

2024
CITY OF KETTERING
BUSINESS TAX RETURN
CALENDAR YEAR DUE ON OR BEFORE APRIL 15, 2025
FISCAL YEAR _____ TO _____
Fiscal Year Due on the 15th Day of the Fourth Month After the Close of the Period



Name: _____

Address: _____

City/State/Zip Code: _____

Phone Number: _____

Email Address: _____

Kettering Account Number: _____

FEIN: _____

Did you file a city return last year: Yes ☐ No ☐

Filing Status:

C-Corporation..... ☐ S-Corporation..... ☐

Partnership..... ☐ Fiduciary (Trusts or Estates) ☐

Should your account be inactivated? Yes ☐ No ☐

If yes, please explain: _____

A copy of the Federal Income Tax Return (ie. 1120, 1120-S, 1065 or 1041) must be attached.

Part A – Tax Calculation

1. Federal Taxable Income before net operating losses and special deductions		1.
2. Adjustments (From Schedule X)		2.
3. Adjusted Federal Taxable Income (Line 1 plus Line 2)		3.
4. Net operating loss carryforward (Enter amount from NOL Worksheet Step 2[C])	4. ()	
5. Net Profit (Line 3 plus Line 4)		5.
6. Apportionment percentage (from Schedule Y, Step 5)	6.	
7. Apportioned Kettering Net Profit (Line 5 multiplied by Line 6)		7.
8. Kettering Income Tax (Line 7 multiplied by 2.25%)		8.
9a. Estimates Paid/Extension Payment	9a.	
9b. Prior Year Credit	9b.	
10. Total Payments and Credits (Line 9a plus Line 9b)		10.
11. Balance Due/(Overpayment) (Line 8 minus Line 10)		11.
12. Penalty Due (15% of all tax not timely paid)		12.
13. Interest Due (Imposed on all tax not timely paid)		13.
14. Late Filing Penalty (\$25.00 regardless of balance due on Line 11)		14.
15. Total Due (Total of Lines 11, 12, 13, and 14) – If \$10.00 or less, enter \$0.00		15.
16. Overpayment from Line 15	16.	
17. Amount to be Refunded – If \$10.00 or less, enter \$0.00	17.	
18. Credit to Next Year	18.	

Part B – Declaration of Estimated Tax for 2025 – Must be completed by taxpayers who anticipate a net tax liability of \$200.00 or more

19. Total Estimated Income Subject to Tax		19.
20. Kettering Income Tax Declaration (Line 19 multiplied by 2.25%)		20.
21. Declaration Due (Multiply Line 20 by 22.5%)		21.
22. Less: Overpayment from Prior Year (from Line 18 above)		22.
23. Net Estimated Tax Due with this Return (Line 21 minus Line 22) – subsequent estimated payments are due by 6/15, 9/15, 12/15; fiscal filers – see instructions		23.

24. TOTAL AMOUNT DUE – Add Lines 15 and 23. Make checks payable to City of Kettering. Credit card, debit card and electronic check payments can be made at www.ketteringoh.org .	24.
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If this return was prepared by a tax practitioner, check here if we may contact him/her directly with questions regarding the preparation of this return. ☐ Yes ☐ No
The undersigned declares that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated.

Signature of Officer or Agent

Date

Signature of Person Preparing the Return

Date

Name and Title

Name of Person Preparing the Return

Preparer Phone Number

Preparer Email Address

SCHEDULE X

ADDITIONS		
A. Capital losses and IRC Section 1231 losses	A.	
B. Taxes on or measured by net income	B.	
C. Guaranteed payments to current or former partners or members (if not already included in net profits)	C.	
D. Expenses attributed to intangible income (5% of total intangible income, excluding capital gains)	D.	
E. Amounts paid or accrued to a qualified self-employed retirement plan, health insurance and life insurance for owners or owner-employees of non C-Corporation entities	E.	
F. Charitable contributions and/or Section 179 expense deducted above corporate limitations	F.	
G. Loss incurred by a pass-through entity owned directly or indirectly by a taxpayer and included in the taxpayer's federal taxable income unless the loss is included in the net profit of an affiliated group in accordance with ORC 718.06(E)(3)(b)	G.	
H. Any deduction for pass-through entities not allowed as a deduction for C-Corporation under the Internal Revenue Code (such as Section 163(j) interest expense and 754 basis adjustments)	H.	
I. Other expenses not deductible (attach documentation or explanation)	I.	
J. TOTAL ADDITIONS – Add Lines A through I		J.

