FORM R-1040
NOT A FEDERAL RETURN

2012
VILLAGE OF RICHFIELD
BUSINESS TAX RETURN
DUE APRIL 15, 2013

FEDERAL I.D. #:

CHECK ONE:

☐ CALENDAR YEAR OR ☐ FISCAL YEAR BEGINNING_____ ENDING_____ (FILE WITHIN 105 DAYS AFTER ENDING)

PHONE (330) 659-9201 EXT 226

INDICATE FILING STATUS: ☐ INDIVIDUAL ☐ CORPORATION ☐ PARTNERSHIP ☐ OTHER (Explain) _____

OCCUPATION OR PRINCIPAL BUSINESS ACTIVITY

_____

IS THE BUSINESS ENTITY A RESIDENT OF RICHFIELD? ☐ YES ☐ NO

IF YOU MOVED DURING THIS TAX YEAR PLEASE ANSWER

MOVED INTO RICHFIELD ON _____

FROM _____

MOVED FROM RICHFIELD ON _____

TO _____

MAIL RETURNS TO:
DIVISION OF TAXATION
PO BOX 100
RICHFIELD OH 44286-0100

IF NAME OR ADDRESS IS INCORRECT MAKE NECESSARY CHANGES

PER ORD. "BUSINESS LOSSES CANNOT BE USED TO OFFSET W-2 SALARIES, WAGES AND OTHER COMPENSATION."

1. **TAXABLE** INCOME FROM PAGE 2 (SCHEDULES C, G, H, AND/OR Z) OR FEDERAL RETURN ..... $ _____
2. (a) ITEMS NOT DEDUCTIBLE (FROM LINE G SCHEDULE X PAGE 2) ..... ADD $ _____
   (b) ITEMS NOT TAXABLE (FROM LINE Q SCHEDULE X PAGE 2) ..... DEDUCT $ _____
   (c) ENTER DIFFERENCE OF LINE 2(a) AND 2 (b) ..... $ _____
3. (a) ADJUSTED NET INCOME (LINE 1, PLUS OR MINUS LINE 2(c) IF SCHEDULE X IS USED ..... $ _____
   (b) AMOUNT ALLOCABLE TO THIS MUNICIPALITY–IF SCHEDULE Y IS USED.....% OF LINE 3(a) ..... $ _____
4. LESS ALLOCABLE NET LOSS PER PREVIOUS CITY INCOME TAX RETURNS (Submit Schedule) ..... $ _____
5. AMOUNT SUBJECT TO CITY INCOME TAX LINE 3(a), OR 3(b) IF USED LESS LINE 4) ..... $ _____
6. MUNICIPAL INCOME TAX 2% OF LINE 5 ..... $ _____
7. CREDITS FOR PAYMENTS ON 2012 ESTIMATED TAXES ..... $ _____
   (DO NOT INCLUDE PENALTY & INTEREST PAYMENTS)
8. AMOUNT OF PRIOR YEAR CREDITS ..... $ _____
9. OTHER CREDITS (Specify) ..... $ _____
10. TOTAL CREDITS ALLOWABLE ..... $ _____
11. LATE FEE $25.00 PLUS INTEREST OF .5% PER MO. $_____ PLUS PENALTY OF 1% PER MO... $ _____ TOTAL $ _____
12. NET CREDITS ALLOWABLE (LINE 10 MINUS LINE 11) ..... $ _____
13. BALANCE DUE (LINE 6 LESS LINE 12) Payable To The Village of Richfield ..... $ _____
    If the Balance Due is Less Than $1.01 Payment Need Not Be Made ..... $ _____
14. OVERPAYMENT CLAIMED (IF LINE 12 EXCEEDS LINE 6, ENTER DIFFERENCE HERE) ..... $ _____
    (a) ENTER AMOUNT OF LINE 14 YOU WANT CREDITED TO YOUR 2013 ESTIMATED TAX ..... $ _____
    (b) TO BE REFUNDED (If the Overpayment is Less Than $1.01 No Refund will be Issued) ..... $ _____

DECLARATION OF ESTIMATED TAX FOR YEAR 2013

15. INCOME SUBJECT TO RICHFIELD VILLAGE TAX _____ @ TAX RATE 2% FOR GROSS TAX OF .... $ _____
16. LESS CREDITS:
    A. OVERPAYMENT FROM PRIOR YEAR(S) ..... $ _____
    B. PAYMENTS ON TAXABLE INCOME TO ANOTHER MUNICIPALITY ..... $ _____
    C. TOTAL CREDITS ..... $ _____
17. NET TAX DUE (LINE 15 LESS LINE 16c) ..... $ _____
18. AMOUNT PAID WITH THIS DECLARATION (1/4 OF LINE 17) ..... $ _____
19. TOTAL DUE (ADD LINES 13 AND 18) MAKE CHECK OR MONEY ORDER PAYABLE TO VILLAGE OF RICHFIELD ..... $ _____

