

# GENERAL INFORMATION

## **WHO MUST FILE**

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

## **WHEN AND WHERE TO FILE**

Returns must be filed on or before April 15th, or by the 15th day of the fourth month after the fiscal year end. File with: Whitehall Income Tax Division, 360 S Yearling Rd., Whitehall OH 43213-1894.

## **PAYMENTS & OVERPAYMENTS**

Payment of net tax due of less than five dollars (\$5.00) is not required nor will overpayments of less than \$5.00 be refunded or credited to your account against other liability. Payment due dates will not be extended for any reason; all taxes paid after the due date will be subject to late payment penalty, as well as, interest.

## **EXTENSIONS**

File a copy of your Federal extension request with the Tax office by the original due date of your year-end tax return, including payment of any tax estimated to be due. An extension request does not apply to the tax due nor does it apply to the current year Declaration of Estimated Tax and associated payments. An extension request will not be honored if you have delinquent tax matters and/or did not file a copy of the Federal extension by the original tax return due date.

## **ATTACHMENTS REQUIRED**

**Corporations** must attach copies of Pages 1 through 4 of their Federal Form 1120. Corporations who file their Federal return using Form 1120A should attach copies of Pages 1 and 2 of their 1120A.

**S-Corporations** must attach copies of Pages 1 through 4 of their Federal Form 1120S and copies of all K-1's. NOTE: Preparers should note each member's share of city income tax paid on each member's behalf on their respective K-1's.

**Partnerships/Associations** must attach Pages 1 through 4 of their Federal Form 1065 and copies of all K-1's. NOTE: Preparers should note each partner's share of city income tax paid on each partner's behalf on their respective K-1's.

**Fiduciaries/Trusts/Estates** must attach a copy of Page 1 of their Federal Form 1041. All taxpayers must attach copies of all 1099-MISC forms issued to central Ohio residents (if not already filed with the Tax Office) and copies of the following items (if applicable): Schedule of Other Income; Schedule of Other Deductions; Schedule A-Other Costs; Form 8825; Form 4797 (Pages 1&2); K-1's, etc.

**TAXABLE INCOME:** Whitehall Income Tax is levied at the rate of 2.5% (.025) on the portion of the allocated net profits from business or professional activities conducted within our boundaries. Net operating loss carry forwards and carry backs are not permitted, the following applies:

- (a) In the case of RESIDENT and NON-RESIDENT Associations (Partnerships, Limited Partnerships and Limited Liability Corporations (LLCs) treated as partnerships for Income Tax purposes): Whitehall requires that the partnership (or LLC) pay tax due on behalf of all affected partners. Guaranteed payments to partners and positive distributions to partners from special allocations must be included in the net profits.
- (b) In the case of Corporations (including S-Corporations and Limited Liability Companies (LLCs) treated as corporations for Federal Income Tax purposes) and Fiduciaries (Estates and Trusts, including Grantor Trusts): Whitehall requires that the corporation or fiduciary pay all tax due on their taxable income. Sub-Chapter S Corporations are taxed as regular C Corporations for city tax purposes, and must adjust their income accordingly and they must file this form. **SOLE PROPRIETORSHIP, FILE AN INDIVIDUAL RETURN NOT THIS FORM.**

## **NET PROFIT**

Net profit if the income from the operation of a business, profession or enterprise and from the use of propriety, after the provision from all ordinary and necessary expenses, either paid or accrued, in accordance with the accounting system used by the taxpayer for federal income tax purposes, adjusted to the requirements of the Whitehall Income Tax Ordinance. Note that City, Federal or State taxes based on income are not deductible in determining net profit.

## **SCHEDULE Y – APPORTIONMENT FORMULA**

**Allocation of Profits:** The business allocation percentage formula is to be used by corporations or non-resident business entities doing business within and outside of Whitehall.

**Determine the ratio of the Whitehall portion of:**

- (a) **Original value of real and tangible property including: buildings and other depreciable assets.**
- (b) **Total sales, regardless of where made.**
- (c) **Total compensation paid to all employees.**

Add ratios and divide by the number of ratios to obtain business allocation percentage. A ratio shall not be excluded from the computation because it is allocable entirely within or outside Whitehall. This computation is to be reported in Schedule Y.

## **OPERATING LOSSES**

Operating losses from prior years cannot be carried forward or backward to offset current year net gains.

## **CONSOLIDATED RETURNS**

A consolidated City tax return will be accepted from any affiliated group of corporations subject to Whitehall tax, if that group filed for the same tax reporting period, a consolidated return for federal tax purposes pursuant to Section 1501 of the Internal Revenue Code.

## **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 3 months of the filing date of any amended Federal return and must include a copy of the amended Federal return. Filing must include payment of any additional tax owed.

## **DECLARATION OF ESTIMATED TAX – CURRENT YEAR**

Any entity anticipating Whitehall tax liability of \$100.00 or more shall file a declaration of estimated tax and pay quarterly payments. The Estimate filing and first payment is due by 4/15 or by the 15th day of the 4th month after the beginning of the fiscal year.

A minimum payment equal to 22.5% of the gross estimate is due each quarter (4/15, 6/15, 9/15 & 12/15, or, for other than calendar year taxpayers by the 15th day of the 4th, 6th, 9th and 12th months of the taxpayer's tax year).

Safe harbor rules do apply. Non-filing and/or nonpayment, as well as, late filing and late payments will be subject to penalty and interest; billing will take place upon filing of the annual return.

## **PENALTY AND INTEREST**

Penalty for filing tax return or declaration after due date is:

\$25.00 – if tax return is late

\$10.00 – declaration not filed, or filed late.

