



# CITY OF MIAMISBURG / AUSTIN CENTER JEDD / MIAMI CROSSING JEDD BUSINESS NET PROFIT TAX RETURN INSTRUCTIONS

## GENERAL TAX INFORMATION FOR 2020 BUSINESS RETURNS \*

### WHO MUST FILE:

- EVERY BUSINESS ENTITY conducting business, performing services, or deriving income (or loss) from activities within the City of Miami'sburg / Austin Center JEDD / Miami Crossing JEDD. If you have filed a return in the past and feel you should no longer be required to file a return (due to cessation of business in City / JEDD), please contact our office to determine if or when your account may be inactivated.

*This form is for use by business taxpayers (e.g. Partnerships, Corporations, S-Corporations who file using their Federal Tax Identification, as opposed to a Social Security number) only. Individuals (filing under their Social Security number) must obtain the "City of Miami'sburg / Austin Center JEDD Individual Return" from the Income Tax office or from the City's website at <http://www.ci.miamisburg.oh.us/>.*

**WHEN TO FILE:** Businesses that end their taxable year on December 31 must file their return on or before April 15, 2021. Fiscal year businesses must file by the 15<sup>th</sup> day of the fourth month following the end of the fiscal year.

**REQUEST FOR EXTENSION OF TIME TO FILE:** Filing a Federal extension gives a business an automatic extension of filing time for the City / JEDD return. The due date of an extended Business City / JEDD return has the same due date as the extended Federal return. **The City does not receive copies of Federal extensions from the IRS.** You are not required to file an extension with the City / JEDD by the original filing due date (copy must be included with return to verify Federal extension), however filing a copy of the Federal extension will allow your file to be properly coded to avoid sending non-file letters during the extension period. Requests for calendar year businesses should be filed by April 15, 2021. Fiscal year businesses must file extension requests by the 15<sup>th</sup> day of the fourth month following the end of the fiscal year.

**An extension request that is granted is for an extension of time to file and is *NOT* an extension of time to pay. Late payment of tax will result in an assessment of penalty and interest.**

**ESTIMATED TAX PAYMENTS:** Every business that anticipates income subject to City / JEDD taxation and such income results in tax due shall file a declaration and pay estimated tax. The payments for calendar year-end filers for 2021 are due by April 15, June 15, September 15, and January 15. Estimated payments for fiscal year businesses are due by the 15<sup>th</sup> day of the fourth, sixth, ninth and twelfth months after the beginning of the taxable year. Estimated tax forms are available on the City's website <http://www.ci.miamisburg.oh.us/>. A declaration and payment of estimated tax which is either less than 90% of the tax shown on the current return or less than 100% of the previous year's tax shall not be considered in good faith and the difference shall be subject to an underestimation penalty. See Line-by-Line Instructions for more details.

**PENALTIES AND INTEREST:** Filing your return late, paying your taxes late and/or not paying the appropriate estimated tax payments, if required, will subject you to penalties and interest. Also, if your return is amended or corrected with additional tax due you may be subject to penalty and interest. See Line-by-Line instructions for more details.

**OHIO BUSINESS GATEWAY:** Businesses may file extension requests, municipal income tax returns, as well as pay estimated tax, City / JEDD net profits income tax, and withholding payments through the Ohio Business Gateway. See [www.obg.ohio.gov](http://www.obg.ohio.gov) for information.

**NET OPERATING LOSS CARRYFORWARD:** Provide documentation showing the amounts used for calculating the Net Operating Loss. If needed, there is a separate Net Operating Loss Schedule available on City's website. Any changes to procedures or allowable applications of Net Operating Loss will be posted on the City's website. NOTE: The Net Operating Loss record, for local income tax, should only include losses from 2017 forward, and business must have been performed in the City / JEDD during the Tax Year the NOL was accrued.

