

Tax Year 2019

Tax Overview for Residents of Kendal at Oberlin

The following descriptions of existing taxes are meant to be a summary digest of the type of taxes with which Kendal at Oberlin residents may be individually concerned. This information is for tax year 2019 for returns to be filed in 2020.

Taxes On Income

Federal Income Tax

Applicable uniformly throughout the United States. The tax rates for 2019 have remained the same as they were for tax year 2018.

Ohio State Income Tax

Federal adjusted **gross** income to which plus and minus adjustments are made form the basis of income subject to the Ohio tax. Adjustments include, for example, subtraction of interest on some U.S. debt obligations, Social Security income, and part of medical expenses. Ohio also allows certain special tax credits and exemptions. Tax rates range progressively from 0.0% for Ohio taxable non-business incomes up to \$21,750 to a maximum of 4.797% for taxable incomes over \$217,400. Provisions are in place for quarterly estimated payments. Tax returns for each calendar year are due April 15th of the following year unless you file a federal extension.

Oberlin School District Tax

Flat 2.00% of taxable income as defined for Ohio state income tax purposes. Provisions for quarterly estimated payments are in place. Tax returns for each calendar year are due April 15th of the following year unless you file a federal extension.

Oberlin City Income Tax (RITA)

RITA tax is applied on earned income only (for example, wages, salaries and self-employment). RITA tax does not apply to pension income, dividends, interest, capital gains and Social Security income, for example.

Taxes On Consumption

Ohio (and local) Sales Tax

There is a flat 6.75% tax on purchases of certain consumer goods and services procured for use in Lorain County for which State income tax has not been paid.

General

Federal Estate And Gift Taxes

Applicable uniformly throughout the United States.

Ohio Estate Tax

There is no Ohio tax on the estates of those dying after December 31, 2012. As of January 1, 2013, the state of Ohio no longer imposes an estate tax on the transfer of assets from resident decedents (or on Ohio assets of nonresidents).

Real Estate Tax

Kendal at Oberlin, as the property owner, is the responsible party for the payment of real estate tax. Though the taxes are an operating expense and paid for from available revenues, they are not deductible by residents on their personal income tax returns.

Capital Gains

The purchase of a Kendal at Oberlin contract is an agreement for services and not an interest in real property.

Under IRS rulings, a portion of resident entry fee and monthly fees are considered a medical expense for federal (and state) income tax purposes. A part of the entry fee can be counted as a one-time medical expense. In addition, for Platinum and Gold agreements, a portion of the monthly fees can be counted each year as a medical expense. (This is not long term care insurance.) These amounts are in addition to any out-of-pocket medical expenses an individual might incur. Kendal calculates the fees allowable as medical expenses each year and advises residents of this calculation early in the succeeding calendar year.

This information is provided for your general information and specific situations should be discussed with your personal tax advisor.