

2024 INSTRUCTIONS FOR PREPARING MUNICIPAL INCOME TAX RETURNS

SPECIAL NOTICE FOR PERSONS WHOSE ONLY SOURCE OF INCOME IS FROM WAGES AS SHOWN ON W-2 FORMS RECEIVED FROM YOUR EMPLOYER. YOU MAY ABBREVIATE THE FORM BY COMPLETING THE TWO BOXED IN AREAS AND THE ESTIMATE FOR 2025. ATTACH A COPY OF YOUR W-2 FORMS AND SIGN THE RETURN. IF YOUR EMPLOYER DID NOT PROVIDE YOU WITH ADEQUATE W-2 FORMS TO SUBMIT, YOU MAY SUBSTITUTE A LEGIBLE PHOTO COPY.

GENERAL INSTRUCTIONS

CITY OF PARMA HAS A MANDATORY FILING ORDINANCE

FILING: File your taxes via e-file, mail or drop off. If you choose for us to prepare your taxes, please include the following: preprinted tax form, all taxable forms of income, including W-2(s) and Federal schedules and your phone number. **DO NOT** include CASH!

WHO MUST FILE: Every resident 18 years or older regardless of earned income or net profit from any source whatsoever shall file a tax return. All such earnings wherever earned are considered taxable. The locations of the places from which payment is made or where payment is received is immaterial. Every business entity - (individual, proprietor, partnership, corporation, S - Corporations "Parma Businesses Only", must file and pay on the net profit tax returns.

SPECIAL NOTE: All resident business owners who file a Federal 1120S for a business not located within this municipality are not required to include this K-1 income/loss on your personal return.

SPECIAL NOTE: All non-resident businesses must comply with Ohio HB 5 which was enacted on 1/1/2016. State of Ohio Legislation passed a new 20 day rule for non-resident businesses. The new rule states all withholding tax is retroactive to day one once the threshold of 20 days is achieved by the non-resident business.

PERSONS UNDER EIGHTEEN (18) YEARS OF AGE are not subject to tax. If tax was withheld for Parma from their wages, a refund request form should be filed. Copies are available from the Taxation Division upon request.

EARNED INCOME is defined as salaries, wages, commissions, income from gaming, wagering and lotteries, including Ohio State lottery winnings over the amount of \$600.00, and other compensation and would include but not be limited to: bonuses, incentive payments, directors fees, property in lieu of cash, tips, dismissal or severance pay, and awards, tax shelter plans, vacation, wage continuation plans, supplemental unemployment benefits, deferred compensation i.e. (401K, 403B, etc.) depreciation recapture and other compensation earned, received, or accrued.

INCOME NOT TAXABLE includes dividends, interest, military pay and allowances, insurance proceeds, pensions, annuities, alimony, third party sick pay, social security, medicare, poor relief, unemployment insurance benefits, gifts, inheritances, scholarships, involuntary conversions, royalties and other revenue from intangible property. The income of religious, fraternal, charitable or other non-profit associations are exempt from the tax if exempt from real estate tax or exempt by the enumeration in section 718.01 of the Ohio Revised Code or Section 501(a) of the Internal Revenue Code. As of January 01, 2005, Distributive shares from Sub-Chapter S Corp. earned outside of Parma are no longer taxable.

JOINT RETURNS - file a joint return if both husband and wife have earnings

FILE on or before the IRS's due date following the close of the calendar year. If the return is for a fiscal year or any period less than a year, the return should be filed by the 15th day of the fourth month from the end of the fiscal year or other period. Tax returns from individuals or joint accounts are due by April 15 or the IRS's due date if different than April 15 for the preceding tax year.

EXTENSIONS OF TIME TO FILE: A copy of the Automatic Federal Extension must be attached to the Parma Return. An extension grants time to file the return **ONLY**. All taxes due must be paid in full no later than the IRS's filing due date. Returns on a Federal Extension must be filed by the 15th of the month which the Federal Extension ends.

