

INSTRUCTIONS FOR CORPORATIONS, PARTNERSHIPS, FIDUCIARY ESTATES AND TRUST RETURNS

In lieu of completing you may attach
appropriate Federal Schedule(s).

Every business entity (individual, proprietorship, partnership, corporation, profession, etc.) whether a resident or non-resident that conducts a business in the municipality must file a return and pay tax on any net profit. **Failure to comply may result in civil and/or criminal penalty.**

1. WHEN AND WHERE TO FILE RETURNS: Taxpayers who end their taxable year on December 31 must file on or before April 15 of the following year. Taxpayers on a fiscal or partial year basis must file within 3½ months following the end of such period.

EXTENSIONS: Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of the Baltimore income tax return. Such request may be made by filing a copy of the taxpayer's federal extension form with the Baltimore Tax Office by the original due date of the return. The extension will not extend the due date of the tax owed and any late payment of tax will be subject to interest of 1½% per month and a 0.5% per month. The Tax Office may deny an extension request if the taxpayer fails to timely file the request, fails to file a copy of the request for federal extension, owes any delinquent tax, penalty, interest, or assessment or has failed to file any required income tax return, report, or other related document for a prior tax period. Be advised that the due date for the filing of the current year declaration of estimated tax, if required, will not be extended.

If you only conducted business in Baltimore during part of the taxable year, a tax return must be filed covering that time. Report the amount of income earned in Baltimore for that time or use the business allocation formula and attach a worksheet explaining your calculation.

File the return with the Baltimore Income Tax Department, P.O. Box 125 Baltimore Ohio 43105. The total amount due must be paid when the return is filed. Checks and money orders should be made payable to the Village of Baltimore.

2. TAXABLE INCOME: Baltimore income tax is levied at a rate of 1% on the following:

- A. On the portion attributable to this Municipality of the net profits earned during the effective period of this chapter of all resident associations, professions or other entities, derived from sales made, work done, services performed or rendered and business or other activities conducted in this Municipality.
- B. An association shall be taxed as an entity on the net profits of the association derived from work done or services performed or rendered and business or other activities conducted in the Village, whether or not such association has its principal or any place of business located in the Village.
- C. A resident of the Village who is a member of an association is taxed individually on that resident's entire share, whether distributed or not, of the annual net profits of the association which are not subject to entity filing. The resident shareholder's distributive share of a Subchapter S Corporation's net profits apportioned to Ohio. If none of the net profits of a Subchapter S Corporation are apportioned to Ohio, municipal tax shall be levied on the portion of a resident's distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.
- D. On the net profits of all corporations, estates and trusts derived from work done or services performed or rendered and business or other activities conducted in the Village, whether or not such corporations, estates and trusts have their principal or any place of business located in the Village.
- E. On the portion attributable to this Municipality of the net profits earned during the effective period of this chapter of all nonresident unincorporated businesses, professions or other entities, derived from sales made, work done, services performed or rendered and business or other activities conducted in this Municipality, whether or not such unincorporated business entity has an office or place of business in this Municipality.
- F. On the portion of the distributive share of the net profits earned during the effective period of this chapter of a resident partner or owner of a nonresident unincorporated business entity not attributable to this Municipality and not levied against such unincorporated business entity by this Municipality.
- G. On the portion attributable to this Municipality of the net profits earned during the effective period of this chapter of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in this Municipality, whether or not such corporations have an office or place of business in this Municipality.

3. LATE FILING FEE: \$1.00 per day not to exceed \$30.00 (NOTE: Copy of Federal Extension request must be filed with Baltimore Tax Office by April 15 or original due date to avoid late filing fee assessment.) Late Filing Penalty 0.5% per month. Late Filing Interest 1.5% per month.

4. DECLARATION OF ESTIMATED TAX: Non-filing Fee of \$25.00 will be assessed for failure to file and pay declaration of estimated tax within specified time in addition to interest of 1½% per month and 10% penalty charges.

5. OPERATING LOSSES: If a net operating loss has been sustained in any taxable year, such losses may be carried forward for not more than one taxable year. The portion of the net operating loss sustained shall be allocated to the Municipality in the same manner as provided herein for allocating net profits to this Municipality.

6. PARTNERSHIPS: See 2 B & C above.

7. R.E.I.T.: No deduction may be claimed for dividends paid or disbursed to shareholders or corporations, including but not limited to a R.E.I.T.

SECTION A (PROFIT OR LOSS FROM BUSINESS OR PROFESSION)

Even though they are able to show that they had no taxable income, all such entities whether residents or non-residents, who are engaged in the operation of a business for profit, some portion of which can be attributable to activities conducted in Baltimore, must file a return showing in Section A Page 2, the net profits or loss reported in their Federal income tax return, adjusted by the use of Schedule X to show the adjusted net income (or loss) on Line 3a.

