

CITY OF BROOK PARK NET PROFIT TAX RETURN

For Corporations, Partnerships, Estates & Trusts
Due April 17, 2018 OR 15th day of fourth month after close of fiscal year.

ACCOUNT # _____

2017

Business Name and Mailing Address

Tax Department of 6161 Engle Rd. Brook Park, OH 44142
PHONE (216) 433-1533 FAX (216) 433-0822

FAILURE TO FILE THIS RETURN OR EXTENSION ON OR BEFORE THE DUE DATE WILL RESULT IN A MINIMUM \$25 PENALTY. EXTENSIONS – SEE INSTRUCTIONS

Check Status as Taxpayer: Corporation
 Subchapter S Corp. Partnership Other

Is the Business Entity a Resident of Brook Park? Yes ___ No ___

Did the Business Entity move? Yes ___ No ___

Date Moved Into Brook Park _____

Date Moved Out of Brook Park _____

Federal Identification Number _____

Trade Name _____

Local Business Address _____

Telephone Number _____

Standard-Industrial Classification Number _____

Name and Address as they appear on our records. Make any Necessary Corrections.

For Calendar Year **2017** or Fiscal Period

From _____ 20____. Ending _____ 20____.

COMPUTATION OF TAXABLE INCOME

1. Total Taxable Income (Copy of Federal Form 1120, 1120S, 1065, or 1041 Required) (ATTACH ALL PAGES)		\$ _____
2. A. Add Items Not Deductible (From Schedule X, Line H)		\$ _____
B. Deduct Items Not Taxable (From Schedule X, Line Z)		\$ (_____)
3. Adjusted Net Income		\$ _____
4. Schedule Y _____ % allocable to Brook Park		\$ _____
5. Less allocable Net Loss per previous City Income Tax Return (5 Year Limit)		\$ _____
6. TOTAL ADJUSTED INCOME SUBJECT TO BROOK PARK INCOME TAX		\$ _____
7. Brook Park Income Tax 2.00% of Line 6		\$ _____
8. CREDITS: A. Payments to Brook Park on Estimated Tax (_____)	\$ _____	
B. Overpayment from preceding Year	\$ _____	
C. Total Credits (Line 8A plus 8B)		\$ (_____)
9. TAX DUE (Line 7 Less 8C) - No credit/payment if \$10.00 or less		\$ _____
B. Overpayment Claimed (If Line 8C exceeds Line 7)	\$ _____	
C. Enter Amount of Line 9B to be Credited to 2018 Estimated Tax ..	\$ _____	
D. Amount to be refunded Line (Line 9B Less Line 9C)	\$ _____	
(NO REFUND LESS THAN \$10.00) (See Instructions)		
10. PENALTY (15%) (See instructions) Late Filing \$ _____ + Late Paying \$ _____ TOTAL LINE 10		\$ _____
11. PENALTY (15%) (Underpayment of Estimated Tax) (See Instructions)		\$ _____
12. INTEREST (6%) (See Instructions)		\$ _____
13. TOTAL AMOUNT DUE FOR 2017 (PAYABLE WITH THIS RETURN)		\$ _____

MANDATORY DECLARATION OF ESTIMATED BROOK PARK TAX FOR 2018 FAILURE TO PAY ESTIMATED TAX WILL RESULT IN A 15% PENALTY See Instructions

14. Estimated Net Income Subject to Brook Parks' Income Tax _____ X TAX RATE OF 2.00% FOR GROSS TAX OF		\$ _____
15. AMOUNT DUE WITH ESTIMATE 1/4 of Line 14		\$ _____
16. Less Credit from Line 9C		\$ (_____)
17. ESTIMATED TAX AMOUNT DUE		\$ _____

TOTAL AMOUNT DUE - ADD LINE 13 AND LINE 17 AND REMIT THIS AMOUNT ON OR BEFORE THE DUE DATE
OR 15th DAY OF FOURTH MONTH AFTER CLOSING OF FISCAL YEAR

**MAKE CHECK OR MONEY ORDER PAYABLE TO CITY OF BROOK PARK
6161 ENGLE ROAD, BROOK PARK, OHIO 44142**

The undersigned, President or Treasurer (or assistant treasurer, or chief accounting officer) of the business for which this return is made, declares that this return has been examined by him and is to the best of his knowledge and belief, a true, correct and complete return.