PENALTIES AND INTEREST: Are imposed for failure to file a return or pay the tax due; failure to have 90% or more of the tax paid in on estimated taxes.

EXEMPTIONS AND ITEMIZED DEDUCTIONS as available on individual federal income tax returns are not allowed. The municipal income tax is based on gross earnings.

COLUMN 1

This column is to list each work city separately. Continue across the rows to the right of each city listed. Follow the instructions for each column as listed below.

COLUMN 1A

Using Box 5 of Medicare Wage or Box 18 Local Wage, whichever is the highest wage on the W-2.

NOTE: If your employer did not withhold on all your City taxable wages, list wages taxed by your work City separate from your wages not taxed. Cities tax gross wages before any deductions, except Section 125 plans, (deferred compensation plans and deferred retirement plans **ARE** taxed by the City in the year which you earn the income.)

COLUMN 1B

Enter the amount of taxes withheld for the City of Parma (including any Parma residence tax withheld) in this column.

COLUMN 1C

Enter taxes withheld for other cities where wages were earned as listed in column 1.

COLUMN 1D

To compute you must know your work city tax rate located in Chart A on page 3 of these instructions. Go to Chart B (tax credit reduction). In B-1, locate your work city tax rate and go to corresponding tax credit in B-2. Multiply the credit from B-2 times the amount entered in column 1A for that work city. Enter the result on the same line in column 1D. Repeat the above process for each entry in column 1A.

NOTE: Tax credit is to be computed on wages which were subject to the proper withholding by work city. If you have any questions, please contact the Tax Department at (440) 885-8045.

COLUMN 1E

Enter the **smaller** of Column 1C or 1D.

COLUMN TOTALS

Add entries in Column 1A, enter in column total and line 2.

Add entries in Column 1B, enter in column total and line 9B.

Add entries in Column 1E, enter in column total and line 9C.

LINE 2

IF ONLY SOURCE OF INCOME IS WAGES, ENTER TOTAL OF COLUMN 1A ON LINE 2 AND LINE 7 AND PROCEED TO LINE 8 (SKIP LINES 3 THRU 6C). If you have other income, enter total of column 1A on line 2 and complete the rest of the return.

LINE 3

Total other income as defined as all other income not reported on W-2. (See income taxed by cities)

Losses from page 2 enter in ()

NOTE: Income from wagering, schemes of chance and lottery winnings are to be included on this line. Ohio State Lottery winnings are allowed a \$600 deduction off gross winnings for the year.

Losses from other income **cannot** offset W-2 wages.

LINE 4

Total of line 2 and line 3.

(If line 3 is a loss it cannot be deducted from line 2)

LINE 5A, 5B & 5C

Used to make adjustments when line 4 includes income not taxable and/or items not deductible for city tax purposes. Schedule X is used.

LINE 6A

Is the result of line 4 plus line 5A and less line 5B.

LINE 6B

The income tax ordinance recites a formula (Schedule Y) to determine the percentage of income attributable to this city by business entities **ONLY (does not apply to Parma residents)** conducting business activity both within and outside this city. If Schedule Y is used, bring the average percentage from line 6 of Schedule Y to the percentage line of line 6B. Multiply line 6A by this percentage and enter the result on line 6B.

LINE 6C - (See BUSINESS LOSSES)

Taxpayers doing business both in and outside of this city who allocate profits via Schedule Y must also allocate losses accordingly.

LINE 7

Total income subject to city income tax.

LINE 8

Parma City income tax (multiply Line 7 times tax rate of 2.5%). Enter results on line 8.

LINE 9 PAYMENTS AND CREDITS

NOTE: Credit for school district income taxes not allowed.

