



Business Tax Return 2022

OR
FISCAL PERIOD _____ TO _____

Calendar Year Taxpayers file on or before April 18, 2023
Fiscal Year Due on 15th Day of 4th Month After Year End

City of Cincinnati

Income Tax Division
PO Box 637876
Cincinnati OH 45263-7876
Phone: (513) 352-3847
E-file available at:

<https://web2.civacmi.com/Cincinnati>

Did you file a City Return last year? <input type="checkbox"/> YES <input type="checkbox"/> NO	Is this a Combined Corporate Return? <input type="checkbox"/> YES <input type="checkbox"/> NO	Should your account be inactivated? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, please explain:
Account Number: _____ FID #: _____ Name: _____ Email: _____ Address: _____ City/State/Zip: _____	Filing Status (Check one) <input type="checkbox"/> C-Corporation <input type="checkbox"/> S-Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership/Association <input type="checkbox"/> Fiduciary (Trusts and Estates) <hr/> <input type="checkbox"/> Amended Return <input type="checkbox"/> Refund (<i>Amount must be entered on Line 13 to be a valid refund request</i>)	
PLEASE PROVIDE CURRENT ADDRESS		

Part A	2022 TAX CALCULATION			
1.	Adjusted Federal Taxable Income (Enclose Copy of Federal Return) From Form _____ Line _____		\$	
2.	Adjustments (From Line L, Schedule X).....		\$	
3.	AFTI after Schedule X (Line 1 plus/minus Line 2).....		\$	
4 a.	NOL deduction (50% limitation)... *see House Bill 5 NOL instructions attached.....		\$	
4 b.	Apportionment percentage (From Step 5, Schedule Y) _____ %.....			
5.	Cincinnati taxable income (Multiply Line 3 by Line 4b OR use MTI amount from calculation, see 4a).....		\$	
6.	Other separately stated items. Cincinnati stock options deducted from adjusted federal taxable income and Cincinnati rental income or (loss).....		\$	
7.	Amount subject to Cincinnati income tax (Line 5 plus or minus Line 6).....		\$	
8.	Cincinnati income tax (Multiply Line 7 by 1.8% [.018]).....		\$	
9 a.	Estimates paid on this year's liability.....	\$		
9 b.	Credits applied to this year's liability.....	\$		
10.	Total payments and credits (Lines 9a + 9b)		\$	
11.	Tax due (Subtract Line 10 from Line 8) (Amounts less than \$10.00 are not due)		\$	
12.	Overpayment (Line 10 greater than Line 8).....	\$		Federal Extension filed If yes, attach copy
13.	Amount to be refunded (Amounts less than \$10.00 will not be refunded)	\$		Yes <input type="checkbox"/>
14.	Credit to next year.....	\$		No <input type="checkbox"/>

Part B	DECLARATION OF ESTIMATED TAX FOR 2023			
15.	Total Estimated Income Subject to Tax.....		\$	
16.	Cincinnati Estimated Income Tax Due (Multiply Line 15 by 1.8% [.018]).....		\$	
17.	Quarter One Estimated Tax Due Before Credits (at least 25% of Line 16).....		\$	
18.	Less Credits (from Line 14 above) or Amounts Already Paid on This Year's Liability.....		\$	
19.	Net Estimated Tax Due if Line 17 Minus Line 18 is Greater Than Zero*.....		\$	
20.	TOTAL AMOUNT DUE —Combine Line 11 above with Line 19 (Make checks payable to "City of Cincinnati" or pay online at https://web2.civacmi.com/Cincinnati)		\$	

** Subsequent estimated payments are due by the 15th day of the 6th, 9th and 12th months after the beginning of the taxable year.
 *Failure to remit timely estimated payments will result in the assessment of interest and penalties.
 If the total estimate due after applicable credits for 2023 is less than \$200.00, then no declaration is required.

The undersigned declares that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated and that the figures used herein are the same as used for Federal Income Tax purposes and understands that this information may be released to the Internal Revenue Service.

