

**CITY OF MORAINE 2016
BUSINESS INCOME TAX RETURN INSTRUCTIONS**

Office Phone: (937) 535-1026 Website: www.ci.moraine.oh.us

Mail to: 4200 Dryden Rd, Moraine, OH 45439

This form is to be used by all entities other than sole proprietorships. Single member LLC's and sole proprietors must file on the Individual Income Tax Return.

General Instructions:

If you are filing for any year other than 01/01/2016 through 12/31/2016, indicate the year of the tax return with beginning and ending dates. Fiscal year taxpayers should use the beginning year of the fiscal period as the year of the tax return. Taxpayers who have requested an automatic 6-month extension for filing their federal income tax return shall automatically receive a 6-month extension for the filing of their city tax return. 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 due date of the return. A copy of the Federal extension must be attached to the city return when filed. 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 return due date.

1. Complete the box that pertains to the filing of a city return in the previous year, the combined corporate return question and whether or not the account should be inactivated. If the account should be inactivated, provide an explanation. If the business was sold, provide the name, address and phone number of the purchaser on a separate attachment.
2. Check the appropriate box that corresponds to the filing status of the business.
3. If you are amending a tax year, place an "X" in the box marked AMENDED and be sure to indicate the year that you are amending in the space provided. Include the Amended Federal Return or documentation pertaining to the Internal Revenue Service audit.

WHO MUST FILE

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 Moraine, whether or not such corporation has place of business in Moraine.

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 Moraine, whether or not such corporation has a place of business in Moraine. If the S-Corporation has net income, the corporation must pay the tax due rather than the individual shareholders. The individual shareholders of an S-Corporation may not include any gain or loss on their individual returns.

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 Moraine, whether or not such partnership has a place of business in Moraine.

LLC(s) a limited liability company is required to file consistent with its federal filing. 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.

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.

Part A –TAX CALCULATION

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

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

LINE 2: Enter the net adjustments from Schedule X.

Note: no deduction is allowed for federal tax credits that reduce corresponding operating expenses.

LINE 3: Line 1 plus Line 2.

LINE 4: Enter the apportionment percentage from Schedule Y, Step 5.

LINE 5: Multiply Line 3 by Line 4.

LINE 6: Enter the amount of loss carryforward, if applicable.

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 7: Line 5 plus Line 6.

LINE 8: Multiply Line 7 by 2.5% (.025)

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 any.

LINE 10: Line 9a plus Line 9b.

LINE 11: Line 8 minus Line 10.

LINE 12: If the return is past due, a late filing penalty is imposed at the rate of \$25.00 per month (or fraction thereof) not to exceed \$150.00. This penalty is due in addition to all other penalties and is imposed even if no tax is due. Enter the applicable amount.

LINE 13a: Enter the amount of penalty, if applicable. The penalty rate is 15% of the amount not timely paid.

LINE 13b: Enter the amount of interest, if applicable. Interest is imposed on all tax not timely paid. The rate is adjusted annually based on the federal short-term rate + 5%. Please go to website ci.moraine.oh.us or call our office at 937-535-1026 for the current rate.

LINE 14: Add Lines 11-13b. This is your balance due. If the total balance due with your return is \$10.00 or less payment need not accompany your return. If Line 14 reflects an overpayment, enter this amount on Line 15.

LINE 15: Overpayment from Line 14.

LINE 16: Enter the amount from Line 15 to be refunded. Amounts \$10.00 or less will not be refunded.

LINE 17: Enter the amount from Line 15 to be credited to your 2017 estimated tax liability.

Note: If you are required to pay estimated tax payments, (net tax liability of at least \$200.00) you must continue and complete Part B of this return.

Part B – DECLARATION OF ESTIMATED TAX FOR 2017

The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual Moraine tax liability to be ultimately determined shall have been paid by the due date of each installment payment.

LINE 18: Enter the amount of estimated income for 2017.

LINE 19: Multiply Line 18 by 2.5% (.025) to determine the total estimated tax due for 2017.

LINE 20: Multiply Line 19 by 22.5% (.225) to determine the amount of estimated tax due for the first quarter.

LINE 21: Enter the amount of credit from Line 17 above.

LINE 22: Enter the net estimated tax due if Line 20 minus 21 is greater than zero.

LINE 23: Line 14 plus Line 22. Make checks payable to the City of Moraine Tax Division.

MAIL COMPLETED RETURNS WITH ALL SCHEDULES AND SUPPORTING DOCUMENTS TO:

City of Moraine – Tax Division
4200 Dryden Rd.
Moraine, OH 45439

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Fax: (937) 535-1281
www.ci.moraine.oh.us