A. Enter the total of estimate payments plus prior year overpayment credits for this year.

B. Enter total of Column 1B.

2024 INSTRUCTIONS

- C. Enter total of Column 1E.
If work city credits are claimed and later refunded, an amended Parma return must be filed reflecting the change.
- D. DIRECT PAYMENT TO OTHER CITIES
 This credit applies only if the other income (WAGES WITH NO TAXES WITHHELD, business income, rental property, Schedule K-1 income, etc.) is included on this return. If direct payments were made to other cities on this income, The City of Parma will allow a credit based on Chart B. To use Chart B, you must first know your other city's income tax rate found in Chart A on page 3 of these instructions. Locate your other city's tax rate in B-1 and find the corresponding credit in B-2. Multiply the credit from B-2 times other income. Enter the **smaller** of the allowable tax credit calculation from above or the actual taxes paid.
NOTE: Attach a copy of other city tax return. Credit will not be allowed without it. Residence tax paid to other cities cannot be claimed on this return.
- E. Total of line 9A through 9D.

LINE 10 TAX DUE - If the result on Line 10 is less than \$10.00 see the instructions on Line 13

LINE 11 PENALTY & INTEREST

- A. Penalty and interest are imposed for failure to file a tax return by April 15 or the IRS's due date if different than the April 15th for the preceding tax year and no tax extension was granted. Penalty & Interest charges are imposed for failure to pay 90% or more of the tax due in the current tax year. Penalty charge of \$25.00 is imposed on returns not timely filed and up to \$150 on all unfiled returns prior to 2022!
 Penalty charges on unpaid income tax and unpaid estimated income tax: a municipal corporation can impose a penalty equal to 15% of the amount of tax not timely paid. Interest charges are .83% a month plus 5% for a calendar

THIS IS A ONE TIME ASSESSMENT PER EACH CALENDAR YEAR
NOTE: Interest applies to any unpaid balance of tax due if not paid by the due date of a tax return even if the return is filed under a Federal Income Tax Extension.

LINE 12 BALANCE DUE

Add lines 10 and 11C.
LINE 13 OVERPAYMENT - If line 10 or 12 is showing a credit over **\$10.01** you are entitled to a refund or tax credit to be applied to your first quarter estimate income tax. Remember to offset your first quarter estimated tax payment by the amount of the overpaid credits. If you request a refund, refunds take 12 weeks to process and mail.

NOTE: Changes pursuant to ORC 718.011 – Municipal tax on qualifying wages
Requirements for a Parma resident working remotely and requesting a refund:

- 1) Taxpayer must have a signed letter from their employer
- 2) Proof of tax filing for a refund and payment received from work location
- 3) Filing & payment to the City of Parma Division of Taxation

Requirements for a Parma non-resident working remotely and requesting a refund:

- 1) Taxpayer will have a signed letter from employer stating they have been working from home
- 2) Refund application signed by company's payroll manager
- 3) Proof of taxes paid directly to resident municipality's tax department
- 4) Copy of the resident municipality's income tax return
- 5) Refund will be issued after compliance on all requested documentation

LINE 14 NOTE: Taxpayers who anticipate a net tax due to Parma Division of Taxation in excess of \$200 in the current tax year are required to file a Declaration of Estimated Tax due by completing Line 14. Effective 1/01/2023 estimated income taxes will have filing deadlines: 1st quarter 4/15, 2nd quarter 6/15, 3rd quarter 9/15, 4th quarter 1/15/2026.

A. ESTIMATE TAX LIABILITY

**Parma's Income Tax Rate will be 2.5%.
 Parma's Income Tax Credit will be 100% of 2%, but cannot exceed the Employment City's Income Tax Rate.**

This is the expected amount of income tax due the City of Parma for the next tax year. If you have City taxable income earned/sourced in Parma on which no Parma

taxes have been withheld or paid, 2.5% will be owed on this income. For all other income earned or generated outside of Parma, see Chart C on the bottom of Page 3. **Example** — If you earned \$40,000.00 in a 2% work city outside of Parma, your **Estimated Tax** balance due will be \$200.00. **Example** - \$40,000 x .5% = \$200.00. This will be your total tax estimate for the year.