Signature of Person Preparing Return	PTIN	May the City Tax Division discuss this return with the preparer shown to the left? () YES () NO	Signature of Officer or Agent	Date
Name of Person Preparing Return	Phone Number		Name and Title	Phone Number

SCHEDULE X—RECONCILIATION WITH FEDERAL INCOME TAX RETURN

ITEMS NOT DEDUCTIBLE	ADD	ITEMS NOT TAXABLE	DEDUCT
A. Capital Losses (Sec. 1221 or 1231 included)	_____	H. Capital Gains.....	_____
B. Taxes on or measured by net income	_____	I. Intangible income	_____
C. Guaranteed Payments to partners, retired partners, members or other owners.	_____	J. Other income exempt (Explain).....	_____
D. Expenses attributable to non-taxable income (5% of Line I.)	_____	_____
E. Real Estate Investment Trust Distributions.....	_____	_____
F. Other.....	_____	_____
.....	_____	_____
.....	_____	_____
G. Total Additions.....	\$ _____	K. Total Deductions.....	\$ _____
L. Deduct Line K from Line G. Insert the net amount as an addition (or deduction) on Part A, Line 2			\$ _____

SCHEDULE Y—BUSINESS APPORTIONMENT FORMULA

	a. Located Everywhere	b. Located in Cincinnati	Percentage (b / a)
STEP 1. Original cost of real and tangible personal property.....	_____	_____	_____
Gross annual rentals paid multiplied by 8.....	_____	_____	_____
TOTAL STEP 1.....	_____	_____	_____
STEP 2. Wages, salaries, and other compensation paid *See Schedule Y-1.....	_____	_____	_____
STEP 3. Gross receipts from sales made and services performed.....	_____	_____	_____
STEP 4. Total percentages (Add percentages from Steps 1-3)			_____
STEP 5. Average percentage (Divide total percentage by number of percentages used—Carry to Part A, Line 4)			_____

***SCHEDULE Y-1 RECONCILIATION TO FORM W-3 (WITHHOLDING RECONCILIATION)**

Total wages allocated to Cincinnati (from Federal Return or apportionment formula).....	\$ _____
Total wages shown on Form W-3 (Withholding Reconciliation).....	\$ _____

Please explain any difference:

Are there any employees leased in the year covered by this return? YES NO

If YES, please provide the name, address and FID number of the leasing company.

Name: _____

Address: _____

City/State/Zip

FID Number: _____

DIRECT DEPOSIT INFORMATION
(REFUNDS ONLY)

For convenience and accuracy, we recommend that taxpayers have the refund direct deposited to a bank account.
Enter banking information below. Requesting a check to be mailed could result in delays receiving your refund.
(This information is for the refund only and not for tax due amounts.)

Routing #																			
Account #																			

Checking Savings

**CITY OF CINCINNATI 2022
BUSINESS INCOME TAX RETURN INSTRUCTIONS**

Office Phone: (513) 352-3847 Website: www.cincinnati-oh.gov/citytax
Mail to: PO Box 637876, Cincinnati OH 45263-7876

Returns must be filed by everyone required to submit a Declaration of Estimated Tax, even though the Declaration was accurate and paid in full.

Returns filed after the due date of the return will be assessed a late filing penalty of \$25.00/month (maximum \$150.00). In Part A, indicate if a Federal Extension was filed.

This form is to be used by all entities other than sole proprietorships and single member limited liability companies. Sole proprietors and single member limited liability companies must file on the Individual Income Tax Return.

General Instructions:

If you are filing for any year other than 01/01/2022 through 12/31/2022, indicate the year of the tax return with beginning and ending dates. Fiscal year taxpayers should use the beginning year of the fiscal period as the year of the tax return.

1. If you received a pre-printed form containing incorrect information, make the necessary corrections to the form. If the form is not pre-printed, please enter the information in the spaces provided for name, address and EIN/FID number.
2. Complete the box that pertains to the filing of a city return in the previous year, the combined corporate return question and whether or not the account should be inactivated. If your account should be inactivated, provide an explanation. If this is a final return, give the reason why. If you sold the business, provide the name, address and phone number of the purchaser on a separate attachment.
3. Check the appropriate box that corresponds to the filing status of the business.
4. If you are amending a tax year, place an "X" in the box marked AMENDED and be sure to indicate the year that you are amending in the space provided. Include your amended Federal Return or documentation pertaining to the Internal Revenue Service Audit.

Part A –TAX CALCULATION

LINE 1: Enter the Adjusted Federal Taxable Income (AFTI). As defined by Ohio Revised Code (ORC) 718.01 AFTI means a C-Corporation's federal taxable income before net operating losses and special deductions. Other business entities must compute the AFTI as if they were a C-corporation. Generally this is the line titled "Income/ (Loss) Reconciliation" on the Schedule K of the Form 1120S for subchapter S-Corporations or Line 1 page 5 of the Form 1065 Analysis of Net Income (Loss) for partnerships and limited liability companies.

LINE 2: Enter the total adjustments from Schedule X.

LINE 3: Line 1 plus or minus Line 2.

