



CITY OF KETTERING INCOME TAX DIVISION ANNUAL UPDATE FOR TAX PRACTITIONERS

Issued January 10, 2008

Dear Tax Practitioner:

The City of Kettering Income Tax Division is providing this annual update letter for your use in preparing 2007 City of Kettering Income Tax Returns.

TAX RATE CHANGE

In May of 2006 the voters of The City of Kettering approved an increase in the city's income tax rate from 1.75% to 2.25% effective January 1, 2007. For business taxpayers filing a return with a calendar year end, this means that the net income earned or received after December 31, 2006 will be subject to the new rate of 2.25%. For business taxpayers with fiscal periods that straddle 2006 and 2007, either a blended tax rate may be applied to the entire net income for the fiscal period, or in cases where a taxpayer's income is earned unevenly throughout the year, the actual net income for each period may be calculated and the correct rate applied to each. Please attach a statement to your return showing your calculations. The fiscal year end blended rates are as follows:

<u>Fiscal Year End</u>	<u>Rate</u>	<u>Fiscal Year End</u>	<u>Rate</u>
01/31/2007	1.79%	07/31/2007	2.04%
02/28/2007	1.83%	08/31/2007	2.08%
03/31/2007	1.88%	09/30/2007	2.13%
04/30/2007	1.92%	10/31/2007	2.17%
05/31/2007	1.96%	11/30/2007	2.21%
06/30/2007	2.00%		

TAX RETURN PACKAGE

The return packages have been mailed to all active accounts that used Kettering's pre-printed form for 2006. Note that taxpayers who expect to receive taxable income, which is not subject to withholding at a rate equal to or greater than 2.25%, are required to make quarterly estimated tax payments if their tax liability will exceed \$200.00.

Those taxpayers that have previously filed their returns using a form other than the pre-printed form provided by our office will receive a pre-printed label that contains account identification information that is necessary for the efficient processing of their Kettering return.

You may download copies of our forms from our website at www.ketteringoh.org. There are also "Fill-In" forms available on the website. While these forms do not perform math calculations, they can be completed (on-line), printed out, and then mailed to the City of Kettering.

Please check your software packages to make sure they reflect the proper 2.25% tax rate for 2007.

IMPORTANT DUE DATES

Annual Income Tax Returns

The 2007 calendar year City of Kettering Income Tax Return is due **on or before April 15, 2008**. Fiscal year returns are due on or before the 15th day of the fourth month following the end of the tax year.

Extensions

Taxpayers can request an extension of time in which to file their Kettering Income Tax Return by submitting a copy of their federal extension request to the Tax Division **on or before the original due date of the return**.

Ohio Business Gateway

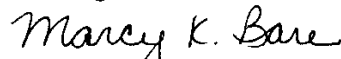
In 2007 the OBG added the ability for employers to file withholding returns and payments for wages paid on or after January 1, 2007.

In 2008, OBG will add reconciliation reports for Employer Withholding Taxes. For more information, please visit the website at www.obg.ohio.gov.

The information provided in this letter is a brief overview of our tax law and filing requirements. Please do not hesitate to call and request rulings on a specific tax situation or to verify either prior year filing information or estimated payments received for the current year's tax liability. Also, be sure to include your address and phone number on each return you prepare. This will enable us to contact you directly or copy you on correspondence.

If you have any questions or comments, you may contact us by phone at (937) 296-2502, by fax at (937) 296-3242, by e-mail at kettering.tax@ketteringoh.org, or by mail at the City of Kettering Tax Division, P.O. Box 293100, Kettering, Ohio 45429-9100.

Regards,



Marcy K. Bare
Tax Manager