Penalty and interest on tax paid after due date:

10% – of tax owed when paid late

1.5%, per month – interest on estimated tax payments and/or annual tax payment when paid late

## **CONFIDENTIALITY AND TAXPAYER ACCESS**

The laws of the State of Ohio and the City of Whitehall require information about taxpayer accounts, such as amounts of income, amounts of tax liability and payment of taxes, to be held in strict confidence. Therefore, to safeguard this confidentiality, the taxpayer must provide written authorization to the Tax Division granting permission to release or discuss any taxpayer-specific information. We may require the taxpayer to request the information in person. To assist both the taxpayer and the tax practitioner, we have provided a place on the Business Tax Return, in the signature area, for the taxpayer to authorize discussions or the release of information to the tax practitioner.

## **DISCLAIMER:**

Definitions and instructions are illustrative only. The Tax Ordinance supersedes any interpretation presented.

## LINE-BY-LINE INSTRUCTIONS FOR WHITEHALL BUSINESS INCOME TAX RETURN

If this return is for a period other than the calendar year, insert the beginning and ending date of the period. Enter your name and account number if your return does not have this information preprinted. Your account number is the same as your Federal identification number. If you do not have an account number, one will be assigned upon receipt of your return.

- LINE 1.** Enter amount of taxable income from your Federal form. ATTACH COPIES OF ALL APPLICABLE FEDERAL FORMS.
- LINE 2.** Adjustments: Combine the items “not deductible” and the items “not taxable” from Schedule X on the reverse. Items not taxable must be included in income to be deductible.
- LINE 3.** Taxable income to Whitehall before allocation. Subtract or add Line 2, as applicable from Line 1 to determine taxable income.
- LINE 4.** Apportionment percentage: from Schedule Y. Used to determine the percentage of income generated within and/or outside of Whitehall. (See Line 4 under General Instructions on next page.) Enter 100% if income is fully taxable to Whitehall.
- LINE 5.** Whitehall Taxable Income: Line 3 multiplied by Line 4.
- LINE 6.** Whitehall income tax: Multiply Line 5 by 2.5% (0.25) to determine the amount of Whitehall Income Tax.
- LINE 7.** Total estimated payments remitted for current year plus any prior year’s credit carried forward.
- LINE 8.** Enter other allowable credit and explain. NOTE: Credit will be disallowed if supporting documents are not provided.
- LINE 9.** Total of Line 7 and 8.
- LINE 10.** If Line 6 is greater than Line 9, enter balance of tax due.
- LINE 11.** If Line 9 is greater than Line 6, enter overpayment.
- LINE 12.**
- A.** \$25.00 if return is filed after due date.
  - B.** Multiply Line 10 tax due by 10% if tax is paid after due date.
  - C.** Interest is calculated at 1.5% per month (or fractional part thereof) of Line 10 tax due.
  - D.** Penalty for failure to file declaration of estimated tax by due date is \$10.00. Estimated tax payment not paid or paid after due dates are subject to 1.5% per month, interest.
- LINE 13.** Total due (if this amount is less than \$5.00; adjust to zero). Pay the amount due and any estimated tax amount on Line 19.

- LINE 14.** Overpayment from Line 11 is entered here (\$5.00 or more). If Line 11 is reduced by Line 12 (penalty/interest), enter remaining overpayment (\$5.00 or more). Indicate choice of disposition for overpayment. Overpayment of \$5.00, or more, will be refunded if no other debts exist and all other requirements of the Tax Ordinance have been complied with. Overpayments of \$4.99 or less will not be carried forward or backward or refunded.

### INSTRUCTIONS FOR DECLARATION OF ESTIMATED TAX:

- LINE 15.** Enter estimated income subject to Whitehall Tax.
- LINE 16.** Estimated tax is Line 15 multiplied by 2.5%, if \$100.00 or more, quarterly estimated payments must be remitted.
- LINE 17.** If Line 16 is \$100.00 or more, you must remit minimum payment with this filing of at least 22.5% of Line 16.
- LINE 18.** Enter prior year carryover from Line 14A (if \$5.00 or more).
- LINE 19.** Line 17 minus Line 18.
- LINE 20.** Add Line 13 and Line 19.

### INSTRUCTIONS FOR SCHEDULE X

This schedule is used to adjust your Federal net income to your Whitehall taxable income. The left column is for items deductible on the Federal return, but not deductible under the Whitehall ordinance. The right column is for items taxable on the Federal return, but not taxable by Whitehall, LINE C – Add 5% of the amount deducted as intangible income, but not the portion of intangible income related to the sale, exchange or disposition of property described in Section 1221 of the Internal Revenue Code IRC. LINE E – In the case of a taxpayer that is not a C corporation and is not an individual, the taxpayer shall compute Federal Taxable Income (FTI) as if the taxpayer were a C corporation and, 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 F – In the case of a real estate investment trust or 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.

### INSTRUCTIONS FOR SCHEDULE Y

This schedule is used to determine the amount of income subject to Whitehall Income tax. See Schedule Y of General Information.

### INSTRUCTIONS FOR SCHEDULE Y-1

Use this to schedule to reconcile wages, salaries, etc., allocated to Whitehall with total salaries, wages, etc., shown on W-3, Withholding Reconciliation.

**DATE AND SIGN THE RETURN AND ATTACH ALL APPLICABLE SCHEDULES AND STATEMENTS.**  
The Tax Ordinance, forms and instructions are available at [www.whitehall-oh.us](http://www.whitehall-oh.us)