



## City of Dayton Income Tax 1099-G Statements

### FREQUENTLY ASKED QUESTIONS

#### **1. What is Form 1099-G?**

Form 1099-G is for reporting income required by the IRS and is to be provided to someone who is the recipient of certain government payments. The form is issued for city income tax overpayments including refunds, credit carry forwards and offsets issued to taxpayers for an amount greater than \$10.

#### Example:

- In 2020 taxpayer shows \$225.00 in City of Dayton income tax withholding reported on their W2.
- On the 2020 Federal return, taxpayer claims \$225.00 in state and local taxes paid on Schedule A. This income is deducted from their federal taxable income.
- When taxpayer files their 2020 City of Dayton return after credits and any applicable deductions have been taken their liability is only \$175.00, resulting in a \$50.00 overpayment.
- This taxpayer will receive a 1099-G showing an overpayment in the amount of \$50.00 which should be added as income on the 2021 federal return, since it was previously excluded as taxes paid.

**Note:** If tax returns for multiple years are filed with an overpayment in the same calendar year, a separate 1099-G and/or 1099-INT will be issued for each tax year filed in that calendar year.

#### **2. I received a 1099-G. Is this a refund that I should be receiving in the mail?**

No, this is an income statement of an overpayment that has already been issued or credited to you in the previous year. Keep in mind this includes any carry forwards to the following tax year or offsets of a previous year's liability utilizing part or all of your overpayment.

#### **3. What should I do with my Form 1099-G? Do I need to pay this amount?**

Form 1099-G is a report of income you received from your City of Dayton Income taxes as a refund, credit carry forward or offset. It is not a bill. This may be taxable income on the federal return. If you filed your federal return claiming itemized deductions for the tax year listed on the 1099-G, the refund is considered as income

for federal tax purposes. You should review the federal return instructions for reporting state and local income tax overpayments. (See the instructions and worksheet in the federal form 1040 tax booklet that addresses Schedule 1, Part I, Line 1 - Taxable Refunds, Credits, or Offsets of State and Local Income Taxes.)

**4. *I have not received a 1099-G before, why did I get this?***

A 1099-G may not have been issued in the past if you did not have an overpayment a City of Dayton Income Tax that was refunded, carried forward to the following tax year, or offset against a previous year's liability. If you filed claiming itemized deductions on the federal return for the tax year listed on the 1099-G, the refund is considered as income for federal tax purposes. You should review the federal return instructions for reporting local income tax overpayments. (See the instructions and worksheet in the federal form 1040 tax booklet that addresses Schedule 1, Part I, Line 1 - Taxable Refunds, Credits, or Offsets of State and Local Income Taxes.)

**5. *I never received the refund or credit claimed on the 1099-G because it was captured/offset and applied to a previous City of Dayton tax liability. Why should I have to report the overpayment as income?***

If the refund was offset and applied to a previous year's liability, you received a benefit from the refund by reducing your debt. This overpayment is still income to you. You may want to check with the IRS to see if any portion of what was applied to the back taxes can be included as an itemized deduction for taxes paid.

**6. *I had an overpayment on a previous return, but the money was applied as a credit for the next tax year. Since I didn't receive a refund check, do I still have to report this as income on my federal tax return?***

Yes, a refund and a credit are simply different types of overpayments. We must include on Form 1099-G any overpayment allowed on your return, whether it was issued as a refund or credit. You may want to check with the IRS to see if any portion of what was applied to the next year can also be included as an itemized deduction for taxes paid.

**7. *The 1099-G states that the refund, credit carry forward or offset was issued for a previous year and not the current year. Why should I have to report it on the following year's return?***

We are required to report overpayments in the year they in which they occur. Since your 2019 overpayment was issued in 2021, it would be reported on the 2021 1099-G.

**8. *Why is the amount on the 1099-G different from the refund or credit I claimed on my tax return?***

The amount reported on the Form 1099-G may differ from the refund or credit claimed on your return because due to an adjustment made on your return or because the refund or credit was offset against a previous year's liability.

**9. *I don't recall receiving a refund in that amount. How can I verify that it was issued?***

If you requested a refund check, you may request a photocopy of the cancelled check by contacting our Customer Service Section at (937) 333-3500, select option 2 for Income Tax and opt to speak to a tax analyst.

**10. *The address on the 1099-G is incorrect. How can I have it corrected?***

You may update your address by contacting our Customer Service Section at (937) 333-3500, select option 2 for Income Tax and opt to speak to a tax analyst. For security purposes, be prepared to provide personal information to verify your identity.

**11. *How do I get a copy of Form 1099-G?***

You may request a copy of your Form 1099-G by contacting our Customer Service Section at (937) 333-3500, select option 2 for Income Tax and opt to speak to a tax analyst. For security purposes, be prepared to provide personal information to verify your identity. Your 1099-G will be mailed to the address listed on your account.

**12. *Do I need to attach the 1099-G to my return?***

You do not need to attach the 1099-G to your federal or state income tax returns. Keep it for your records. If you use a professional tax preparer, please give the form to your preparer, along with your W-2s, and other tax records used for tax preparation.

**13. *Is my refund taxable to the IRS?***

See the instructions and worksheet in the federal form 1040 tax booklet that addresses Schedule 1, Part I, Line 1 - Taxable Refunds, Credits, or Offsets of State and Local Income Taxes.

**14. *Can I receive my 1099-G electronically?***

For security purposes, the City of Dayton does not provide electronic copies of 1099-G forms.

You may request a copy of your Form 1099-G by contacting our Customer Service Section at (937) 333-3500, select option 2 for Income Tax and opt to speak to a tax analyst. For security purposes, be prepared to provide personal information to verify your identity. Your 1099-G will be mailed to the address listed on your account.