

City of Troy

BUSINESS INCOME TAX RETURN

On this site you will find the forms and information necessary to file your
CITY OF TROY BUSINESS INCOME TAX RETURN.

Returns are due within 3 1/2 months after fiscal year end. Calendar year filers are due by April 15th of the next year. (Note: Due to the Federal tax return extended due date for calendar year filers, returns due 4/15/17 will be honored as timely filed if received or postmarked by 4/18/17.

IMPORTANT—Please read all enclosed information thoroughly. This site contains the forms necessary for you to file and remit your City of Troy Business Income Tax Return.

The tax rate is 1.75% (unchanged).

Additional information regarding the filing of this return is also included on this site.

QUESTIONS?

OFFICE HOURS

8am—5pm Monday through Friday

OFFICE LOCATION:

100 S Market St, Troy OH 45373

PHONE: (937) 339-3861 FAX: (937) 440-1352

WEBSITE: www.troyohio.gov E-MAIL: income.tax@troyohio.gov

GENERAL INFORMATION

Who Must File

All corporations, partnerships, trusts, estates or other entities conducting business in, performing services in, or deriving income (or loss) from activities in the City of Troy.

Partnerships, Joint Ventures, Associations or other businesses owned by two or more persons and conducting business in Troy are required to file City of Troy returns on an entity basis.

This form is for use by Business entities only. Individual residents, or non-residents having Troy income (or losses), who file as sole proprietors, use Federal Schedule C, or have other types of income must obtain an Individual Income Tax Return from the Income Tax Division of the City of Troy.

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 ninety days of the filing date of any amended Federal Return and must include a copy of the Amended Federal Return.

Extensions

Extensions are now granted for an automatic 6 months. A city extension will be granted even if there is no federal extension. Payment in full of any tentative tax due must be paid by the due date as extensions are for time to file, not time to pay. Any delinquency on a tax account will result in denial of an extension request. Delinquency includes (but is not limited to) missing tax filings, missing withholding remittances or outstanding balances due.

Operating Losses

Although the Federal law permits the carry-forward or carry-back of certain operating losses, such losses may not be carried forward or backward under the provisions of the City of Troy Income Tax Ordinance. Per Am. Sub. HB5 beginning with **Tax Year 2017** Losses will be tracked for 50% use against Tax Year 2018 Tax Returns. This 50% phase in will last for 5 years.

Supporting Documentation

Documentation is necessary to verify all amounts of taxable or non-taxable income, expenses and deductions, as applicable. Supporting documentation includes Federal forms 1120, 1120S, 1065, all appropriate federal schedules, worksheets, statements, and any documentation which is included with the Federal tax filing that supports the Federal tax return.

Additional forms, schedules or computations may also be needed to support your city return in certain circumstances.

Penalty and Interest

Penalty and interest charges are assessed on any unpaid tax liability after the due date of such liability. A late filing penalty will also be assessed whenever any return is filed beyond the due date (or extended due date if extension has been approved). Failure to file and pay estimated tax will also result in the assessment of penalty and interest charges.

When and Where to File

Returns must be filed on or April 15 (for calendar year filers) unless Federal Holiday dictates otherwise, or within 3 ½ months after the fiscal year end with the City of Troy, Income Tax Department, Business Audit Section, 100 S Market St, Troy OH 45373.

Any tax due must be paid when the return is filed. Checks or money orders should be made payable to the City of Troy.

Incomplete returns or returns received without signatures or without proper supporting documentation or information may not be accepted and may be returned to you; thereby creating a potential penalty or interest assessment or delays in refund processing. If a tax return filing is sent back for missing information and/or documentation, you must resubmit within the time frame indicated or your return will be deemed as a non-filed tax return, subject to applicable penalties and interest.

INSTRUCTIONS

Name and Address

Complete the name and address information, and federal employer identification number where requested. Make any necessary changes or corrections to the information that may be pre-populated on your form. Indicate the type of business entity and include explanation if “other” is indicated.