I CERTIFY I HAVE EXAMINED THIS RETURN INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT IS TRUE, CORRECT AND THAT THE FIGURES USED HEREIN ARE THE SAME AS FOR FEDERAL INCOME TAX PURPOSES.
I authorize the Income Tax Division to discuss my account with my tax preparer. _____ (Tax payers initials are required)

_____ Signature of Person Preparing, If Other Than Taxpayer — Date

X _____ Signature of Taxpayer or Agent (Required) — Date

_____ Name and Address of Preparer — Phone

_____ Spouse's Signature (If Applicable) — Date

VILLAGE OF RICHFIELD FORM R–1040

ATTACH COPY OF FEDERAL RETURN & SCHEDULES IN LIEU OF SCHEDULES C, G, & H. OTHERWISE RETURNS WILL BE QUESTIONED IF ALL LINES APPLICABLE TO TAXPAYER ARE NOT COMPLETED.

SCHEDULE C Enter the Total from Federal Schedule C and Attach Copies ..... $ _____

SCHEDULE G Income from Rents – from Federal Schedule E and F

KIND & LOCATION OF PROPERTY	AMOUNT OF RENT	DEPRECIATION	REPAIRS	OTHER EXPENSES	NET INCOME (OR LOSS)

NET INCOME (or loss) SCHEDULE G.....$ _____

SCHEDULE H All Other Taxable Income–from Federal Schedule E

INCOME FROM PARTNERSHIPS, S CORPORATIONS, ESTATES & TRUSTS: FEES, TIPS, COMMISSIONS, AND MISCELLANEOUS

RECEIVED FROM	FOR (DESCRIBE)	AMOUNT

TOTAL INCOME SCHEDULE H .....$ _____

SCHEDULE Z Partners' Distributive Shares of Net Income–From Federal Schedule 1065K and 1099

1. NAME AND MUNICIPALITY OR TOWNSHIP OF EACH PARTNER	2. Resident		3. Distributive Shares of Partners		4. Other Payments	5. Taxable Percentage	6. Amount Taxable
	Yes	No	Percent	Amount			
				$	$		$
			100	$			

SCHEDULE X Reconciliation with Federal Income Tax Return–Enclose Complete Federal Return

ITEMS NOT DEDUCTIBLE	ADD
A. CAPITAL LOSSES – including federally reported losses that directly relate to the sale, exchange, or other disposition of an asset described in 1221 or 1231 of the IRC.	_____
B. TAXES BASED ON INCOME	_____
C. 5% OF AMOUNT DEDUCTED AS INTANGIBLE INCOME EXCLUDING PORTION DIRECTLY RELATED TO SALE, EXCHANGE, OR OTHER DISPOSITION OF PROPERTY DESCRIBED IN 1221 OF IRC	_____
D. AMOUNTS PAID OR ACCRUED TO QUALIFIED SELF-EMPLOYED RETIREMENT, HEALTH & LIFE INSURANCE PLANS FOR OWNERS OR OWNER-EMPLOYEES OF NON-C CORPORATION ENTITIES, OR SELF-EMPLOYMENT TAX	_____
E. REIT'S AND RIC'S–ALL AMOUNTS ALLOWED AS A DEDUCTION (SEE INSTRUCTIONS)	_____
F. OTHER: (ATTACH EXPLANATION)	_____
G. TOTAL ADDITIONS (enter on Line 2A)	_____

ITEMS NOT TAXABLE	DEDUCT
N. CAPITAL GAINS- federally reported income and gains from IRC 1221 or 1231 property dispositions except to the extent the income and gains apply to those described in IRC 1245 or 1250.	$ _____
O. INTANGIBLE INCOME SUCH AS INTEREST, DIVIDEND, PATENT AND COPYRIGHT INCOME	_____
P. OTHER: (ATTACH EXPLANATION)	_____
Q. TOTAL DEDUCTIONS (enter on Line 2B)	_____
	$ _____