SECTION B TOTAL FROM FEDERAL SCHEDULED FORM 4797

If Federal Form 4797 is filed the ordinary gain or loss shown on this form is shown in Section B.

SECTION C INCOME FROM RENT

This section corresponds to the rent Schedule E of Federal Form 1040. If a copy of Schedule E is attached Section C does not need to be completed except for Net Income from Section C.

SECTION D INCOME FROM OTHER SOURCES

Report in this section any other income you may have which is subject to Baltimore tax. For example, a Baltimore resident may be a member of a partnership not located or doing business in Baltimore. This Baltimore resident nevertheless, is subject to tax on the income he enjoys from that partnership and must report the income in Section D. List fees that are not included as part of the net profit of trade, business or profession, tips, bonuses and partnership income on which the tax has not been paid by the partnership entity.

TOTAL

Add net income from Section A, B, C and D. Enter this total on Page 1 Line 1.

SCHEDULE Y BUSINESS APPORTIONMENT FORMULA

The business apportionment percentage formula is to be used by unincorporated businesses, partnerships, professions, or other entities and corporations doing business within and outside of Baltimore if actual records of their Baltimore business are not maintained. Determine the ratio of the Baltimore portion of:

(1) Average original cost of real and tangible property owned, rented or leased by the taxpayer for use in the trade or business. To determine the value of property rented and used in the business, multiply the gross annual rental by 8.

(2) Gross receipts from sales made and services performed, regardless of where made or performed.

(3) Total payroll.

Add the ratios obtained and divide by the number of ratios used to obtain business apportionment percentage. A ratio shall not be excluded from the computation because it is apportioned entirely within or outside the Village of Baltimore. The business apportionment percentage is to be applied against the total net profits adjusted in accordance with the provisions of the profits in Section A to determine the portion taxable by Village of Baltimore. ENTER AVERAGE PERCENTAGE ON LINE 3b Page 1.

Affiliated corporations may not deduct a loss from any other corporation having a taxable profit and operations of any affiliated corporation having a loss may not be taken into consideration in computing net profits of Business Apportionment Percentage Formula.

**SCHEDULE X
BUSINESS RECONCILIATION WITH FEDERAL INCOME TAX RETURN** This schedule is to be used by businesses for the purpose of making adjustments when the total income (Page 1, Line 1) includes income not taxable and/or items not deductible for municipal tax purposes.

SCHEDULE Z PARTNERS SHARE OF NET INCOME

Line 7 of this schedule represents 100% of the net income of the partnership for the taxable period. A copy of Federal Form 1065 and related schedules may be attached in lieu of completing this schedule. If any member of the partnership is entitled to allocate his portion of the partnership income by reason of being a resident, Schedule Y and Z must be completed. If this schedule is used, itemize each member's distributive share of net income.

ATTACHMENTS REQUIRED

Copies of all applicable IRS schedules and forms must be attached to the Village of Baltimore Return at the time of filing. Documentation is necessary to verify all amounts of taxable or non-taxable income, expenses and deductions as applicable to the Baltimore return. Failure to attach all necessary documentation may result in the return being considered incomplete and could result in the disallowance of expenses, deductions, or the exclusion of non-taxable income.

DISCLAIMER: Definitions and instructions are illustrative only. The tax ordinance supercedes any interpretation presented.

VILLAGE OF BALTIMORE INCOME TAX RETURN — 2010

File with the Village of Baltimore
Division of Taxation
P.O. Box 125
Baltimore, Ohio 43105
Phone: (740) 862-4752 Fax: (740) 862-2208
E-Mail: beichner@wracpas.com
Website: www.baltimoreohio.org

