

INSTRUCTIONS FOR PREPARING BUSINESS INCOME TAX RETURNS

SCHEDULE C All business entities must complete this schedule. If you had more than one business, a separate schedule C must be completed for each business. An individual taxpayer engaged in two or more taxable business activities in a single municipality may include them in the same return. The net loss of one may be used to offset net profit of another. The net loss from a business activity may not be used to offset earned income such as salaries and wages.

If line 26 from Federal Schedule C is greater than what was reported for withholding purposes, furnish an explanation.

Rent expense on line 20 from Federal Schedule C will not be allowed unless name(s) of landlord(s) are furnished.

If line 27b exceeds 10% of line 28 from Federal Schedule C, separate itemization is required.

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. If aggregate gross rentals are less than \$125.00 per month, do not complete this section. Information on this schedule (including the complete address of **each** Wickliffe property) must correspond to Schedule E and be attached, as filed with the Internal Revenue Service,

using the same method of depreciation. Attach a schedule if you need more space. Rental losses may not be used to offset earned income such as salaries and wages.

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, gambling and **lottery winnings**, 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 2) includes income not taxable and/or items not deductible for city purposes. For use by taxpayers that are not C Corporations and are not individuals. Ohio law prohibits taxpayers that are not C Corporations and not individuals from claiming a deduction for payments to a qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee, or federal self-employment tax. Report all such payments on Line (H) and/or Line (I). Intangible income (i.e., **INTEREST, DIVIDENDS** or **ROYALTIES**) will **NOT** be allowable deductions on Schedule X, Resolution #1988-27.

Loss Carried Forward If a loss carried forward is applicable, place that amount on this line. No portion of a net operating loss shall be carried back against net profits of any prior year.

TOTAL FROM LINE 23 Enter on page 1, Line 2. If amount is negative place a **zero** on line 2.

**PLEASE NOTE:
RETURNS WILL NOT BE PROCESSED
UNLESS ALL APPROPRIATE FEDERAL SCHEDULES ARE ATTACHED.**

CARRY FORWARD OF LOSSES ARE LIMITED TO FIVE YEARS