DEDUCTIONS		
K. Capital gains and IRC Section 1231 gains (do not deduct IRC Section 1245 and 1250 gains)	K.	
L. Dividend income	L.	
M. Interest income	M.	
N. Other intangible income as defined in ORC 718.01(S)	N.	
O. Net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless the net profit is included in the net profit of an affiliated group in accordance with ORC 718.06(E)(3)(b)	O.	
P. Other (attach documentation or explanation) (Do not include any deductions for federal tax credits.)	P.	
Q. TOTAL DEDUCTIONS – Add Lines K through P		Q.

NET ADJUSTMENTS – Subtract the total on Line Q from Line J	ENTER TOTAL ON PAGE 1, LINE 2
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SCHEDULE Y – BUSINESS APPORTIONMENT FORMULA

☐ ORC 718.021 Election to apportion to qualifying reporting location

	LOCATED EVERYWHERE (A)	LOCATED IN KETTERING (B)	PERCENTAGE (B / A)
STEP 1. Original Cost of Real and Tangible Personal Property			
Gross Annual Rents Paid Multiplied by 8			
TOTAL STEP 1			%
STEP 2. Wages, Salaries and Other Compensation Paid			%
STEP 3. Gross Receipts from Sales Made and/or Work or Services Performed			%
STEP 4. Total Percentages (Add Percentages from Steps 1 – 3)			%
STEP 5. Apportionment Percentage (Divide Step 4 by Number of Percentages Used) ENTER ON PAGE 1, LINE 6			%

SCHEDULE Y-1 RECONCILIATION TO FORM KW-3 (WITHHOLDING RECONCILIATION)

(A) Total wages allocated to Kettering (from federal return or apportionment formula) (A) _____

(B) Total wages shown on Form KW-3 (City of Kettering Annual Withholding Reconciliation) (B) _____

(C) Difference (B minus A) (C) _____

Please explain any difference reflected on Line C above: _____

Leased Employees: _____ YES _____ NO If yes, please provide the name, address, and FEIN of the leasing company: _____

Contract Labor: _____ YES _____ NO If yes, attach copies of all Forms 1099-MISC and/or 1099-NEC

INSTRUCTIONS FOR PREPARING CITY OF KETTERING BUSINESS INCOME TAX RETURN

Please complete Page 2, Schedules X and Y before completing Part A – Tax Calculation.

PART A – TAX CALCULATION

LINE 1: Enter Federal Taxable Income from the appropriate federal form as follows:

- Form 1120 – Line 28
- Form 1120-S – Schedule K, Line 18
- Form 1065 – Analysis of Net Income (Loss), Line 1
- Form 1041 – Line 23

LINE 2: Complete the **Schedule X** on page 2 of the return using the instructions below and enter the total net adjustments.

ADDITIONS

Line A – Enter the amount of non-deductible losses incurred from the sale or exchange of capital or other assets (IRC Section 1231 Losses).

Line B – Enter the amount of taxes paid based on net income, including any state and local tax.

Line C – Enter the amount of guaranteed payments to partners or members, only if not already included in net profits.

Line D – Enter the amount equal to 5% of the expenses attributable to total intangible income (excluding capital gains).

Line E – Enter amounts paid or accrued to a qualified self-employed retirement plan, health insurance and life insurance for owners or owner-employees of non C-Corporation entities.

Line F – Enter the amount of charitable contributions and/or Section 179 expense deducted above corporate limitations.

Line G – Enter the amount of net loss from pass-through entities owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless the loss is included in the net profit of an affiliated group in accordance with ORC 718.06(E)(3)(b).

Line H – Enter any deduction for pass-through entities not allowed as a deduction for C-Corporations under the Internal Revenue Code (such as Section 163(j) interest expense and 754 basis adjustments).

