

# GENERAL INFORMATION FOR BUSINESS ENTITIES

## **1. WHO MUST FILE**

All business entities having gross receipts, employees, or assets, or performing services or in any other way conducting business within the City of Englewood, whether or not any income was earned or any tax is due, are required to file an annual return.

All resident business entities including trusts, corporations, S-Corporations, joint ventures, partnerships, and other businesses are required to file an annual return on an entity basis.

Non-resident business entities, including corporations, S-Corporations, joint ventures, partnerships and other businesses that conduct business, perform services, have a location or have income (or losses) in Englewood are required to file an annual return on an entity basis.

NOTE: Anyone receiving a notification letter has an active account and will need to file a return. All accounts remain in active status until a "final" return is filed.

## **2. DUE DATE**

Returns are due by April 15 following the close of the calendar year; or within 3½ months of the end of the year for those businesses on a fiscal year basis.

## **3. EXTENSIONS**

An extension of time to file does not extend the time to pay the tax.

Interest will be assessed on any tax remaining unpaid after the original due date. Additionally, there is not a provision for extending the current year first quarter estimate payment.

Extension request forms may be obtained from the tax office and our website: [www.englewood.oh.us](http://www.englewood.oh.us).

## **4. SUPPORTING DOCUMENTS**

Documentation is necessary to verify all amounts of taxable or nontaxable incomes, expenses, deductions, and credits.

The following are examples (examples only, not all inclusive) of types of forms and schedules to attach as applicable: Form 1120, Form 1120-S, Form 1065, Schedules A, K, and K-1, pages 1 & 2 of Form 4797, and all other supporting schedules and statements.

Those taxpayers claiming deductions for commissions paid, contract labor, and the like, must provide a schedule showing a breakdown of amounts paid, and how much of said work was in Englewood, the name to whom amounts were paid with addresses and social security numbers or federal identification numbers. Copies of Form 1099(s) may be sent in lieu of the schedule.

## **5. RENTALS**

Net rental earnings from all types of real estate or other property or equipment are taxable if located within Englewood. An annual return is required even though a loss may have been incurred.

## **6. STATUS CHANGES**

Taxpayers with name, address, or other status changes or reorganizations must file those changes with the Income Tax Department within 30 days of the change.

## **7. AMENDED RETURNS**

An amended return is necessary for any year in which an amended Federal return is filed or in which your Federal tax liability has changed. An amended return must be filed within 90 days of the filing date of any amended Federal return and must include a copy of the amended Federal return.

## **8. CONSOLIDATED RETURNS**

The Income Tax Department will accept consolidated returns from property affiliated subsidiary corporations. The Income Tax Department may require or disallow the filing of a consolidated return when certain transactions, apportionments, or other circumstances appear to distort the net profits allocable to Englewood.

## **9. DECLARATION OF ESTIMATED TAX**

Every taxpayer who anticipates having income tax due of \$200.00 or more must file an annual declaration of estimated tax. At least 90% of the current year tax liability or 100% of the previous year liability must be paid by January 15<sup>th</sup>. Failure to pay estimated taxes timely may result in a penalty and interest assessment. Quarterly coupons are available on our website: [www.englewood.oh.us](http://www.englewood.oh.us).

## **10. OPERATING LOSSES**

Under the provisions of the Income Tax Ordinance of Englewood, there may be no carry-forward nor carry-back of operating losses for tax years 2017 and before. Beginning in tax year 2018 thru 2021, up to 50% of the previously unused 2017 or after net loss can be used to offset the current year taxable income before apportionment. This offset is limited to the lesser of 50% the total available net loss or 50% of the current year taxable income before net operating loss carry forward is applied. Tax year 2022 and moving forward 100% of the net operating loss carry forward is allowable to offset the net profit.

## **11. LATE FILING FEE – PENALTIES AND INTEREST**

When returns are filed after the due date by business entities required to file an annual Englewood return, a late filing fee of \$25.00 per month is assessed without regard for the amount of tax due for tax years 2016 – 2022. As of 2023 return the Late filing fee is \$25.00 per return.. Late filing fees will be assessed even though no tax may be due.

## **12. ASSISTANCE**

For assistance in preparing this return, or if you have any questions, please contact our office. We are located in the Englewood Municipal Building at 333 W National Road, Englewood, Ohio.

Office hours are 8:00 A.M. to 4:30 P.M. Monday through Friday.

Phone (937) 836-5106 or Fax (937) 771-2891 or visit our website at: [www.englewood.oh.us](http://www.englewood.oh.us).