LINE 4a: If reporting NOL (2017 and after), please use NOL instructions attached. **Effective with tax year 2017** - Net Operating losses are computed prior to the application of the allocation percentage. Schedule Y, if applicable, must be completed to be considered a complete tax return. Operating losses may be carried forward for a maximum period of five tax years. **An explanatory schedule is required to support any adjustments made on this line.** (See CMC Section 311-21)

LINE 4b: Enter the apportionment percentage from Step 5 of Schedule Y. (See CMC Section 311-17, Rules and Regulations R17 and ORC 718.02.

LINE 5: Multiply Line 3 by Line 4b **OR MTI amount from calculation (see line 4a).**

LINE 6: The amount entered in this space should include the amount of stock option compensation included in adjusted federal taxable income for Cincinnati employees and Cincinnati rental income. Deduct Cincinnati rental losses and the amount of net operating losses carried forward from previous years that you are claiming in this year. **Effective with tax year 2017** - Net Operating losses are computed prior to the application of the allocation percentage. Schedule Y, if applicable, must be completed to be considered a complete tax return. Operating losses may be carried forward for a maximum period of five tax years. **An explanatory schedule is required to support any adjustments made on this line.** (See CMC Section 311-21). See State of Ohio NOL guidelines attached.

LINE 7: Line 5 plus or minus Line 6.

LINE 8: Multiply Line 7 by 1.8% (.018)

LINE 9a: Enter the amount of estimated tax payments including any amounts paid with an extension. Estimated payments may be subject to the underpayment of estimated tax penalty. Businesses must remit quarterly estimates equal to 100% of the prior year's tax or 90% of the current year's tax.

LINE 9b: Enter the amount of the overpayment from prior years credited to 2022 and the amount of certified Jobs Credits.

LINE 10: Line 9a plus Line 9b.

LINE 11: If Line 8 is greater than Line 10, enter the tax due. **(Amounts less than \$10.00 are not due)**

LINE 12: If Line 10 is greater than Line 8, enter the overpayment.

LINE 13: Enter the amount to be refunded. **(Amounts less than \$10.00 will not be refunded)**

LINE 14: Enter the amount to be credited to tax year 2023 estimated tax liability.

Part B – DECLARATION OF ESTIMATED TAX FOR 2023

*The taxpayer shall base the estimated tax on the preceding full year's tax liability, or on the preceding three-month period, annualized for the remainder of the year, and updating this estimate by amendment as necessary each succeeding three-month period so that at least 90 percent of the annual Cincinnati tax liability to be ultimately determined shall have been paid by estimate within one month following the close of the tax year. **If the total estimate due after applicable credits for 2023 is less than \$200.00, then no declaration is required to be filed.***

LINE 15: Enter the amount of estimated income for 2023 using one of the two safe harbors above.

LINE 16: Enter the total estimated tax due for 2023

LINE 17: Divide Line 16 by 4 to determine the amount of estimated tax for the first quarter.

LINE 18: Enter the amount of credits from Line 14.

LINE 19: Enter and remit the net estimated tax due if Line 17 minus Line 18 is greater than zero. This is the first of four quarterly estimated tax payments. The second payment is due on the 15th day of June and is equal to the total estimated tax on Line 16 divided by 4 less any overpayment still available from prior years. The third payment is due on the 15th day of September and the final estimated payment is due on the 15th day of December.

LINE 20: Combine Line 11 and Line 19 to determine the total amount due.

Payment options:

By mail: Check, Cashier's Check or Money Order payable to "City of Cincinnati"

In office: Check, Cashier's Check or Money Order payable to "City of Cincinnati" or Cash

Pay online at <https://web2.civicacmi.com/Cincinnati> * with credit card (2.5% service fee) or bank account

*Payment website is maintained by a 3rd party vendor

Schedule X – Reconciliation with the Federal Return

- A. Enter the amount included in Line 1 of the Business Tax Return related to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code. This includes the 1231 loss reported on Form 4797.
- B. Enter any taxes on or measured by net income included as a deduction in computing Line 1 of the Business Tax Return.
- C. Enter any guaranteed payments or similar payments made to partners, members or other owners that were deducted in arriving at the income amount on Line 1. This includes amounts related to self-employed retirement plans and health or life insurance for an owner or owner-employee.
- D. Enter 5% of the intangible income included in Line 1 of the Business Tax Return that is not directly related to the sale, exchange or other disposition of property described in Section 1221 or 1231 of the Internal Revenue Code.
- E. Add Real Estate Investment Trust distributions allowed as a deduction in the computation of Federal Taxable Income.
- F. Other. Please provide a complete explanation. Examples: losses from flow-thru entities, 10% charitable contribution limitation.
- G. Add Lines A through F.
- H. Enter the amount of the income that is included on Line 1 of the Business Tax Return that is directly related to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code less the income and gain included in this amount that is described in Section 1245 or 1250 of the Internal Revenue Code.
- I. Enter the total amount of intangible income included in Line 1 of the Business Tax Return that is not directly related to the sale, exchange or other disposition of property described in Section 1221 or 1231 of the Internal Revenue Code. Intangible income generally includes, but is not limited to interest, dividends, copyrights and patents. For further clarification, refer to Section 311-9-12 of the Cincinnati Municipal Code.
- J. If Line 1 of the return includes other income exempt from municipal tax, enter on this line and provide an explanation.
- K. Add Lines H-J.
- L. Deduct Line K from Line G. Insert the net amount as an addition (or deduction) on Part A, Line 2.

