

ST. BERNARD – TAX YEAR 2021
BUSINESS INCOME TAX RETURN INSTRUCTIONS

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

General Instructions:

If you are filing for any year other than 01/01/2021 through 12/31/2021, 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.

Check the appropriate box that corresponds to the filing status of the business.

Part A –TAX CALCULATION

LINE 1: Enter the Adjusted Federal Taxable Income (AFTI). As defined by Ohio Revised Code (ORC) 718.01 AFTI means a C corporation's federal taxable income before net operating losses and special deductions. Other business entities must compute the AFTI as if they were a C Corporation. Generally, this is the line titled "Income/(Loss) Reconciliation" on the Schedule K of the Form 1120S for Subchapter S Corporations or Line 1 page 4 of the Form 1065 Analysis of Net Income (Loss) for partnerships and Limited Liability Companies.

LINE 2: Enter the total adjustments from Schedule X.

LINE 3: Line 1 plus or minus Line 2.

LINE 4: Enter the apportionment percentage from Step 5 of Schedule Y. (See ORC 718.02)

LINE 5: Multiply Line 3 by Line 4.

LINE 6: Enter the amount of net operating losses apportioned to St. Bernard. Operating losses may be carried forward for a maximum period of five tax years. Deduct St. Bernard rental losses and loss carryforwards from prior years. Add St. Bernard rental income. *An explanatory schedule is required to support any adjustments made on this line.*

LINE 7: Line 5 plus or minus Line 6.

LINE 8: Multiply Line 7 by 2.1% (.021) for calendar year 2021.

LINE 9: Enter the amount of the overpayment from prior years credited to 2021.

LINE 10: Enter the amount of estimated tax payments including any amounts paid with an extension. Estimated payments may be subject to the underpayment of estimated tax penalty. Businesses must remit quarterly estimates equal to 100% of the prior year's tax or 90% of the current year's tax.

LINE 11: Enter any other credits applicable.

LINE 12: Line 9 plus Line 10 and 11.

LINE 13: If Line 8 is greater than Line 12, subtract Line 12 from Line 8, enter the tax due. Amounts less than \$10.00 are not payable.

LINE 14: With respect to returns other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars in assessed penalty for each failure to timely file a return. Calculate and enter on this line

LINE 15: With respect to unpaid income tax (P2) and unpaid estimated income tax (P3), a penalty equal to fifteen percent of the amount not timely paid shall be imposed. Interest (P1) shall be imposed at the rate defined as "interest rate as described in division (A) of this section", per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. This imposition of interest shall be assessed per month, or fraction of a month. Calculate and enter on this line.

LINE 16: If tax is due, add lines 13, 14, and 15. Enter here and remit payment in full or if making a declaration of estimate to line 20.

LINE 17: If line 8 is less than line 12, subtract line 8 from line 12 and enter amount on this line.

LINE 18: If amount is greater than \$10.00 and you want the amount refunded enter amount here.

LINE 19: If you have an overpayment, do you want the overpayment credited to tax year 2022 estimated tax liability enter it here.

Part B – DECLARATION OF ESTIMATED TAX FOR TAX YEAR 2022

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 St. Bernard tax liability to be ultimately determined shall have been paid by the due date of each installment payment.

LINE 20: Enter the amount of estimated income for 2022 using one of the two safe harbors above.

LINE 21: Enter the total tax due for 2022.

LINE 24: Divide Line 23 by 4 to determine the amount of estimated tax for the first quarter.

LINE 22: Enter the amount of credits from Line 19.

LINE 23: Subtract line 22 from line 21.

LINE 25: TOTAL AMOUNT DUE WITH RETURN Combine Line 16 and Line 24

Schedule X – Reconciliation with the Federal Return

- A. Enter the amount included in Line 1 of the Business Tax Return related to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code.
- B. Enter any taxes on or measured by net income included as a deduction in computing Line 1.
- C. Enter any guaranteed payments or similar payments made to partners, members or other owners that were deducted in arriving at the income amount on Line 1. This includes amounts related to self-employed retirement plans and health or life insurance for an owner or owner-employee.
- D. Enter 5% of the intangible income included in Line 1 of the Business tax return that is not directly related to the sale, exchange or other disposition of property described in Section 1221 or 1231 of the Internal Revenue Code.
- E. Add Real Estate Investment Trust distribution deductions allowed as a deduction in the computation of Federal Taxable Income.
- F. Other. Please provide a complete explanation. Examples: Losses from Flow-Thru Entities, Real Estate Rental Losses.
- G. Add Lines A through F.
- H. Enter the amount of the income that is included on Line 1 of the Business Tax Return that is directly related to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 or the Internal Revenue Code less the income and gain included in this amount that is described in Section 1245 or 1250 of the Internal Revenue Code.
- I. Enter the total amount of intangible income included in Line 1 of the Business tax return that is not directly related to the sale, exchange or other disposition of property described in Section 1221 or 1231 of the Internal Revenue Code.
- J. If Line 1 of the return includes other income exempt from municipal tax, enter on this Line, and explain.
- K. Add Lines H-J.
- L. Deduct Line K from Line G. Insert the net amount as an addition (or deduction) on Part A, Line 2.

Schedule Y – Apportionment to St. Bernard

- Step 1.** The original average cost of the real and tangible personal property owned or used by the taxpayer in St. Bernard during the taxable period to the original cost of all of the real and tangible personal property owned or used by the taxpayer during the same period, wherever situated.
Real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight.
Sum the amounts Located Everywhere and the amounts located in St. Bernard. Divide the St. Bernard total by the Everywhere total.
- Step 2.** Total compensation paid during the period to persons employed in the business for services performed in St. Bernard to total compensation paid during the same period to persons employed in the business everywhere. Do not include amounts paid to contractors.

- Step 3. Gross receipts of the business or profession from sales made and services performed during the taxable period within St. Bernard to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.
- Step 4. Calculate the total of the percentage derived in steps 1 through 3.
- Step 5. Divide the total derived in Step 4 by the number of percentage used. Insert this percentage on Part A, Line 4 of the return.