FILING REQUIRED EVEN IF NO TAX DUE

ON OR BEFORE APRIL 15, 2011

FISCAL YEAR - FILE WITHIN
3 1/2 MONTHS FROM YEAR-END

FISCAL YEAR DATES

FROM

TO

PLEASE MAKE NECESSARY CORRECTIONS TO NAME/ADDRESS

BUSINESS TAX RETURN

PRINCIPAL BUSINESS ACTIVITY

CORPORATION PARTNERSHIP SOLE PROPRIETOR
RENTAL PROPERTY

IF OTHER, EXPLAIN

BUSINESS TELEPHONE

FEDERAL I.D. #

BUSINESSES LOCATED IN BALTIMORE: IF YOU HAVE
MOVED DURING CURRENT YEAR PLEASE GIVE DATE OF MOVE

INTO BALTIMORE OR OUT OF BALTIMORE

INCOME 1. TOTAL INCOME FROM PAGE 2 OR ATTACHED COPIES OF FEDERAL RETURNS & SCHEDULES \$

2a. ITEMS NOT DEDUCTIBLE (FROM LINE G SCHEDULE X [FROM PAGE 2]) ADD \$

b. ITEMS NOT TAXABLE (FROM LINE Z SCHEDULE X [FROM PAGE 2]) DEDUCT \$

ADJUSTMENTS TO INCOME c. DIFFERENCE BETWEEN LINES 2a AND b TO BE ADDED TO OR SUBTRACTED FROM LINE 1 (+ OR -) \$

3a. ADJUSTED NET INCOME (LINE 1 PLUS OR MINUS LINE 2c IF SCHEDULE X IS USED) \$

b. AMOUNT OF LINE 3a MULTIPLIED BY % FROM LINE 5 SCHEDULE Y \$

c. LESS ALLOCABLE NET LOSS PER PREVIOUS BALTIMORE INCOME TAX RETURN (SUBMIT SCHEDULE) (ONE YEAR CARRYFORWARD ONLY) \$

TAX 4. AMOUNT SUBJECT TO BALTIMORE INCOME TAX (LINE 3a OR 3b LESS LINE 3c) \$

5. BALTIMORE TAX 1% OF LINE 4 (.01 MULTIPLIED BY LINE 4) \$

6. CREDITS:

(a) PRIOR YEAR OVERPAYMENT \$

(b) ANY ESTIMATED PAYMENTS RECEIVED BEFORE DECEMBER 15th \$

(c) ANY ESTIMATED PAYMENTS RECEIVED AFTER DECEMBER 15th NOT INCLUDED IN LINE 6b \$

(x) TOTAL CREDITS ALLOWABLE \$

7. IF LINE 5 GREATER THAN LINE 6x PAYMENT OF BALANCE MUST ACCOMPANY THIS RETURN: TAX DUE \$
NOTE: TAX DUE UNDER \$1.00 - NO PAYMENT REQUIRED, OVERPAYMENT UNDER \$1.00 - NO REFUND OR CREDIT

8. OVERPAYMENT TO BE REFUNDED \$ OR CREDITED \$ TO NEXT YEAR ESTIMATE

9. CHARGES IF PAID AFTER DUE DATE:

LATE FILING FEE: \$1.00 Per day past due date, not to exceed \$30.00 \$

LATE PAYMENT: One half of one (0.5%) percent per month \$

INTEREST: One and one half (1.5%) per month X # MONTHS = \$

TOTAL CHARGES \$

10. TOTAL DUE. PAYMENT TO "VILLAGE OF BALTIMORE TAX DEPT." MUST ACCOMPANY RETURN IF \$1 OR MORE TOTAL DUE \$

DECLARATION OF ESTIMATED TAX FOR YEAR 2011
REQUIRED BY LAW Penalty For Noncompliance (Plus Penalty and Interest)

VOUCHER NO. 1

11. TOTAL INCOME SUBJECT TO TAX \$ MULTIPLY BY TAX RATE OF 1% FOR GROSS TAX OF \$

12. LESS EXPECTED TAX CREDITS

A. OVERPAYMENT FROM PRIOR YEAR(S) \$

B. OTHER (EXPLAIN) \$

C. TOTAL CREDITS \$

13. NET TAX DUE (LINE 11 LESS LINE 12C) \$

14. AMOUNT PAID WITH THIS DECLARATION (1/4 DUE WITH THIS DECLARATION WITH THE FILING OF THIS RETURN) \$
(VOUCHERS FOR REMAINING PAYMENTS ARE INCLUDED IN THIS TAX PACKET.)

15. TOTAL PAYMENT INCLUDED WITH RETURN (LINE 7 OR 10 AND 14) \$

THE UNDERSIGNED DECLARES THAT THIS RETURN (AND ACCOMPANYING SCHEDULES) IS A TRUE, CORRECT AND COMPLETE RETURN FOR THE TAXABLE PERIOD STATED AND THAT THE FIGURES USED HEREIN ARE THE SAME AS USED FOR FEDERAL INCOME TAX PURPOSES.

Check box if we may discuss this return with your preparer.

