



# CITY OF OAKWOOD 2017 BUSINESS TAX RETURN INSTRUCTIONS

## GENERAL INFORMATION

- WHO MUST FILE:** **Every business entity** conducting activities or producing income with the City of Oakwood, whether or not the entity has a place of business in the City of Oakwood and whether or not a tax is due, must file a return reporting the net profit or loss attributable to Oakwood.
- WHEN TO FILE:** The return must be filed on or before the fifteenth day of the fourth month following the close of the tax year. For calendar year taxpayers, the 2017 return is due April 17, 2018.
- EXTENSIONS:** Any business that has duly requested an automatic extension for filing the federal return shall automatically receive an extension for filing the municipal return. The extended due date shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates. Please include a copy of your federal extension when filing the return to avoid a late filing penalty. Remember that an extension of time to file is not an extension of time to pay taxes owed.
- Any business that has not requested a federal extension may request an extension from the Oakwood Tax Department by using the extension request form available on the City's website. The request must be received by the Tax Department on or before the original due date of the municipal return.
- ATTACHMENTS:** Corporations should attach pages 1 through 5 of their federal Form 1120 or pages 1 through 5 of their federal form 1120S and copies of all K-1s.
- Partnerships/Associations should attach pages 1 through 5 of their federal form 1065 and all K-1s.
- Fiduciary/Trusts/Estates should attach a copy of page 1 of their federal form 1041.
- DECLARATIONS OF ESTIMATED TAX:** Every taxpayer who anticipates a net liability of at least \$200.00 is required, under Ohio law, to make timely estimated tax payments. The declaration should be filed by the 15<sup>th</sup> day of the fourth month of your tax year. For 2017 calendar year taxpayers, this is April 17<sup>th</sup>. Additional instructions and vouchers are available on the city's website.
- PENALTIES AND INTEREST:** **Late filing penalty** shall be charged on any return filed after the due date, or extended due date. The amount of the penalty shall be \$25.00 per month, or any fraction thereof, not to exceed \$150.00, and shall be imposed whether or not any tax is due.
- Underpayment penalty** of 15% shall be charged on any tax balance remaining unpaid after the original due date. For calendar year taxpayers, this is April 17, 2018.
- Interest**, calculated on the federal short term rate in effect + 5%, shall be charged on any tax balance remaining unpaid after the original due date. The interest rate in effect during calendar year 2018 is an annual rate of 6%. A complete listing of annual interest rates is available on the city's website.
- PAYMENTS:** Payment in full is due by the original due date of the return. Checks should be made payable to "City of Oakwood." To make a credit card payment, please call 1-800-272-9829 or visit [www.officialpayments.com](http://www.officialpayments.com). Please enter jurisdiction code 4544. A convenience fee will apply.

**PART A – TAX CALCULATION**

Please complete Page 2 Schedule X & Y before proceeding to this section.

**Line 1:** Enter adjusted taxable income from Page 2, Schedule X, Line 5.

**Line 2:** Enter apportionment percentage from Page 2, Schedule Y, Step 5.

**Line 3:** Multiply Line 1 x Line 2.

**Line 4:** Multiply Line 3 x 2.50% (0.025).

**Line 5a:** Enter the amount of estimated taxes paid for tax year 2017, including any amount paid with your extension.

**Line 5b:** Enter the amount of a prior year’s carryover credit.

**Line 6:** Add Lines 5a and 5b.

**Line 7:** Line 4 less Line 6. If the tax shown due or overpayment claimed is \$10.00 or less, enter -0- .

**Line 8:** Enter the late filing penalty (\$25.00 per month up to \$150.00) if the return is being filed after the original or extended due date. All taxes unpaid after the original due date of the return are subject to a 15% penalty and shall bear interest at the federal short term rate in effect + 5%.

**Line 9:** Add Lines 7 and 8. If an overpayment is indicated, complete Lines 10a and/or 10b as to amount to be refunded or carried over to the next tax year.

**PART B – 2018 DECLARATION OF ESTIMATED TAX**

**Line 11:** If you anticipate your 2018 tax liability to be \$200.00 or more, you are required to complete Lines 11-14. Enter your estimated 2018 income and multiply by 2.5%. Please see the instructions and safe harbor provisions on our website for Form OQ-2, Declaration of Estimated Business Tax.

**Line 12:** Enter the amount of your prior year carryover credit from Line 10b.

**Line 13:** Line 11 less Line 12.

**Line 14:** The taxpayer’s estimated liability is to be paid in 4 equal installments. Multiply Line 13 x 25% (0.25).

**Line 15:** Add Lines 9 and 14. Checks should be made payable to the City of Oakwood.

**PAGE 2, SCHEDULE X**

**Line 1:** Enter federal taxable income as indicated.

**Line 2:** Enter the sum of items not deductible from Line 6.

**Line 3:** Enter the sum of items not taxable from Line 7.

**Line 4:** Line 2 less Line 3.

**Line 5:** Line 1 plus or minus Line 4.

**Line 6:** Enter the non-deductible items for which you have claimed a deduction on your federal return.

**Line 7:** Enter the non-taxable items which were taxed on your federal return. Please note that royalty income derived from interests in land the rents/royalties derived therefrom does not qualify as intangible income. Other non-taxable items are only permitted in accordance with Ohio Revised Code Section 718. Do not include any adjustments for federal credits (Work Opportunity credit, etc.)

**PAGE 2, SCHEDULE Y**

Complete Schedule Y for all existing factors. Column A relates to total property, wages and gross receipts, per your federal return. Column B should be completed for property situated, compensation paid to W-2 employees for services performed, and gross receipts from sales made or services performed in the City of Oakwood

**STEP 1:** List the average original cost of real and tangible personal property owned by the taxpayer. Add rents deducted on your federal return x 8.

**STEP 2:** List the wages, salaries and other compensation paid to W-2 employees for services performed. Do not include compensation from which taxes were not required to be withheld under Ohio Revised Code Section 718.011. Excluded wages are to be listed on Line 8 below. Do not include amount paid for sub-contracted labor.

**STEP 3:** List the gross receipts from sales made or services performed.

**OTHER INFORMATION**

**Line 8:** List the compensation for which taxes were not required to be withheld under Ohio Revised Code Section 718.011 and have been excluded from Step 2, Columns A and B.

**Line 9:** If services are provided by leased employees, attach a statement to your return listing the name, address and federal identification number of the leasing company.