



# CITY OF MIAMISBURG / AUSTIN CENTER JEDD / DAYTON MALL JEDD BUSINESS RETURN INSTRUCTIONS

## GENERAL TAX INFORMATION FOR 2017 BUSINESS RETURNS \*

### WHO MUST FILE:

- EVERY BUSINESS ENTITY conducting business in, performing services in, or deriving income (or loss) from activities in the City of Miami'sburg / Austin Center JEDD / Dayton Mall 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 (i.e. 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 17, 2018. 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 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 us to properly code your file and not send you letters requesting the return during the extension period. Requests for calendar year businesses should be filed by April 17, 2018. 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 may result in an assessment of penalty and interest.

**ESTIMATED TAX PAYMENTS:** Every business that anticipates taxable 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 2018 are due on April 17, June 15, September 15, and January 15. Estimated payments for fiscal year businesses are due on 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 attached to this form or 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, file their municipal income tax returns, pay estimated tax payments and pay their 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.

**ASSISTANCE** – City / JEDD Revenue Collections staff will help taxpayers prepare the City / JEDD Income Tax Return. Taxpayers need to bring in copies of their Federal tax return, including all Federal Schedules. The Tax Office is in the Civic Center at 10 N 1<sup>st</sup> St., Miami'sburg, OH 45342. Phone: 937-847-6462. Fax: 937-847-6470. Email: [incometax@cityofmiamisburg.com](mailto:incometax@cityofmiamisburg.com)

**REMEMBER TO ATTACH A COPY OF THE FEDERAL FORM, INCLUDING COPIES OF THE SUPPORTING / REFERENCED SCHEDULES, TO THE CITY OF MIAMISBURG / AUSTIN CENTER JEDD / DAYTON MALL JEDD BUSINESS INCOME TAX RETURN.**

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



## CITY OF MIAMISBURG / AUSTIN CENTER JEDD / DAYTON MALL JEDD BUSINESS RETURN INSTRUCTIONS

### LINE-BY-LINE INSTRUCTIONS FOR 2017 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 location. 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. Please also provide a contact name and phone number, should we need to reach out to your company with questions. 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, would be found 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.

**LINE 2 & 3** – Use Schedule X (from 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** – Total taxable income is the sum of Line 1 and Line 4. (Amounts shown in parentheses on Line 4 should be deducted from Line 1.)

**LINE 6** – 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 7** – Calculate City / JEDD Taxable Income by multiplying Line 5 by Line 6.

**LINE 8** – Although Federal law permits the carry-forward or carry-back of certain operating losses, such losses may not be carried forward or backward under City of Miamisburg Income Tax Ordinance / JEDD Agreements. Per AM Sub. HB5, beginning with Tax Year 2017, losses will be tracked for 50% use against Tax Year 2018 Tax Returns (filed in 2019). The 50% phase in will last for 5 years.

**LINE 9** – For 2017, enter amount from Line 7. NOLs deduction not allowed until 2018.

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

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

**LINE 11B** – Enter the credit being applied from tax year 2016

**LINE 11C** – Add Lines 11A and 11B

**LINE 12** – Tax Amount Due -- If Line 10 is greater than Line 11C, the difference should be entered here.

**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 are subject to a 15% penalty and 0.5% (6% annual) interest per month or fraction thereof. **UNDERESTIMATION** – You will be subject to underestimation penalty, if line 11C is less than 90% of Line 10 *UNLESS* line 11C was paid on time and is equal to or greater than 100% of your 2016 City / JEDD income tax amount. The underestimation penalty is 15% of the difference between 90% of the 2017 actual tax (line 10) and the amount credited for the year if credits were paid on time (line 11C).

**LINE 14** – Balance Due for 2017 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 11C, 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 April 15<sup>th</sup> or 90 days after the complete return is filed, *whichever is later*. 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 / DAYTON MALL JEDD BUSINESS RETURN INSTRUCTIONS

## DECLARATION OF ESTIMATED TAX FOR 2018: TAX RATE IS 2.25%

### Methods of calculating estimated tax due:

- A. You may pay an amount equal to City / JEDD Income Tax for 2017 (line 10) (less any City / JEDD tax credits). By paying quarterly estimated tax payments totaling 100% of the 2017 City / JEDD Income Tax less credits carried forward, you will not be penalized for underpayment should your income be greater in 2018. (Known as "safe harbor"). Starting with tax year 2016, no estimates will be required if total estimated tax due will be less than \$200.00.
- B. If you know what your anticipated income will be for 2018, 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. No estimates will be required if total estimated tax due will be less than \$200.00.