(SIGNATURE OF PERSON PREPARING RETURN) (DATE)

(SIGNATURE OF TAX PAYER OR AGENT) (DATE)

(ADDRESS OR NAME AND ADDRESS OF FIRM OR EMPLOYER)

(TITLE)

PHONE NO.:

SECTION A Federal Taxable Income

Federal Taxable Income (FTI) is a C corporation's federal taxable income (i.e., net profits) before net operating losses and special deductions (line 28 of Form 1120). If you are not a C corporation or an individual, the new provisions in Ohio Revised Code 718 for non-C corporations state the following: "IF THE TAXPAYER IS NOT A C CORPORATION AND NOT AN INDIVIDUAL, THE TAXPAYER SHALL COMPUTE ADJUSTED FEDERAL TAXABLE INCOME AS IF THE TAXPAYER WERE A C CORPORATION." This means the figure shown as FTI (line 18 if filing a Form 1120S, schedule K, line 1 Analysis of net Income (Loss) if filing a Form 1065, or line 17 if filing a Form 1041) must first be adjusted as if computing it for line 28 on the Form 1120.

Place the adjusted figure here..... \$ _____

SECTION B Total from Federal Schedule D, Form 4797.

SECTION C Income from Rents - from Federal Schedule E

| Kind & Location of Property | Amount of Rent | Depreciation | Repairs | Other Expenses | Net Income (Or Loss) |
|-----------------------------|----------------|--------------|---------|----------------|----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

NET INCOME SECTION C..... \$ _____

SECTION D All other Taxable Income

INCOME FROM PARTNERSHIPS, ESTATES & TRUSTS: FEES, TIPS, COMMISSIONS, AND MISCELLANEOUS

| AMOUNT | Received From | FOR (DESCRIBE) |
|--------|---------------|----------------|
| | | |
| | | |
| | | |

NET INCOME SECTION D..... \$ _____

TOTAL From Sections A, B, C & D. Enter on Page 1, Line 1..... \$ _____

SCHEDULE Y Business Apportionment Formula

| | a. LOCATED EVERYWHERE | b. LOCATED IN THIS MUNICIPALITY | c. PERCENTAGE (b ÷ a) |
|---|-----------------------|---------------------------------|----------------------------------|
| STEP 1. AVERAGE ORIGINAL COST OF REAL & TANG. PERSONAL PROPERTY | _____ | _____ | _____ |
| GROSS ANNUAL RENTALS PAID MULTIPLIED BY 8 | _____ | _____ | _____ |
| TOTAL STEP 1 | _____ | _____ | _____ % |
| STEP 2. GROSS RECEIPTS FROM SALES MADE AND/OR WORK OR SERVICES PERFORMED | _____ | _____ | _____ % |
| STEP 3. WAGES, SALARIES AND OTHER COMPENSATION PAID | _____ | _____ | _____ % |
| STEP 4. TOTAL PERCENTAGES | _____ | _____ | _____ % |
| STEP 5. AVERAGE PERCENTAGE (Divide total Percentages by Number of Percentages Used). | _____ | _____ | Carry to Line 3b, Page 1 _____ % |

SCHEDULE X. BUSINESS RECONCILIATION WITH FEDERAL INCOME TAX RETURN

| ITEMS NOT DEDUCTIBLE | ADD | ITEMS NOT TAXABLE | DEDUCT |
|---|----------|--|----------|
| a. Capital Losses (Excluding Ordinary Losses) | \$ _____ | h. Capital gains (Excluding Ordinary Gains) | \$ _____ |
| b. 5% of amount deducted as intangible income | \$ _____ | j. Interest, Dividend, Patent, and Copyright income .. | \$ _____ |
| c. Taxes based on income | \$ _____ | k. Other (Explain) (including IRC section 179 expense and Charitable Contributions, if not included in Federal Taxable Income calculations) .. | \$ _____ |
| d. Guaranteed payments to partners | \$ _____ | z. Total Deductions (Enter Line 2b Other Side) | \$ _____ |
| e. Amounts for qualified self-employed retirement, health & life insurance plans for owners of non-C corporation entities, or self-employment tax | \$ _____ | | |
| f. Other (including all amounts allowed as a deduction in the computation of federal taxable income for real estate investment trusts and regulated investment companies) | \$ _____ | | |
| g. Total Additions (Enter Line 2a Other Side) | \$ _____ | | |

SCHEDULE Z Partner's/Owner's Share Of Income

| 1. NAME AND MUNICIPALITY OR TOWNSHIP OF EA. PARTNER/OWNER | 2. Resident | | 3. Dist. Shares of Partners/Owners | | 4. Other Payments | 5. Taxable Percentage | 6. Amount Taxable |
|---|-------------|----|------------------------------------|----------|-------------------|-----------------------|-------------------|
| | Yes | No | Percent | Amount | | | |
| | | | | \$ _____ | \$ _____ | | \$ _____ |
| | | | | | | | |
| | | | | | | | |
| 7. TOTALS SECTION A THRU D | | | 100 | \$ _____ | | | |