SCHEDULE Y Business Allocation Formula

	a. LOCATED EVERYWHERE	b. LOCATED IN THIS MUNICIPALITY	PERCENTAGE (b ÷ a)
STEP 1. AVG. VALUE OF REAL & TANG. PERSONAL PROPERTY	_____	_____	
GROSS ANNUAL RENTALS PAID MULTIPLIED BY 8	_____	_____	
TOTAL STEP 1	_____	_____	_____%
STEP 2. GROSS RECEIPTS FROM SALES MADE AND/OR WORK OR SERVICES PERFORMED (SEE INSTRUCTIONS)	_____	_____	_____%
STEP 3. WAGES, SALARIES, AND OTHER COMPENSATION PAID	_____	_____	_____%
4. TOTAL PERCENTAGES.			_____%
5. AVERAGE PERCENTAGE (Divide Total Percentages by Number of Percentages Used.)			Carry to Line 3b

Village of Richfield, Ohio – Instructions for Business Income Tax Returns

GENERAL INSTRUCTIONS

Every business entity (individual, proprietorship, corporation, profession, etc.) whether a resident or non-resident, who conducts a business in this municipality must file a return and pay tax on the net profit.

FILING DATES

On or before April 15th, following the close of the calendar year. If the return is made for a fiscal year or any period less than a year, file within 105 days from the end of the fiscal year or other period.

EXTENSION TO FILE:

An extension with the Village of Richfield is conditionally approved by the Administrator. Request an extension by submitting a copy of the Federal Extension request on or before the original due date. The Extended due date is the last day of the month following the extension month approved by the IRS. AN EXTENSION TO FILE IS NOT AN EXTENSION OF THE TIME FOR PAYMENT OF THE TOTAL TAX LIABILITY.
If your tax liability is $200.00 or more, you should have paid estimated Tax. Extensions are not granted for filing the Declaration of estimated tax even though extensions may be granted for filing of the tax return.

PENALTY AND INTEREST

INTEREST is charged at the rate of .5% per month on all past due tax. PENALTY is charged at the rate of 1% per month on all past due tax. LATE PENALTY is $25.00 for filing return after due date.

SPECIFIC INSTRUCTIONS

HEADING – Print your name, address, social security or federal Identification number plainly, or make needed corrections if already imprinted. If you have moved in or out of Richfield during the year, please give date of move.

Line 1 – The total of schedules C, G, H and/or Z Income/Profit (Other income subject to the tax) brought forward from page 2.
Also, see instructions for schedules C, G & H.

Line 2(a), 2(b) & 2(c) are used to make adjustments when line 1 includes income not deductible/taxable for municipal tax purposes. Schedule X is used to reconcile income as used for federal purposes by subtracting such income items that are not taxable for municipal purposes and adding back deductions used for federal purposes which are not allowable for city purposes. Enter the amounts of any such item in Schedule X, and carry the totals of Schedule X, Lines (G) and (Q) respectfully to Lines 2(a) and 2(b). The difference between Lines 2(a) and 2(b) is to be entered on 2(c). Also see instructions for Schedule X.

Line 3(a) – The result of Line 1 plus or minus line 2(c), if schedule x is used.

Line 3(b) – The income tax ordinance contains a formula (Schedule Y) to determine the percentage of income attributable to the Village of Richfield by business entities conducting business activity both within and outside the Village of Richfield. If Schedule Y is used, bring the average percentage from line 5 of Schedule & to the % line of Line 3(b). Multiply Line 3(a) by this percentage and enter the result on Line 3(b).

Line 4 – Business entities may carry operating losses forward for a maximum period of five (5) years or until exhausted, whichever is earlier. No portion of a net operating loss shall be carried back against net profits of any prior year. Taxpayers doing business both in and outside of this municipality who allocate profits via Schedule Y must also allocate losses accordingly. A worksheet or schedule is required to support an operating loss claimed on the return.

Line 5 – The result of Line 3(a), or 3(b) is used, less Line 4.

Line 6 – Two percent (2%) of Line 5.

Line 7 – Enter total estimated payments made to the Village of Richfield for the tax year being reported.

Line 8 – Enter credit from prior year(s) (overpayment you indicated on the prior return to be credited against this year's tax).

Line 9 – Other credits (Specify)

Line 10 – The total of Lines 7, 8, and 9.

Line 11 – Penalty for failure to pay taxes due: one percent (1%) per month or fraction of a month thereof. All taxes remaining unpaid after they become due shall bear interest at the rate of one-half of one percent (.5%) per month or fraction of a month thereof.

Line 12 – Net Credits (Line 10 minus Line 11).

Line 13 – If Line 6 is greater than Line 12 the difference should be entered here. Remittance in this amount must accompany the return when filed. If this amount is less than $1.01, you do not have to pay. ***Make your check payable to the Village of Richfield***.

Line 14 – If Line 12 is greater than Line 6 the difference should be entered here. This amount will be transferred as a credit toward next year's tax unless you request a refund. Refunds of less than $1.01 are not made per the income tax ordinance.