### 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 11C) for 2018.

**LINE 16** – Enter *either* the total estimated taxable income for 2018 *or* the actual tax liability for 2017 (if using the "safe harbor" method). This amount is then multiplied by **2.25%** and entered on Line 12.

**LINE 17** – Enter the amount of credit being applied to 2018 from Line 15 above.

**LINE 18** – Deduct Line 17 from Line 16 to calculate the balance of estimated City / JEDD Income Tax.

**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 2018 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 .5 % per month (6% annually) for tax year 2018 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 2018 or 100% of the 2017 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 17, 2018 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.

### ITEMS NOT DEDUCTIBLE FOR MUNICIPAL INCOME TAX

**LINE A** – Capital losses (excluding ordinary losses) on the sale, exchange or other disposition of stocks and bonds (Section 1221) and business assets owned for more than a year (Section 1231) are not deductible for city taxes and are an addback on the Schedule X. Also make sure to attach your Federal Tax Form 4797 and Schedule D.

**LINE B** - Add 5% of the amount deducted as intangible income, but not the portion of the intangible income related to the sale, exchange or disposition of property described in Section 1221 of the Internal Revenue Code IRC.

**LINE C** – Enter your taxes paid to state and local that are based on income.

**LINE D** - In the case of a real estate investment trust or regulated investment company, add all dividends, distributions, or amounts set aside for the benefit of investors and allowed as a deduction in the computation of Federal Taxable Income (FTI).

**LINE E** - If you are not a C corporation, the taxpayer shall compute FTI as if the taxpayer were a C corporation. Deductions for payments to a qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee, or federal self-employment tax are not allowed and must be added back in.

**LINE F** – If you are not a C Corporation, the taxpayer shall compute 10% of FTI as if the taxpayer were a C corporation. The amount of charitable deductions exceeding 10% of the FTI is disallowed and shall be reported on this line.

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**LINE G** – Again if you are not a C Corporation the taxpayer shall compute FTI before section 179 deduction as if the taxpayer were a C corporation and is limited to the amount of this FTI. The amount larger than the FTI shall be reported on this line.

**LINE H** – Other adjustments not deductible for municipal income tax. Please provide detail support.

**LINE I** – Total all amounts in Line A through Line H to arrive at Total additions. Enter the amount here and on Page 1, Line 2.

### ITEMS NOT TAXABLE FOR MUNICIPAL INCOME TAX

**LINE J** – Capital gains (excluding ordinary gains) on the sale, exchange or other disposition of stocks and bonds (Section 1221) and business assets owned for more than a year (Section 1231) are not taxable for City / JEDD taxes and are a deduction on the Schedule X. Also make sure to attach your Federal Tax Form 4797 and Schedule D.

**LINE K** – Intangible income such as interest, dividends, and royalties relating to patent and copyright income. Excludes but not limited to prizes, awards, lottery winnings, and royalties related to land.

**LINE L** – Section 179 deduction not previously deducted for municipal income taxes above limitation.

**LINE M** – Charitable contribution previously deducted for municipal income taxes above limitation.

**LINE N** – If you are not a C corporation, a domestic production activity deduction is an allowable deduction for municipal income tax. The amount of deduction is limited to the lesser of 9% of FTI as a C Corporation or 50% of federal wages. Please provide the Federal Form 8903. This deduction will not be allowed if Form 8903 is not attached.

**LINE O** – Other adjustments not taxable for municipal income tax. Please provide detail support.

**LINE P** – Total all amounts in Line J through Line O to arrive at Total deductions. Enter the amount here and on Page 1, Line 3.

### 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 entire net profits, by reason of doing business both within and outside of this municipality. Unless the books and records of the taxpayer disclose with reasonable accuracy the net profit attributable to this municipality, then only this portion shall be considered as having a taxable status in this municipality.

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 shipped from this municipality to purchase outside this municipality regardless of where title passes, if the taxpayer is not (through his own employees) regularly engaging in the solicitation or promotion of sales at the place where delivery is made.

2 – 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.

3 – 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.

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

Located in City / JEDD means all compensation paid to persons employed in City / JEDD greater than 20 business days.

### 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.