Schedule Y – Apportionment to Cincinnati (CMC 311-17)

Step 1. Compute the percentage of the original average cost of the real and tangible personal property owned or used by the taxpayer in the City of Cincinnati during the taxable period to the original average cost of all of the real and tangible personal property owned or used by the taxpayer during the same period, wherever situated. If the records showing the value of mobile tangible personal property owned or used in the City of Cincinnati are not available, the business may use the sales factor percentage derived in Step 3 as the determinant for mobile equipment in Step 1.

Real property shall include property rented or leased by the taxpayer. The value of such property shall be determined by multiplying the annual rental thereon by eight.

Step 2. Compute the percentage of total personal compensation paid during the period for services performed in the City of Cincinnati to total personal compensation paid during the same period for all business locations. Do not include amounts paid to contractors.

Step 3. Compute the percentage of the gross receipts of the business or profession from sales made and services performed during the taxable period in the City of Cincinnati to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.

Step 4. Calculate the total of the percentages derived in Steps 1 through 3.

Step 5. Divide the total derived in Step 4 by the number of percentages used. Insert this percentage on Part A, Line 4 of the return.

NOL INSTRUCTIONS

MNP 2018-04: Net Operating Loss Deductions—October 2018

This information release explains how the net operating loss (NOL) deductions available for the municipal net profit tax for taxable years 2018 and thereafter are calculated. This is not intended to be a comprehensive guide to NOLs; rather it is an explanation of how two separate categories of NOLs will operate in the calculation of municipal net profit tax liability. This guidance only applies to taxpayers that have opted in for state administration of the municipal net profit tax.

Introduction

House Bill 5 (H.B. 5), as passed by the 130th General Assembly, established uniformity in the administration and calculation of the municipal income tax. As part of this municipal income tax reform, all municipal corporations are required to allow an NOL deduction with a five-year carryforward period. The H.B. 5 provision requiring the NOL deduction is effective for losses incurred in taxable years beginning on or after January 1, 2017. To lessen the revenue impact for those municipal corporations that had not previously allowed an NOL deduction, H.B. 5 included a five-year phase-in period wherein the amount of newly-permitted NOLs claimed in taxable years 2018 through 2022 may not exceed “more than [50%] of the amount of the deduction otherwise allowed[.]” R.C. 718.01(D)(3).² In effect, this ensures that the mandatory NOL deduction, on its own, cannot reduce taxpayers’ municipal taxable income to zero during the phase-in period. For taxable years 2023 and beyond, the phase-limitation does not apply. In addition to the NOL deduction available for losses incurred in 2017 and thereafter, taxpayers are also permitted to claim NOLs incurred in prior years to the extent such NOLs were permitted by resolution or ordinance of a municipal corporation.

In House Bill 49 (H.B. 49), the 132nd General Assembly passed additional municipal income tax reform, and with it, offered business taxpayers the ability to opt-in for state administration of the municipal net profit tax. Under the authority granted to the tax commissioner in H.B. 49 as an administrator of the municipal net profit tax, this information release is intended to offer clarification of the law in Ohio Revised Code (R.C.) Chapter 718 as it relates to the two NOL deductions available to taxpayers for taxable years beginning in 2018 and thereafter.

NOL Deduction

The NOL deduction available to all municipal net profit taxpayers beginning in taxable year 2018 is described in R.C. 718.01(D). The NOL deduction is calculated and applied on a pre-apportionment basis, which is a significant departure from the treatment of old NOLs. For persons other than individuals, R.C. 718.01(D)(2) states, in pertinent part, that net profit “means adjusted federal taxable income reduced by any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017, subject to the limitations of division (D)(3) of this section.” The NOL deduction is further explained in R.C. 718.01(D)(3)(a):

The amount of such net operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.