SCHEDULE INSTRUCTIONS

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 your business activity was conducted in more than one municipality, also use schedule Y.

Accounting methods used must be identical to that used for federal reporting. We strongly suggest that a copy of your federal return (1040C & F, 1065, 1120, 1120S, etc.) and schedules be attached in lieu of completing Schedule C.

Schedule G When the gross monthly rental of any and all real properties aggregates in excess of $250.00 per month, the owner is considered engaged in a business activity. Tax information on this schedule must correspond to schedule E, part 1 as filed with the Internal Revenue Service, using the same method of depreciation.
Attach a schedule if you need more space.

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, 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 Z Must be completed by all partnerships and associations filing returns. Amounts shown in this schedule must correspond with amounts reported on your Federal Partnership Form. Attach a schedule if you need more space.

RECONCILIATION WITH FEDERAL INCOME TAX RETURN

In the case of a taxpayer that is not a C corporation and is not an Individual, the taxpayer shall compute FTI as if the taxpayer were a C corporation.

SCHEDULE X – This schedule is used for the purpose of making adjustments when total income (Line 1) includes income not taxable and/or items not deductible for municipal purposes. Enter the amounts of any such items in Schedule X and carry totals to Line G and Line Q respectively to Lines (2a) and (2b).

LINE A – Capital losses including losses directly related to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the I.R.C.

Line B – Includes federal, state, local, and other taxes based on income.

LINE C – Add 5% of the amount deducted as intangible income but not the portion of the intangible income related to the sale, exchange, or disposition of property described in section 1221 of the Internal Revenue Code.

LINE D – The taxpayer, in addition to the above adjustments, shall not be allowed 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.

LINE E – In the case of a real estate investment trust of regulated investment company, add all dividends distributions or amounts set aside for the benefit of investors and allowed as a deduction in the computation of FTI.

LINE N – Capital gains and income to the extent it directly relates to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the I.R.C. (Note: Do not include income or gain described in section 1245 or 1250 of the I.R.C.).

LINE P – Include items listed in the general instructions as Federal Income Not Taxable, as well as compensation or like reimbursement for damages, (except for loss of profits), involuntary conversion, cancellation of indebtedness, income of a descendant's income already taxable by the State of Ohio from which the Village of Richfield is specifically prohibited from taxing, and income which is prohibited from taxation by the Constitution of the United States and the State of Ohio or any Act of Congress or the Ohio General Assembly.

BUSINESS APPORTIONMENT FORMULA

SCHEDULE Y – A business appointment formula consisting of the average original cost of property, gross receipts, and wages paid must be used by business entities not required to pay tax on entire net profits by reason of doing business both within and without of the Village of Richfield. However, if the Business Apportionment Formula does not produce an equitable result, another basis (for example the books and records) may be substituted, once approved by the Village of Richfield.

Note: Sales and gross receipts in the Village of Richfield (Step 3) mean:

1. All sales of tangible personal property which is shipped from the Village of Richfield to purchasers outside of the Village of Richfield regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

2. All sales of tangible personal property which is delivered within the Village of Richfield regardless of where title passes, even though transported from a point outside the Village of Richfield, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.

3. All sales of tangible personal property which is delivered within the Village of Richfield regardless of where title passes, if shipped or delivered from a stock of goods within the Village of Richfield.

HOW TO TREAT A NET LOSS The portion of a net operating loss sustained in any taxable year, allocable to the Village of Richfield, may be applied against the portion of the profit of the succeeding year(s) allocable to the Village of Richfield until exhausted, but in no event for more than five (5) taxable years. No portion of a net operating loss shall be carried back against net profits of any prior year. The portion of a net operating loss sustained shall be allocated to the Village of Richfield in the same manner as provided herein for allocating net profits to the Village of Richfield. A worksheet or schedule is required to support an operating loss claimed on the return. The net operating loss of a business which loses its identity through merger, consolidation, etc. shall be allowed as a loss carry-forward deduction to the surviving business to the extent permitted by the Internal Revenue Code.

TAX RETURN CHECKLIST

1. Did you sign your tax return?
2. Did you enclose all supporting documents applicable? (Federal Schedules and Forms)
3. If you moved during the year, did you Indicate your new address?
4. IF LINE 19 IS GREATER THAN $200.00 YOU MUST ESTIMATE YOUR NEXT YEAR'S TAX AND MAKE QUARTERLY PAYMENTS.
5. Did you sign and enclose your check or money order if an amount is due? **Do not send cash or coins**.
6. MAIL RETURNS TO: DIVISION OF TAXATION
   PO BOX 100
   RICHFIELD OH 44286-0100