Line I – Enter other expenses not deductible (attach documentation or explanation).

TOTAL ADDITIONS – Add lines A through I and enter the amount on Line J

DEDUCTIONS

Line K – Enter the amount of non-taxable gains from the sale or exchange of capital or other assets (IRC Section 1231 gains). Do not include IRC Section 1245 or 1250 gains.

Line L – Enter the amount of dividend income.

Line M – Enter the amount of interest income.

Line N – Enter the amount of other intangible income including patents, trademarks, copyrights and royalties (unrelated to gas, oil or land) as defined by ORC 718.01(S).

Line O – Enter the amount of net profit from pass-through entities owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income, unless the net profit is included in the net profit of an affiliated group in accordance with ORC 718.06(E)(3)(b).

Line P – Other (Please provide an explanation) **(Do not include any deductions for federal tax credits.)**

TOTAL DEDUCTIONS – Add lines J through O and enter the amount on Line Q

NET ADJUSTMENTS – Subtract the total on Line Q from Line J and enter the total on Page 1, Line 2.

LINE 3: Line 1 plus Line 2.

LINE 4: Calculate the allowable pre-apportionment net operating loss (NOL) using the Net Operating Loss worksheet on page 3 of the instructions. Enter the allowable amount on Line 4.

For taxable years beginning in 2023, the full amount of pre-apportioned, available net operating losses (incurred in tax years 2018 and after) may be utilized to reduce pre-apportioned adjusted federal taxable income to zero. Any remaining, unused portion may be carried forward for a period not to exceed 5 years.

Note: For loss carryforward purposes, a partnership loss shall remain at the partnership level for taxable years beginning on or after January 1, 2016.

LINE 5: Line 3 plus Line 4.

LINE 6: Complete the **Schedule Y** on page 2 of the return using the instructions below and enter the apportionment percentage.

Check the ORC 718.021 Election box if the taxpayer has elected to apportion income based on the guidelines in ORC 718.021 and will be situsing any payroll, property or sales from a qualifying remote employee or owner at that individual's qualifying remote work location to that individual's qualifying reporting location.

Column A relates to total property, wages and gross receipts as reported on the federal return. Column B should be completed for property situated, compensation paid to employees for services performed, and gross receipts from sales made or services performed in the City of Kettering.

STEP 1: Enter the average original cost of real and tangible personal property owned by the taxpayer everywhere (column A) and in Kettering (column B). Then, enter the total amount of rents deducted on your federal return multiplied by 8 (column A) and Kettering rents multiplied by 8 (column B). Total each column and then divide the total for Column B by the total for Column A, enter the percentage.

STEP 2: Enter the wages, salaries and other compensation paid to employees for services performed everywhere (column A) and specifically in Kettering (column B). Divide Column B by Column A, enter the percentage.

STEP 3: Enter the gross receipts from sales made or services performed everywhere (column A) and gross receipts from sales made or services performed in Kettering (column B). Divide Column B by Column A, enter the percentage.

STEP 4: Add the percentages from Steps 1-3.

STEP 5: Divide the percentage total from Step 4 by the number of factors used. (For example, if all three factors are used, divide Step 4 by 3. If only two factors were used, divide Step 4 by 2, etc.) Enter the resulting percentage on Page 1, Line 6.

LINE 7: Multiply Line 5 by Line 6.

LINE 8: Multiply Line 7 by 2.25% (.0225).

LINE 9a: Enter the amount of estimated tax payments including any amounts paid with an extension.

LINE 9b: Enter the amount of prior year credit, if applicable.

LINE 10: Line 9a plus Line 9b.

LINE 11: Line 8 minus Line 10.

LINE 12: Enter the amount of penalty, if applicable. A 15% penalty will be imposed on the balance of unpaid tax due as of the first day after the original due date of the return.

LINE 13: Enter the amount of interest, if applicable. Interest will be imposed on the balance of unpaid tax due beginning with the first day after the original due date of the return. The interest rate is adjusted annually based on the federal short-term rate + 5%. Please visit our website (www.ketteringoh.org) for the current interest rate.