**ASSISTANCE:** Staff is available to assist with preparing the City / JEDD Income Tax Return. Taxpayers need to bring in copies of their Federal tax return, including all Federal Schedules and referenced statements. For the 2020 filing season, walk-ins are accepted from 10 a.m. to 1 p.m., Monday – Friday. Appointments will be scheduled after 1 p.m. The Income Tax Office is located in the Civic Center at 10 N First St., Miami'sburg, OH 45342. Phone: (937) 847-6462. Fax: (937) 847-6470. Email: [incometax@cityofmiamisburg.com](mailto:incometax@cityofmiamisburg.com)

**ATTACH A COPY OF THE FEDERAL FORM, INCLUDING COPIES OF THE SUPPORTING / REFERENCED SCHEDULES, TO THE CITY OF MIAMISBURG / AUSTIN CENTER JEDD / MIAMI CROSSING JEDD BUSINESS INCOME TAX RETURN. RETURNS ARE NOT CONSIDERED COMPLETE UNTIL ALL NECESSARY DOCUMENTATION HAS BEEN RECEIVED.**

*\* These instructions do not replace or supersede the City of Miami'sburg Income Tax Ordinances or JEDD Agreements.*



# CITY OF MIAMISBURG / AUSTIN CENTER JEDD / MIAMI CROSSING JEDD BUSINESS NET PROFIT TAX RETURN INSTRUCTIONS

## LINE-BY-LINE INSTRUCTIONS FOR 2020 BUSINESS RETURNS \*

**HEADING:** If this return is for a period other than the calendar year, insert the beginning and ending date of your fiscal year. Enter your Federal Employer Identification Number. Print your name, address, and any other DBA (Doing Business As) information. Check one of the business types and one of the tax districts. If work was performed inside of the City and one of the JEDDs, a return will need to be filed for each tax district. This assists us in properly disbursing the allocable revenues to the JEDDs. Provide your physical address or location where work was performed in the City / JEDD. Provide a contact name and phone number for the person who can answer questions about this return. If the business has relocated during the Tax Year, please indicate the date of relocation and the previous address.

**LINE 1.** Enter amount of taxable income from your Federal Form 1120, 1120S, 1065 or appropriate Federal Schedule. For Federal Form 1120, taxable income, before special deductions and Federal NOLs, is reported on Page 1, Line 28 of the Federal Form. For 1120S returns, total taxable income is reported on Page 4, Line 18 of the Federal Form (Page has 'Schedule K' in top left-hand corner). For 1065, taxable income is reported on Page 5, Line 1 of the Federal Form.

**LINES 2. & 3.** Use Schedule X (local return, page 2) to reconcile Federal Taxable Income to City / JEDD taxable income. Schedule X adjustments should be included on Lines 2 and 3. Please be aware that you must adhere to Ohio Revised Code (ORC) 718.01, Adjusted Federal Taxable Income, when arriving at City / JEDD taxable income. This is a mandatory requirement.

**LINE 4.** Deduct Line 3 from Line 2 and show the difference on Line 4. Negative amounts should be shown in parentheses.

**LINE 5.** Adjusted Federal Taxable Income is the sum of Line 1 and Line 4. Amounts shown in parentheses on Line 4 should be deducted from Line 1. If the sum of Line 1 and Line 4 is a negative, see Net Operating Loss Schedule Form and Instructions. This is available on the City's website.

**LINE 6.** Per AM Sub. HB5, beginning with Tax Year 2017, losses will be tracked for use against the subsequent tax years. There is a 50% phase in period, which will last for 5 years. See the Net Operating Loss Schedule Form and Instructions on the City's website for requirements and calculations. This amount should be shown as a negative in parentheses. You may use your own schedule, but it must be provided and clearly show how the NOL amount applied was calculated.

**LINE 7.** Sum of Line 5 and Line 6. This is the total locally taxable income before allocation.

**LINE 8.** Amount allocable to City / JEDD (from Schedule Y computations). The Business Apportionment Formula, Schedule Y, is used to compute the portion of net profits allocable to City / JEDD when business is conducted both inside and outside of City / JEDD. A business apportionment formula consisting of the average property, gross receipts and wages paid may be used by business entities not required to pay tax on entire net profits by reason of doing business both inside and outside City / JEDD. Refer to ORC 718.02 for more detailed explanation on how you must arrive at this calculation. You may not choose to eliminate calculating a factor on your Schedule Y unless the amount located everywhere is zero.