# BUSINESS INCOME TAX RETURN INSTRUCTIONS

**ATTN: This return is to be used by Business Entities Only (Corporations, S-Corporations, Partnerships, and other businesses required to file on an entity basis.) Individual/Joint filers, including those filing a Schedule C should use the Individual Return. All supporting schedules from the Federal Tax Return must be attached to this return.**

## SECTION A

### LINE 1

Enter applicable amount for the City of Englewood per the attached Federal return. Attach copies of Federal return and all applicable schedules, statements, and other supporting documentation.

### LINE 2

Enter amount, if any, from Schedule X, Line M.

### LINE 3

Enter amount, if any, from Schedule X, Line Z.

### LINE 4

The taxable income is Line 1 plus Line 2 less Line 3.

### LINE 5

If there is no unutilized Net Loss, skip to Line 7.

Enter up to 50% of the 2017 or after Net Operating Loss not previously utilized for tax years 2018 thru 2021, starting in tax year 2022 the full net operating loss is allowable, but not to exceed the taxable income on Line 4

### LINE 6

Line 4 minus Line 5.

### LINE 7

If the business entity is located within the city limits of Englewood, then this equals Line 6.

If the business is located outside the city limits of Englewood, and allocated a portion of the earnings in Schedule Y to Englewood, multiply Step 7 percentage from Schedule Y by Line 6 to get the portion of earnings that is taxable to the city.

### LINE 8

Multiply Line 7 by 1.75%.

### LINE 9-A

Enter the total of any estimated taxes paid.

### LINE 9-B

Enter amount of any prior year overpayments that have been carried forward.

### LINE 9-C

Enter total of Line 9-A and Line 9-B.

### LINE 10

Line 8 minus Line 9-C.

If Line 8 is greater than Line 9-C, a balance is due and payment must accompany this return. (If balance is \$10.00 or less, no payment is necessary, but the return will still need to be filed.)

If Line 8 is less than Line 9-C, proceed to Line 13.

### LINE 11

If your return is filed after the due date, a Late Filing Fee of \$25.00 per month may be added and a Penalty and Interest assessment will be made as applicable.

### LINE 12

Enter the total of Line 10 and Line 11.

### LINE 13

If Line 9-C is greater than Line 8, enter the amount to be refunded (13-B) and/or the amount to be credited to your next year tax liability (13 – A).

## SECTION B

A Declaration of Estimated tax must be filed by every business entity that expects to receive taxable income that would result in tax due of \$200.00 or more. Coupons are available on our website: [www.englewood.oh.us](http://www.englewood.oh.us) for use in making quarterly estimated tax payments. Upon filing the final return, penalty and interest charges will be assessed if at least 90% of the final tax liability, or 100% of the prior year tax liability, was not received by January 15<sup>th</sup>.

### LINE 14

Enter the estimated amount of taxable income where indicated and show the amount of tax estimated to be due.

### LINE 15

Enter 1/4 of Line 14. This is the quarterly amount due.

### LINE 16

If you indicated a Credit to Next Year on Line 13-A, show the amount on Line 16. The overpayment will be applied to your first quarterly payment. If the overpayment is greater than the first quarterly payment, the difference will be applied to the next payment(s) due.

### LINE 17

Subtract Line 16 from Line 15. This is the amount of estimated tax due with this return. (Coupons to be used for making the remaining quarterly payments are available at the Tax Office and on our website: [www.englewood.oh.us](http://www.englewood.oh.us).)

### LINE 18

Enter the total of Line 12 plus Line 17. Make checks payable to the City of Englewood.

## SECTION X

On the reverse of Form BR-1, is for those partnerships, corporations, and other business entities needing to reconcile items from their Federal return that are not taxable or not deductible for city purposes. The total of Line M should be used on Line 2 and the total of Line Z should be used on Line 3.

## SECTION Y

On the reverse of Form BR-1 is a Business Apportionment Formula used to compute the portion of net profits allocable to Englewood. If the Business Apportionment Formula is used, the average percentage arrived at on Step 5 should be used to calculate the portion of income that is taxable to Englewood on Line 7.

## SECTION Z

On the reverse of Form BR-1, is the reconciliation of the withholding tax.

### LINE A

Enter the amount of wages from the Federal Return or the apportionment from Schedule Y on Step 3.

### LINE B

Enter the amount of wages from the reconciliation of the withholding tax on Form W-3.

### LINE C

If Line A and Line B do not match please give a detailed explanation of the reason for the difference.