LINE 15 TOTAL DUE TO THE CITY OF PARMA

Returns received without payment will be subject to a \$25.00 penalty. **Refer to Line 11 for additional penalty & interest charges.**
Be sure to write your Parma account number on your check or money order. If the balance of tax due is less than \$10.00 no payment is required.

PLEASE SIGN YOUR NAME AND OBTAIN A SPOUSE'S SIGNATURE ON A JOINT RETURN AND DATE IT.

TAXPAYER MUST ATTACH COPIES OF YOUR FEDERAL 1040 INCOME TAX FILINGS, W-2 STATEMENTS, COPIES OF ALL APPLICABLE CITY RETURNS AND FEDERAL SCHEDULES - C, E, K-1 & 1099, ETC. INCLUDE A SUMMARY SHEET IF NECESSARY. THIS RETURN WILL BE IN NON-COMPLIANCE UNLESS THESE DOCUMENTS ARE PROVIDED.

EXAMPLE OF TAX RETURN

2024 City of Parma Income Tax Return
 www.cityofparma-oh.gov

Mail return to THE CITY OF PARMA, DIVISION OF TAXATION, P.O. BOX 94734, Cleveland, OH 44101-4734. Tax returns are due by April 15th or by IRS's due date if different than April 15th. taxoffice@cityofparma-oh.gov 440-885-8045

PARMA ACCOUNT NO. _____

IF YOU MOVED OR HAD ANY CHANGE IN STATUS DURING 2024, THIS BLOCK MUST BE COMPLETED.
 Date moved into Parma _____
 Previous Address _____
 Date moved out of Parma _____
 Present Address _____
 If retired, give date _____
 Other Status Change & Date _____
 DATE OF BIRTH, IF UNDER 18 IN 2024: _____

Filing Status: Individual Joint Corporation Partnership Amended Return Final

Your Social Security Number _____
 Spouse's Social Security Number _____
 Filing for 2024 calendar year
 Filing for fiscal year ending _____

COLUMN 1	COLUMN 1A	COLUMN 1B	COLUMN 1C	COLUMN 1D	COLUMN 1E
LIST EACH WORK CITY	Total Wages (As shown on W-2 Form)	Withheld for Parma	Withheld for Other Cities	% of Col. 1A See Instructions	Lesser of Column 1C or 1D
\$	\$	\$	\$	\$	\$
COLUMN TOTALS	\$	\$	\$	\$	\$

1) WAGES AND COMPENSATION (Highest amount in box 5 or 18 on W2s) CAUTION: A copy of all W-2 Forms MUST be attached.

2) ENTER TOTAL OF COLUMN 1A. SEE INSTRUCTIONS BEFORE GOING TO LINE 3

3) INCOME OTHER THAN WAGES FROM PAGE 2 (ATTACH FEDERAL SCHEDULES)

4) TOTAL INCOME (TOTAL OF LINE 2 AND LINE 3) (DO NOT DEDUCT LOSS FROM W-2 INCOME)

5) (A) ITEMS NOT DEDUCTIBLE (FROM LINE M SCHEDULE X) ADD \$ _____
 (B) ITEMS NOT TAXABLE (FROM LINE Z SCHEDULE X) DEDUCT \$ _____
 (C) ENTER EXCESS OF LINE 5A OR 5B _____ 5C \$ _____

6) (A) ADJUSTED NET INCOME (LINE 4, PLUS OR MINUS LINE 5C) IF SCHEDULE X IS USED _____ 6A \$ _____
 (B) AMOUNT ALLOCABLE TO PARMA _____ % OF LINE 6A NON-RESIDENT BUSINESSES ONLY _____ 6B \$ _____
 (C) LESS ALLOCABLE NET LOSS PER PREVIOUS CITY INCOME TAX RETURNS (SUBMIT SCHEDULE) _____ 6C \$ _____
 7) AMOUNT SUBJECT TO CITY INCOME TAX (LINE 6A OR 6B LESS LINE 6C) _____ 7 \$ _____