**LINE 9.** Income taxable to the City / JEDD is calculate by multiplying Line 7 by Line 8.

**LINE 10.** Calculate City / JEDD Income Tax due by multiplying Line 9 by the tax rate of 2.25% (.0225).

**LINE 11. A.** Total estimated payments remitted for current year.

**LINE 11. B.** Enter the credit being applied from Tax Year 2019

**LINE 11. C.** Add Lines 11 A and 11 B

**LINE 12.** Tax Amount Due: If Line 10 is greater than Line 11 C, the difference should be entered here. Negative amounts should be in parentheses.

**LINE 13.** Penalty & Interest: **LATE FILING FEE:** Any return filed after its due date (or extended due date, if applicable) will be subject to a \$25 late filing fee per month or fraction thereof (max. \$150.00). **LATE PAYMENT:** Taxes owed and unpaid after the due date will be subject to a 15% penalty and 0.5833% (7% annual) interest per month or fraction thereof. **UNDERESTIMATION:** You will be subject to underestimation penalty if Line 11 C is less than 90% of Line 10 **UNLESS** Line 11 C was paid on time and is equal to or greater than 100% of your 2019 City / JEDD Income Tax amount. The underestimation penalty is 15% of the difference between 90% of the 2020 actual tax (Line 10) and the amount credited for the year (Line 11 C) if estimates were paid on time (Line 11 A).

**LINE 14.** Balance Due for 2020 is the total of Line 12 and Line 13. Note: No payment is required if Line 14 is less than \$10.01. You must factor in any penalties and interest before determining if your total due is less than \$10.01.

**LINE 15.** Overpayment: If Line 10 is less than Line 11 C, the difference should be entered here. This amount will be transferred as a credit toward next year's tax unless you request a refund. No refund shall be made to any taxpayer until they have complied with all the provisions of the Ordinance and have furnished all information required by the Tax Administrator. Refunds are processed in order of receipt of completed return. Typically, refund checks are mailed 90 days after the complete return is filed. Refunds are allowed only when City / JEDD Income Tax has actually been paid to City / JEDD. Refunds or credit carryforwards less than \$10.01 will not be issued or carried forward.

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# CITY OF MIAMISBURG / AUSTIN CENTER JEDD / MIAMI CROSSING JEDD BUSINESS NET PROFIT TAX RETURN INSTRUCTIONS

## DECLARATION OF ESTIMATED TAX FOR 2021: TAX RATE IS 2.25%

### Methods of calculating estimated tax due:

- A. If your 2020 liability was greater than \$200, you must pay quarterly estimates. By paying quarterly estimated tax payments totaling 100% of the 2020 City / JEDD Income Tax, less credits carried forward, you will not be penalized for underpayment should your income be greater in 2021 (known as "safe harbor").
- B. If you know what your anticipated income will be for 2021, you can base your estimate on 90% of that anticipated income amount. Using that figure, you can determine an equal quarterly amount for remittance for each period.

### Penalty for underestimation

If you have not paid the lesser of (1) 90% of the current tax year's tax liability (through estimated payments or prior year overpayments) or (2) 100% of the prior year's tax liability, then the penalty for underestimation is 15% of the difference between 90% of the current year's actual tax (Line 10) and the amount credited for the year that was paid on time (Line 11 C) for 2020.

**LINE 16.** Enter *either* the total estimated taxable income for 2021 *or* the actual taxable income for 2020 (Line 9, if using the "safe harbor" method). This amount is then multiplied by **2.25%** and entered in the box for Line 16.

**LINE 17.** Enter the amount of credit being applied to 2021 from Line 15 above. If applicable.

**LINE 18.** Deduct Line 17 from Line 16 to calculate the balance of estimated City / JEDD Income Tax.  
If this amount is under \$200 estimates, though encouraged, are not required.