Signature Of Person Preparing, if Other than Taxpayer _____ Date _____

Signature (President, Treasurer, Partner or Member) _____

Address or Name and Address of Firm or Employer _____

Title _____

MAY THE CITY DISCUSS THIS RETURN WITH THE TAX PREPARER? YES NO

Telephone No. of Preparer _____

Date _____

GENERAL TAX INFORMATION - MUST BE COMPLETED

1. Date Business or Trust Created _____
2. Did you file a Brook Park return last year? Yes No.
3. Did you have any employees during 2017? Yes No. If yes, did they work in Brook Park? Yes No.
4. On which basis are your records kept? Cash Accrual
 Completed Contract Other _____
5. Has your Federal Tax liability for any prior year been changed in the year covered by this return as a result of an examination by the Internal Revenue Service? Yes No.
6. If business terminated, complete the following; Date terminated _____
7. If you sold your business, give name and address of purchaser.
Name _____
Address _____
8. If Business Entity changed during past year, mark appropriate blocks:
From: Individual Partnership Corporation
To: Individual Partnership Corporation

SCHEDULE X ADJUSTMENTS

Ohio's Municipal Income Tax Reform, (House Bill 95) created a Uniform Net Profits Base. For taxable years beginning after 2003, be sure returns comply with Ohio Revised Code 718.01. Excluding Schedule C, E, and F filers, taxable income shall be computed as if the taxpayer is a C Corporation. Include all supporting schedules, forms and statements to support your income calculation.

ITEMS NOT DEDUCTIBLE – ADD		ITEMS NOT TAXABLE – DEDUCT	
A. Capital losses – Section 1221 or 1231	\$ _____	I. Capital Gains – Section 1221 or 1231	\$ _____
B. 5% of Line K – (Intangible Income)	_____	J. Intangible Income	_____
C. Taxes based on Income	_____	Interest Income _____	
D. REIT – other Investor Benefits (See Instr.)	_____	Dividends _____	
E. Guaranteed Payments to Partners	_____	Royalties _____	
F. Self-employed/owner expenses (See Instr.)	_____	Other _____	
G. Other (Depreciation Recovery Note: Business entities that are not C corporations, but are required to file as a C corporation, are subject to Section 291 depreciation recovery of Section 1250 property.) EXPLAIN: _____	_____	K. Total Intangible Income	_____
H. TOTAL ADDITIONS (enter Line 2A, Page 1)	\$ _____	L. Other Deductions (See Instr.)	_____
		M. Other (explain) _____	_____
		Z. TOTAL DEDUCTIONS (enter Line 2B, Page 1)	\$ _____

SCHEDULE Y BUSINESS APPORTIONMENT FORMULA

	a. LOCATED EVERYWHERE	b. LOCATED IN BROOK PARK	PERCENTAGE [(b) Divided (a)]
STEP 1. AVG. 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 (SEE INSTRUCTIONS)	\$ _____	\$ _____	_____ %
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 Page 1, Line 4 _____ %

Are there any employees leased in the year covered by this return? Yes No

If Yes, please provide the name, address and FID number of the leasing company.

Name: _____

Address: _____

FID Number: _____

GENERAL INSTRUCTIONS

RETURN OR EXTENSION DUE APRIL 17, 2018 OR 15TH DAY OF FOURTH MONTH AFTER CLOSE OF FISCAL YEAR. MUST ATTACH COMPLETE COPY OF FEDERAL RETURN INCLUDING ALL SCHEDULES/FORMS/STATEMENTS

WHO MUST FILE A BROOK PARK BUSINESS RETURN PH-NP

Every Corporation, Pass-through entity (S corporation, Partnership, Limited Liability Company) Estate or Trust who conducts a business in Brook Park as defined by the Brook Park Income Tax Ordinance must file a Net Profit return on its business activity WHETHER OR NOT A TAX IS DUE.

WHERE AND WHEN TO FILE

File with the Tax Administrator, City of Brook Park, 6161 Engle Road Brook Park, OH 44124 on or before the due date. Fiscal year taxpayers shall file on or before the 15th day of the fourth month following the close of their fiscal year. A short fiscal year (a fiscal year of less than twelve months) must file by the 15th day of the fourth month after the short fiscal year ends.

EXTENSION

The Administrator may extend the time for filing the annual return upon request of the taxpayer. The extended due date of the Brook Park income tax return shall be the same of the granted Federal Extension.

A COPY OF YOUR FEDERAL EXTENSION OR FEDERAL CONFIRMATION NUMBER MUST BE SENT/POSTMARKED ON OR BEFORE THE ORIGINAL DUE DATE OF THE CITY TAX RETURN. AN EXTENSION TO FILE IS NOT AN EXTENSION OF TIME FOR PAYMENT.

You will be assessed penalty and interest for late payments. Note: Even if you have zero liability, a minimum penalty (\$25) will be charged if your extension is not received as specified above. The extension does not apply to your Declaration or first quarter payment for 2018.

DECLARATION OF ESTIMATED TAX – Who Must File

A Declaration of estimated tax must be filed by every business entity anticipating a net profit in the current year which is subject to the Brook Park Income Tax.