8) PARMA CITY TAX, 2.5%. MULTIPLY TOTAL OF LINE 7 BY 2.5% _____ 8 \$ _____

9A) ESTIMATED PAYMENTS AND PRIOR YEAR CREDIT _____ 9A \$ _____
 9B) WITHHELD FOR PARMA (FROM 1B) _____ 9B \$ _____
 9C) CREDIT FOR OTHER CITIES (FROM 1E) _____ 9C \$ _____
 9D) DIRECT PAYMENTS TO OTHER CITIES (SEE INSTRUCTIONS) _____ 9D \$ _____
 9E) TOTAL PAYMENTS AND CREDITS (ADD LINES 9A THROUGH 9D) _____ 9E \$ _____

10) TAX DUE, LINE 8 LESS LINE 9E IF OVERPAID SEE INSTRUCTIONS _____ 10 \$ _____
 11) PENALTY AND INTEREST, 11A PENALTY \$ _____ 11B INTEREST \$ _____ (ADD LINE 11A & 11B) _____ 11C \$ _____

12) BALANCE DUE (COMBINE LINES 10 & 11 C) _____ 12 \$ _____
 13) OVERPAYMENT (IF LINE 12 IS LESS THAN ZERO) CREDIT TO 2025 ESTIMATED TAX _____ 13B (IF OVER \$10.01) \$ _____
 13A (REFUND (IF \$10.01 OR MORE) \$ _____

DECLARATION OF ESTIMATED TAX FOR YEAR 2025

14) ESTIMATED TAX (SEE INSTRUCTIONS)
 A. ESTIMATED TAX LIABILITY 2025 NOTE TAX RATE & CREDIT CHANGE 14A \$ _____
 B. QUARTERLY ESTIMATED TAX DUE, 1/4 OF 14 A LESS CREDIT FROM 13B _____ 14B \$ _____
 15) TOTAL DUE CITY OF PARMA (ADD LINES 12 AND 14B) MAKE CHECK PAYABLE TO: CITY OF PARMA DIV. OF TAX _____ 15 \$ _____

I CERTIFY I HAVE EXAMINED THIS RETURN, INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT IS TRUE AND CORRECT.

Signature of Person Preparing, if Other Than Taxpayer _____ Date _____
 Name and Address of Firm _____ Phone _____
 Signature of Taxpayer or Agent _____ Date _____
 Signature of Spouse if Joint Return _____ Date _____
 Taxpayer Email Address _____

May the city discuss this return with the tax preparer? () Yes () No

See Page 3 for E-File Instructions.

2024 INSTRUCTIONS

PARMA CITY TAX RETURNS ARE COMPLETED FREE OF CHARGE BY THE PARMA CITY TAX DEPT.

Parma's tax rate is 2.5%. Parma's tax credit is 100% up to 2%, but cannot exceed employment city's tax rate. This means if you work outside of the City of Parma you will owe.

2024 E-FILE INSTRUCTIONS

With your assigned account number, you will be able to fill out, file, and if need be pay your taxes on line. You can simply access the City website at www.cityofparma-oh.gov. Click on "Department" and then on "Taxation". At that point you will be prompted to click on the tax filing link. The user friendly system will prompt you through the steps to E-File your city taxes. **You must be able to upload your W2s and schedules to access return.**