LINE 14: If the return is past due, a \$25.00 late filing penalty is imposed. This penalty is due in addition to all other penalties even if no tax is due. Enter the applicable amount.

LINE 15: Add Lines 11-14. This is your balance due. **No payment is due if the amount is \$10.00 or less.** If Line 15 reflects an overpayment, enter this amount on Line 16.

LINE 16: Overpayment from Line 15.

LINE 17: Enter the amount from Line 16 to be refunded. **No refund will be issued if the amount is \$10.00 or less.**

LINE 18: Enter the amount from Line 16 to be credited to your 2024 estimated tax liability.

Note: If you are required to pay estimated tax payments, you must continue and complete Part B of this return.

PART B – DECLARATION OF ESTIMATED TAX FOR 2025

LINE 19: Enter the amount of estimated income for 2025.

LINE 20: Multiply Line 19 by 2.25% (.0225) to determine the total estimated tax due for 2025.

LINE 21: Multiply Line 20 by 22.5% (.225) to determine the amount of estimated tax due for the first quarter.

LINE 22: Enter the amount of credit from Line 18 above.

LINE 23: Enter the net estimated tax due if Line 21 minus Line 22 is greater than zero.

LINE 24: Line 15 plus Line 23. **Make checks payable to City of Kettering.** Online payments can be made on our website via electronic check, credit card or debit card. A convenience fee will be added to all credit card and debit card payments.

MAIL COMPLETED RETURNS TO:

City of Kettering Income Tax Division
P.O. Box 639409
Cincinnati, OH 45263-9409

Phone: 937-296-2502 Fax: 937-296-3242

Email: ketteringtax@ketteringoh.org

Website: www.ketteringoh.org

**CITY OF KETTERING INCOME TAX DIVISION
BUSINESS NET OPERATING LOSS WORKSHEET
TAX YEAR _____
(ATTACH TO FORM KBR-1040)**

STEP 1: COMPLETE THE NET OPERATING LOSS WORKSHEET

YEAR LOSS WAS INCURRED	ORIGINAL NET OPERATING LOSS (A)	-	AMOUNT OF NOL USED PRIOR TO 2024 (B)	=	AVAILABLE NET OPERATING LOSS (C) = (A) - (B)	AMOUNT OF LOSS UTILIZED ON 2024 RETURN FROM STEP 2(C) BELOW (E)	REMAINING LOSS CARRIED TO 2025 CF= (A) - (B) - (E)
2019		-		=			EXPIRED
2020		-		=			
2021		-		=			
2022		-		=			
2023		-		=			
2024		-		=			
TOTALS		-		=			

(D)

STEP 2: CALCULATE ALLOWABLE AMOUNT OF NET OPERATING LOSS
(Net operating loss cannot reduce taxable income below zero)

- (A) Form KBR-1040, Line 3 _____
- (B) Amount from Step 1(D) above _____
- (C) Lesser of Step 2(A) or Step 2(B) _____