PAYMENT OF ESTIMATED TAX

If the total amount of tax due for the year is less than \$200.00, it may be paid in full when filing your tax return on or before the due date or the fourth month after the end of the fiscal year. If the total amount of tax due for the year is \$200.00 or more, payments must be made in quarterly installments. A PENALTY by quarter will be assessed for late payment, non-payment, or underpayment of estimated tax. **NET PROFITS (due dates for calendar year filer 4/17, 6/15, 9/15, 12/15)**

Net Profits shall be determined on the basis of the information used for Federal Income Tax purposes adjusted to the requirements of the Brook Park City Income Tax Ordinance and ORC 718.01 – See Schedule X Instructions.

SCHEDULE X – Items not Deductible, Items not Taxable

Computation of Municipal Adjusted Federal Income: Begin with federal taxable income (FTI) as determined under the IRC for C Corporations line entitled: "Taxable income BEFORE net operating loss deduction and special deductions" and make the following adjustments.

In the case of a taxpayer that is not a C Corporation and is not an individual (i.e. pass-through entities), the taxpayer shall compute FTI as if the taxpayer were a C Corporation and make ALL the following adjustments.

Items not Deductible – Add

- Add back any losses that relate to the sale, exchange or disposition of an asset reported as Section 1221 or 1231 loss on Fed Tax Return.
- Add 5% of the amount deducted as intangible Federal 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).
- Add back taxes, State, Local, Ohio Franchise and other taxes paid or accrued based on net income.
- In the case of a real estate investment trust (REIT) or regulated investment company, add back all dividends, distributions, or amounts set aside for the benefit of investors.
- Add back guaranteed payment to partners or former members.
- Add back payments to a qualified/non-qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee, or federal self-employment tax.
- "Other" to include Depreciation Recovery for entities that are not C corporations, but are required by ORC 718 to file as C corporations, are subject to Section 291 depreciation recovery on Section 1250 property.

SCHEDULE X – Items not Taxable – Deduct

- Deduct income or gain that relate to the sale, exchange or disposition of an asset reported as Section 1221 or 1231 of IRC. This does not apply to the recapture of depreciation described in section 1245 or 1250 of IRC. Depreciation Recapture on

Tangible Personal Property and/or Real Property is Taxable.

- Deduct intangible income to the extent it is included in FTI. "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, royalties or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701 of the Revised Code, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

- Other Deductions: S Corporations and Partnerships may deduct items reported on Schedule K such as Section 179 depreciation and charitable contributions not to exceed 10% of the federal taxable income computed in accordance with federal regulations.

Note: To the extent that any particular item may fall into more than one adjustment, the taxpayer is prohibited from adding or deducting any amount more than once.

SCHEDULE Y – Business Apportionment

Net profits from a business or profession conducted both within and without the boundaries of Brook Park shall use the three-factor apportionment formula to apportion profits to Brook Park. This formula is equally weighted between property, payroll, and sales (as of tax year 2004 the property factor uses average original cost instead of net book value). If the apportionment formula does not produce an equitable result, another basis may be substituted, under uniform regulations. If books and records of the taxpayer are used as the basis for apportioning net profits rather than the business apportionment formula, a statement must accompany the return explaining the manner in which such apportionment is made.

SPECIAL NOTE: Sales and gross receipts in Brook Park mean:

- All sales of tangible personal property delivered within Brook Park regardless of where title passes if shipped or delivered from a stock of goods within Brook Park.
- All sales of tangible personal property delivered within Brook Park regardless of where title passes even though transported from a point outside of Brook Park if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within Brook Park and the sales result from such solicitation or promotion.
- All sales of tangible personal property shipped from a place within Brook Park to purchasers outside Brook Park regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

NET LOSS CARRY FORWARD

Operating Losses may be carried forward for a maximum period of five (5) years or until exhausted, whichever is earlier but may not be carried back. Taxpayers doing business both in and out of Brook Park who are entitled to allocate profits must also allocate losses accordingly.

REFUND OR OVERPAYMENT

An overpayment less than \$10.00 shall not be refunded but will be credited toward next year's tax liability.

PENALTIES AND INTEREST

Late Filing Penalty = \$25/with up to \$150.00 max

Late Payment Penalty = 15% amount owed

Interest = 6% per year on amount owed

LATE FILING PENALTY - If you file your tax return LATER than the due date, a late filing penalty will be charged.

LATE PAYMENT PENALTY AND INTEREST – If you file your tax return ON TIME (in person or postmarked on or before the due date) and **fail to pay the total tax due**, late Payment Penalty and Interest will be assessed.

PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX

A penalty of 15% is imposed for failing to pay estimated tax or for the underpayment of estimated tax.