2024 CHART A

AKRON	2.5%	HIGHLAND HTS.	2%	PENINSULA	2%
ASHTABULA	1.8%	HIGHLAND HILLS	2.5%	PEPPER PIKE	1%
AURORA	2%	HIRAM	2.25%	PERRY VILLAGE	2.0%
AVON	1.75%	HUDSON	2%	RAVENNA	2.5%
AVON LAKE	1.5%	INDEPENDENCE	2%	REMINDERVILLE	1.5%
BARBERTON	2.25%	KENT	2.25%	RICHFIELD	2.0%
BATH-JEDD	2.5%	KIRTLAND	2%	RICHMOND HTS	2.25%
BAY VILLAGE	1.5%	LAKESWOOD	1.5%	ROCKY RIVER	2.0%
BEACHWOOD	2%	LINNDALE	2%	SANDUSKY	1.25%
BEDFORD	3%	LORAIN	2.5%	SEVEN HILLS	2.5%
BEDFORD HTS	2%	LORDSTOWN 7-1-2023	1.5%	SHAKER HTS	2.25%
BEREA	2%	LYNDHURST	2.0%	SHEFFIELD LAKE	2%
BOWLING GREEN	2%	MACEDONIA	2.5%	SHEFFIELD VILLAGE	2%
BRATENAHL	2%	MADISON	1%	SOLO	2%
BRECKSVILLE	2%	MANSFIELD	2.0%	SOUTH EUCLID	2%
BROADVIEW HTS	2%	MAPLE HTS	2.5%	SOUTH RUSSELL	1.25%
BROOKPARK	2%	MAYFIELD HTS	1.50%	STOW	2%
BROOKLYN	2.5%	MAYFIELD VILLAGE	2%	STREETSBORO	2%
BROOKLYN HTS	2.5%	MEDINA	1.25%	STRONGSVILLE	2%
BRUNSWICK	2%	MENTOR	2%	TOLEDO 1-1-21	2.5%
BURTON	1%	MENTOR ON THE LAKE	2%	TWINSBURG	2.0%
CHAGRIN FALLS	1.85%	MIDDLEBURG HTS	2%	UNIVERSITY HTS	2.5%
CHARDON	2%	MORELAND HTS	1%	VALLEY VIEW	2%
CLEVELAND	2.5%	NEWBURG HTS	2%	VERMILION	1.5%
CLEVELAND HTS	2.25%	N OLMSTED	2%	WADSWORTH	1.4%
COLUMBUS	2.5%	N PERRY VILLAGE	1%	WALTON HILLS	2.5%
CUYAHOGA FALLS	2%	N RANDALL	2.75%	WARRENSVILLE HTS	2.6%
CUYAHOGA HTS	2.5%	N RIDGEVILLE	1%	WESTLAKE	1.5%
DAYTON	2.5%	N ROYALTON	2%	WICKLIFFE	2%
EAST CLEVELAND	2%	NORTHFIELD	2%	WILLOUGHBY	2%
EASTLAKE	2%	OAKWOOD VILLAGE	2.5%	WILLOUGHBY HILLS	2%
ELYRIA	2.25%	OBERLIN	2.5%	WILLOWICK	2%
EUCLID	2.85%	OLMSTED FALLS	1.5%	WOODMERE	2.5%
FAIRLAWN	2%	ORANGE	2%	WOOSTER	1.5%
FAIRVIEW PARK	2%	PAINSVILLE	2%	YOUNGSTOWN	2.75%
GARFIELD HTS	2%	PARMA	2.5%		
GLENWILLOW	2%	PARMA HTS	3%		

Note Change

Parma's Income Tax Rate is 2.5%.

Parma's Income Tax Credit is 100% up to 2%, but cannot exceed the Employment City's Income Tax Rate.

CHART B - TAX CREDIT REDUCTION 2024

B-1 WORK CITY TAX RATE	NO TAX	.5%	1%	1.35%	1.5%	1.75%	2%	2.25%	2.5%	2.85%	3%
B-2 TAX CREDIT ALLOWED	0%	.5%	1%	1.35%	1.5%	1.75%	2%	2%	2%	2%	2%

*For any work city with a tax rate higher than 2% the credit is 2%. Any questions on tax rates not listed, call the Tax Department.

CHART C - CALCULATION OF ESTIMATE TAX 2025

WORK CITY TAX RATE	NO TAX	.5%	1%	1.35%	1.5%	1.75%	2%	2.25%	2.5%	2.85%	3%
% OWED TO PARMA	2.5%	2%	1.5%	1.15%	1%	.75%	.5%	.5%	.5%	.5%	.5%

2024 SCHEDULE INSTRUCTIONS

REAL ESTATE AGENTS

Commissions received by real estate agent or broker relating to sale, purchase or lease of real estate shall be issued to municipal corporation in which the real estate is located.