STEP 3: ENTER AMOUNT FROM STEP 2(C) ON FORM KBR-1040 LINE 4



2024 KETTERING BUSINESS INCOME TAX RETURN GENERAL INFORMATION

WHO MUST FILE	<p>C-Corporations: C-Corporations are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Kettering, whether or not such corporation has a place of business in Kettering.</p> <p>S-Corporations: S-Corporations are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Kettering, whether or not such corporation has a place of business in Kettering. S-corporations must report net income or net loss at the entity level. Shareholders may not include net income/losses on their individual returns.</p> <p>Partnerships: Partnerships are required to file as entities on the net profit or loss derived from sales made, work done, services performed or rendered and business or other activities conducted in Kettering, whether or not such partnership has a place of business in Kettering. Non-resident partners may not include any gain or loss on their individual returns.</p> <p>LLC(s): A limited liability company is required to file consistent with its federal filing status. For example, if the LLC is recognized as a partnership at the federal level, it should file as a partnership at the local level. Single member LLC's that report net profit or loss on Federal Form 1040, Schedule C should file as an individual taxpayer at the local level (on Form KR-1040).</p> <p>Miscellaneous Entities: Any undertaking, not specifically defined above, conducting activities or producing income, including but not limited to, rental of real estate and personal property, and a business conducted by a trust or guardianship of an estate that produces a net profit shall be subject to city income tax and is required to file a return as an entity.</p>
NET OPERATING LOSSES	In accordance with Ohio Revised Code Chapter 718.01, taxable years beginning in 2023, the full amount of available pre-apportioned net operating losses (incurred in tax years 2018 and after) may be utilized to reduce pre-apportioned adjusted federal taxable income to zero. Any remaining, unused portion may be carried forward for a period not to exceed 5 years.
ORC 718.021 ELECTION	Please check the box on Schedule Y if taxpayer is electing to apportion income based on the guidelines in ORC 718.021 and will be siting any payroll, property or sales from a qualifying remote employee or owner at the individual's qualifying remote work location to that individual's qualifying reporting location.
FEDERAL TAX CREDITS	No Deduction is allowed for federal tax credits; therefore, any such credit (ie. Work Opportunity credit, FICA Tip Credit, etc.) should not be included as a deduction on Schedule X.
DUE DATE	Calendar year tax returns must be filed on or before April 15, 2025 . Fiscal year returns are due on the 15th day of the fourth month after the close of the period. All returns should be mailed to: City of Kettering Income Tax Division, P.O. Box 639409, Cincinnati, OH 45263-9409.
PAYMENTS	Make checks or money orders payable to City of Kettering . Online payments can be made on our website at www.ketteringoh.org via electronic check, credit card or debit card. A convenience fee will be added for all credit card and debit card transactions. Do not remit payment for balance due if the amount is \$10.00 or less.
PENALTY AND INTEREST	<p>A 15% penalty will be imposed on the balance of unpaid tax due as of the first day after the <u>original</u> due date of the return.</p> <p>Interest will be imposed on the balance of unpaid tax due beginning with the first day after the <u>original</u> due date of the return. The interest rate is adjusted annually based on the federal short-term rate + 5%. Please visit our website (www.ketteringoh.org) for the current interest rate.</p> <p>A \$25.00 late filing penalty will be imposed for the failure to file a return by the due date (regardless of balance due shown on the return).</p>
ATTACHMENTS TO RETURN	<p>Partnerships must attach a complete copy of the Federal Form 1065 (including all schedules and supporting statements) and copies of all K-1s. <u>Note: Schedules K-1 should include detail regarding each partner's share of city income and income tax paid on each partner's behalf.</u></p> <p>Corporations must attach a complete copy of the Federal Form 1120 or 1120S (including all schedules and supporting statements).</p> <p>Fiduciaries/Trusts/Estates must attach a complete copy of the Federal Form 1041 (including all schedules and supporting statements).</p>
OVERPAYMENTS	Overpayments of estimated tax may be refunded or applied to the next tax year liability by making the appropriate designation on the return. There is a three (3) year statute of limitations for claiming a refund or credit of any overpayment of city tax. Overpayments of \$10.00 or less will not be refunded.
EXTENSIONS	<p>Business taxpayers who have requested an automatic 6-month extension for filing their federal income tax return shall automatically receive a 7-month extension for the filing of their city tax return. <u>A copy of an approved federal extension must be attached to your return at the time of filing.</u></p> <p>Business taxpayers who have not requested a 6-month extension for their federal income tax return may be granted a 6-month extension by submitting a request to the Tax Administrator by the original due date of the return.</p> <p><u>An extension of time to file is not an extension to pay taxes due. Penalty and interest charges will apply to all payments received after the original due date of the return.</u></p>
ESTIMATED TAX	Taxpayers who anticipate a net tax liability of \$200.00 or more are required under Ohio law to make estimated tax payments. Quarterly estimated tax payments are due on April 15, June 15, September 15, and December 15. Fiscal year taxpayers should substitute corresponding dates. The first quarter estimated tax form is found at the bottom of the income tax return. Subsequent vouchers may be obtained from our website.
DISCLAIMER	Definitions and instructions are illustrative only. The City of Kettering Income Tax Code and the Ohio Revised Code supersede any interpretation presented.