**LINE 19.** If using Method A, (safe harbor) on Line 16 above, then a minimum of 25% of Line 18 is due for the first quarter estimate. If using Method B on Line 16, then a minimum of 22.5% of Line 18 is due for the first quarter estimate. The estimated tax may be paid in full with this declaration or in equal quarterly payments. Quarterly payments will not be billed. Coupons can be obtained on the City's website <http://www.ci.miamisburg.oh.us/>. The estimate may be amended at the time of making any quarterly payment. For 2021 calendar year businesses, quarterly payments are due on or before April 15, June 15, September 15, and January 15. For fiscal year businesses quarterly payments are due on or before the 15<sup>th</sup> day of the fourth, sixth, ninth, and twelfth month after the beginning of the fiscal year. If the due date falls on a weekend or a City holiday, the due date will be the following business day. Any prior year credit carryover will be included as a current year estimated payment. Interest is assessed for failure to pay the tax when due. **Interest at the rate of .4167% per month (5% annually) for Tax Year 2021 is assessed on any tax remaining unpaid after the original due date before any extensions. To avoid an underestimation penalty assessment, the amount paid (via estimates or prior year overpayments) must be within 90% of the actual amount owed for 2021 or 100% of the 2020 tax due.**

**LINE 20. TOTAL AMOUNT PAYABLE TO THE CITY / JEDD.** The sum of Line 14 and Line 19 is due and payable to the City / JEDD prior to April 15, 2021 for calendar year businesses or the 15<sup>th</sup> day of the fourth month following the end of the fiscal year for fiscal year businesses. All checks or money orders are to be made payable to the City of Miami'sburg. Filing of returns and/or payment of City / JEDD Income Tax may also be done via the Ohio Business Gateway. See [www.obg.ohio.gov](http://www.obg.ohio.gov) for more information.

**SCHEDULE X: RECONCILIATION WITH FEDERAL INCOME TAX RETURN, AS REQUIRED BY ORC 718.** This schedule is used to adjust your Federal Net Income to your City / JEDD Taxable Income. The left column is for items deductible on the Federal return, but not deductible under the City / JEDD Ordinance. Note: If you are not a C corporation, then you shall compute your FTI as if you were a C corporation.

### SCHEDULE Y: BUSINESS ALLOCATION FORMULA

A business allocation formula consisting of the average of property, gross receipts and wages paid, must be used by business entities not required to pay tax on their entire net profits if they conducted business both within and outside of this municipality. An alternative calculation can only be used if approved by the City Income Tax Administrator.

**Step 1:** Calculate average property outside and inside of City / JEDD.

**Step 2:** Report gross receipts from sales and work outside and inside this municipality:

Located in City / JEDD means:

1. All sales of tangible personal property which are delivered within this municipality regardless of where title passes, even though transported from a point outside this municipality, if the taxpayer is regularly engaging through its own employees in the solicitation or promotion.
2. All sales of tangible personal property which are delivered within this municipality regardless of where the title passes, if shipped or delivered from a stock of goods within this municipality.
3. All gross receipts from the sale of services shall be situated to this municipality to the extent that such services are performed in the municipality.

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4. To the extent included in income, all gross receipts from the sale of real property located in the municipality.
5. To the extent included in income, all gross receipts from rents and royalties from real property located in the municipality.
6. All gross receipts from rents and royalties from tangible personal property shall be situated to the municipality based upon the extent to which the tangible personal property is used in the municipality.

**Step 3:** Reflect total QUALIFYING wages, salaries or other compensation for your employees:

Located in City / JEDD means all compensation paid to persons employed or who worked in City / JEDD more than 20 business days. This is applicable to jobs which extended beyond 20 business days had multiple persons employed or who worked in the City / JEDD.

### **SCHEDULE Y-1: RECONCILIATION TO FORM W-3, WITHHOLDING RECONCILIATION**

Use this schedule to reconcile wages, salaries, etc., allocated to City / JEDD with total salaries, wages, etc., shown on W-3, Withholding Reconciliation.