

2021 Tipp City Business Income Tax Return Instructions

Please include a copy of your federal return to support the figures used on your Tipp City tax return. Deductions and credits not supported by the proper documentation may be disallowed. If on a Federal extension, you will need to include a copy of the extension with the Tipp City return unless a copy was previously submitted. A Tipp City return received without any notice of an extension will be subject to all late filing fees.

Section A 2021 Tax Calculations

Line 1: Enter the Federal starting 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 total dollar amount of items that are not deductible on your city return (page 2, Schedule X, line K) (No deduction is allowed for federal tax credits that reduce corresponding operating expenses).

Line 3: Enter the total dollar amount of items that are not taxable on your city return (page 2, Schedule X, line R).

Line 4: Adjusted Federal taxable income before apportionment.

Line 5: Pre-apportioned losses from tax years beginning on or after January 1, 2017. Please note: Tipp City did not allow net operating loss (NOL) deductions prior to tax year 2017, so no pre-2017 losses can be used. The amount of net operating loss that can be used on your 2021 business return is limited to 50% of the available loss or 50% of the 2020 income, whichever is less. Any remaining NOL can be carried forward for up to five years.

Line 6: Enter your pre-apportioned net profit, line 4 less line 5.

Line 7: Enter your apportionment percentage from page two, Schedule Y, Step 5.

Line 8: Municipal taxable income, line 6 multiplied by line 7.

Line 9: Municipal income tax due, line 8 multiplied by 1.5%.

Line 10: Enter the amount of estimated tax payments and/or prior-year credit. You can view your total payments and credits online at www.municconnect.com/tippcity/login.aspx. You may also call the tax department at 937-667-8426 for your total.

Line 11: If the tax due on line 9 is greater than the total credits on line 10, enter the balance due. If the credits are greater than the tax due, enter zero on line 11 and continue to line 12. Note: If the amount of tax shown due on line 11 is \$10 or less no payment is due.

Line 12: If the total credits on line 10 are greater than the tax due on line 9, enter the amount overpaid (line 12). Next, tell us how you want the overpayment distributed (refunded, credited or split between the two). Note: If the amount of overpayment is \$10 or less no refund or credit will be granted.

Line 13a: Taxpayers may be subject to underpayment penalty and interest if the proper amount of estimated taxes are not paid into Tipp City on or before December 15th of the current tax year. Please refer to Section 718.08 of the Ohio Revised Code (ORC) for more details. The penalty is 15% of the amount underpaid and the applicable interest rate for tax year 2022 is 5% per annum or .42% per month (or fraction thereof).

Line 13b: If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 11.

Line 13c: If filed after due date, enter the amount of interest due. The applicable interest rate for 2022 is 5% per annum or .42% per month (or fraction thereof) of the amount reported on line 11.

Line 13d: If filed after the due date, a late filing penalty is imposed at the rate of \$25 per month (or fraction thereof) not to exceed \$150. This penalty is due in addition to all other penalty and interest and is imposed even if no tax is due.

Line 14: Add the amounts reported on lines 13a, 13b, 13c and 13d. This is your total penalty, interest and late filing fee.

Line 15: Add the amounts reported on lines 11 and 14. This is the balance of tax, penalty, interest and late filing fees due. No payment is due if balance is \$10 or less.

2022 Declaration of Estimated Tax (Taxpayers who anticipate owing \$200 or more in Tipp City income taxes in tax year 2022 are required to complete Section B)

Line 16: Enter the amount of estimated income for 2022 and multiply by 1.5%. If the result is less than \$200, estimated payments are not required.

Line 17: Multiply line 16 by 25% to determine the amount of estimated tax due for the first quarter.

Line 18: Enter the amount of credit carryover from 2021, if any.

Line 19: Enter the net estimated tax due if line 17 less line 18 is greater than zero.

Total due with this return: Add lines 15 and 19. Make check payable to Tipp City Tax.

Sign and date the return.

Mail completed return, payment and supporting documents to:

Tipp City Tax Department
260 S. Garber Dr.
Tipp City, OH 45371

Questions can be directed to the tax department anytime Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. using the contact information below:

Phone: (937) 667-8426
Fax: (937) 667-6734
[Email: incometax@tippcity.net](mailto:incometax@tippcity.net)

Disclaimer: Directions are instructional only. The Tipp City Income Tax Code and the Ohio Revised Code supersede any interpretation presented.