, separated by locality as applicable across Columns 2 through 5. Subtract loss from income across all Columns and enter total in Column 6. Attach copies of any Federal Schedule E page 2 and/or K-1 as applicable. **NOTE:** Any LLC, Partnership, or S-Corp located in Lakewood is not subject to tax at the individual level and thus any income or loss derived from such cannot be included on this table.

Line 4 – Add together any positive income amounts from Lines 1, 2, and 3, and enter the results in Columns 2 through 6.

Line 5 – Add together any negative (loss) amounts from Lines 1, 2, and 3, and enter the total in Column 6 on Line 5.

Line 6 – Add together the total 5 year NOL from Column 6 in Section 1, and the total 2025 loss from Line 5. Enter the total loss in Column 6 on Line 6.

Line 7 – Subtract Line 6 from Line 4, Column 6 and enter the total in Column 6 on Line 7. **NOTE:** If the result is a loss, you will STOP using the table and enter zero (0) on Line 4 of page 1 of the return.

Table B, Section 3: Tax Credits

Line 8 – Multiply Line 7 by 1.5% (or .015) and enter result in Column 6 on Line 8.

Line 9 – Enter the amount of taxes paid to other localities. Please attach copies of the respective tax returns as payment verification.

Line 10 – Multiply Line 4, Columns 2 through 5 by 1% (.01).

Line 11 – Enter the smaller of Line 8 and Line 9 for each applicable Column (2 through 5).

Line 12 – Multiply Line 10 for each applicable Column (2 through 5) by 50% or .50.

Line 13 – Add all applicable amounts on Line 11 and enter the total in Column 6 on Line 12.

Line 14 – Subtract Line 13 from Line 8 and enter total in Column 6 on Line 14. Enter resulting total on Page 1, Line 10.

TABLE C: TAXPAYER OR SPOUSE EXEMPTION

If you are not required to pay city income tax, check the appropriate box, attach necessary proof, sign and date the return, and mail to us before April 15th.

Retired – Retirees who earn wages, operate a business, own rental property, or earn other income, are required to file a return. If your **ONLY** income source is retirement income (i.e. SSI, other pensions, interest, dividends, IRA and 401K distributions), check this box. Attach a copy of annual benefits statement.

Social Security/disability income – The only income received in 2025 was Social Security or disability income. Attach a copy of annual benefits statement.

Unemployment income – The only income received in 2025 was unemployment. Attach a copy of Federal Form 1099-G and Federal 1040 if filed.

No taxable income – You had no taxable income for 2025 and don't fall into one of the three above exemptions. Please attach an explanation.

Under 18 – Taxpayer was under 18 for the entire tax year. Send in W-2(s) with a copy of a driver's license or birth certificate. A refund will only be issued for Lakewood withholding.

Active military duty – Provide documentation.

Non-resident – Indicate move out date and present address in the space provided on page 1 of return. You may be required to submit proof.

Business/rental closed or sold – Indicate date of transaction.