

2016 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 extension, you will also need to include a copy of your extension request 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 2016 Tax Calculations

Line 1: Enter 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 page 2, Schedule X, line S. (No deduction is allowed for federal tax credits that reduce corresponding operating expenses).

Line 3: Add lines 1 and 2.

Line 4: Enter the apportionment percentage from page 2, Schedule Y, step 5.

Line 5: Multiply line 3 by line 4.

Line 6: Multiply line 5 by 1.5%.

Line 7: Enter the amount of estimated tax payments and/or prior-year credit. You can now view your total payments and credits online at <https://www.municconnect.com/tippcity/login.aspx>.

Line 8: Line 6 less line 7.

Line 9a: Penalty & interest for underpayment of estimated income tax. Taxpayers are to have 90% of their estimated tax liability paid on or before December 15th of the tax year. When a taxpayer does not meet this requirement, they may be subject to penalty and interest on the amount underpaid. The penalty is 15% of the amount underpaid and interest is 5% per annum or .42% per month (or fraction thereof).

Line 9b: If filed after the due date, enter the amount of penalty due. The penalty is 15% of the amount due on line 8.

Line 9c: If filed after the due date, enter the amount of interest. The interest rate is 5% per annum or .42% per month (or fraction thereof) of the amount due on line 8.

Line 9d: 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. Enter the applicable amount.

Line 10: Add the amounts reported on lines 9a, 9b, 9c and 9d. This is your total penalty, interest and late filing fee.

Line 11: Add the amounts reported on lines 8 and 10. This is the balance of tax, penalty, interest and late filing fees due. No payment is due if this balance is \$10 or less. If this total reflects an overpayment, enter the amounts to be refunded and/or credited on line 12. No refund or credit will be issued if the amount overpaid is \$10 or less.

Line 12: Enter the amount of overpayment from line 11 to be refunded and/or credited to 2017.

Section B 2017 Declaration of Estimated Tax (Must be completed by taxpayers who anticipate owing \$200 or more in Tipp City income tax in 2017.)

Line 13: Enter the amount of estimated income for 2017 and multiply by 1.5%. If the result is less than \$200, estimated payments are not required.

Line 14: Multiply line 13 by 22.5% to determine the amount of estimated tax due for the first quarter.

Line 15: Enter the amount of credit from line 12.

Line 16: Enter the net estimated tax due if line 13 less line 14 is greater than zero.

Total due with this return: Add lines 11 and 16. Make check payable to Tipp City Tax.

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

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