BUSINESS OR RENTAL LOSSES

The net losses from self-employed business, professional or rental property allows for current year offsetting of all Schedule **income and losses** of residents of taxing municipalities only for residence tax purposes.

* Includes Schedule C, E & F owned by the resident.

*Includes pass-through income & losses of the resident.

All resident business entities must attach copies of the Federal Schedule C for each business. An individual taxpayer engaged in two or more taxable business activities in a single municipality may include them on the same return. If your business activity was conducted in more than one municipality, see **SCHEDULE Y**.

Accounting methods used must be identical to that used for Federal Income Tax reporting.

A copy of your Federal 1040, Sch. C, Sch E & F, 1065, 1120, & 1120S must be attached.

SCHEDULE G When the gross monthly rental of any and all real properties aggregates in excess of \$125.00 per month, the owner is considered engaged in a business activity and the net income shall be subject to the tax. Information on this schedule must correspond to Schedule E, Part II as filed with the Internal Revenue Service, using the same method of depreciation. Rental losses may not be used to offset wages earned.

SCHEDULE H This schedule is used to list all other taxable income not reported elsewhere on this return. Types of income to be reported here are: *partnership, estates, trusts, fees, tips, prizes, awards, commissions, supplemental unemployment benefits, property in lieu of cash, excess business expense reimbursement, refunds of local taxes to business entities if deducted in a prior year, taxable income from all other sources.

SCHEDULE X is used for the purpose of making adjustments when total income (line 4) includes income not taxable and/or items not deductible for city purposes. Enter the amounts of any such items in **Schedule X** and carry totals (line M and line Z) respectively to lines 5(a) and 5(b).

Line A - Capital losses from the sale, exchange or other disposition of property shall not be taken into consideration in arriving at net profits earned.

Line B - If you have deducted non-taxable income (line Z), expenses attributable to this non-taxable income shall not be allowed as a deduction from the remaining taxable income. In the absence of records showing the actual expenses attributable to such non-taxable income, the minimum shall be deemed to be 5% of the non-taxable income.

Line C - Would include Federal, State, Local and other taxes based on income.

Line N - Capital gains from the sale, exchange or other disposition of property shall not be taken into consideration in arriving at net profits earned. However, refer to **Schedule D instructions**.

Line Q - Would include items listed in the general instructions as: Income Not Taxable, as well as compensation or like reimbursement for damages (except for loss of profits), involuntary conversion, cancellation of indebtedness, income of a decedent's estate during the period of administration (except business income), items of income already taxed by the State of Ohio from which this municipality is specifically prohibited from taxing, income which is prohibited from taxation by the Constitution of the United States and the State of Ohio or any Act of Congress or the Ohio General Assembly.

SCHEDULE Y A business apportionment formula consisting of the average of property, gross receipts and wages paid, may be used by business entities not required to pay tax on entire net profits, by reason of doing business both within and without this municipality. However, if the books and records of the taxpayer shall disclose with reasonable accuracy the net profit attributable to this municipality, then only this portion shall be considered as having a taxable situs in this municipality.

[step 2(b)]:

1. All sales of tangible personal property which is shipped from this municipality to purchasers outside of this municipality 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.

2. All sales of tangible personal property which is delivered within this municipality regardless of where title passes, even though transported from a point outside this municipality, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.

3. All sales of tangible personal property which is delivered within this municipality regardless of where title passes, if shipped or delivered from a stock of goods within this municipality.

Special Note: All non-resident businesses refer to Page 1 - Who Must File

SCHEDULE Z Must be completed by all partnerships and associations filing returns. Amounts shown in this schedule must correspond with amounts reported in Schedule C or Schedule H. Attach a schedule if you need more space.

FOR FURTHER INFORMATION PHONE (440) 885-8045