Line 1

Total taxable income from Federal form 1120, 1120S, 1065 or appropriate federal schedules. Schedules and supporting documentation must be attached.

Line 2 and 3

Use Schedule X to reconcile federal taxable income to city taxable income. Schedule X adjustments should be included on Lines 2 and 3. Please be aware that you must adhere to Ohio Revised Code (ORC) 718.01, Adjusted Federal Taxable Income when arriving at City taxable income. This is a mandatory requirement.

Line 4

Combine amounts on Lines 2 and 3, and show the excess on Line 4. Show negative amounts in parentheses.

Line 5

Total taxable income plus or minus Schedule X adjustments. (Line 1 plus or minus Line 4 equals Line 5).

Line 6

Amount allocable to Troy (from Schedule Y computations). The Business Apportionment Formula, Schedule Y is used to compute the portion of net profits allocable to Troy when business is conducted both inside and outside of the City. A business apportionment formula consisting of the average property, gross receipts and wages paid may be used by business entities not required to pay tax on entire net profits by reason of doing business both inside and outside Troy. Refer to ORC 718.02 for more detailed explanation on how you must arrive at this calculation. You may not choose to eliminate calculating a factor when that factor has bearing on the return (for example, sales both inside and outside must be used when there are indeed sales both inside and outside of Troy).

Line 7

Amount of income subject to municipal tax is computed by multiplying Line 5 by percentage on Line 6, if applicable.

Line 8

Troy Tax Due – Line 7 multiplied by Troy’s tax rate of 1.75% (.0175).

Line 9

Show total estimated tax payments made for this tax year.

Line 10

Prior year overpayment is the amount of tax overpaid in prior year, not refunded, but transferred for use against the tax liability for this tax year.

Line 11

Add Lines 9 and 10 for total credits.

Line 12

Subtract Line 11 from Line 8 to compute the balance of tax due. If Line 11 is more than Line 8, proceed to Line 13 (if amount overpaid is \$10.00 or more). Note: If you have a balance due, and your overall liability to be paid for this tax year exceeds \$10, and you have not paid the total amount due and the remaining balance is under \$10, you will be billed for the remaining balance due.

Line 13

If Line 11 is more than Line 8, an overpayment of tax exists. Enter the overpayment on Line 13.

Line 14

If Line 13 is \$10.00 or more then you may have the overpayment applied to next tax year or refunded. Indicate your choice on Line 14. No indication will result in an overpayment credit to next tax year. Refunds will be processed in order of date received and refunds will be mailed within ninety days of receipt of a complete return.

Line 15

Indicate the amount of estimated tax due for the current tax year. You may base the estimate on current tax year due (Line 8 – this is known as “safe harbor”), or actual estimated amounts due for the current tax year. Note: Filing and payment of estimated tax due is mandatory. Failure to complete the declaration and remit payments may result in the assessment of penalty and interest.

Line 16

You are required to pay a minimum amount of 22.5% for your first quarter installment. Multiply the amount on Line 15 by 22.5% (to have a total of 90% of liability paid in equal quarterly installments). You may choose to pay 25% each quarter to have the full amount of estimated tax paid.

Line 17

Show the overpayment from Line 14 if so credited. The overpayment for the current tax year as shown on Line 14 is applied to the first quarterly payment. If the overpayment is greater than the first quarterly payment, the difference will apply to the next quarterly payment due.

Line 18

Line 16 minus Line 17. This is the balance of first quarter estimated tax payment due.

Line 19

Line 12 plus Line 18. This is the amount due no later than April 15 (for calendar year filers) or within 3½ months after the fiscal year end.

Signature

The tax return must be signed and dated. If someone other than the taxpayer prepares the return, this party must also sign and show information requested.

ASSISTANCE

For assistance in understanding the requirements for completing this tax return, please refer to the City of Troy Income Tax Ordinance, Chapter 171. This Ordinance can be found on our website at www.troyohio.gov. Also, please refer to Ohio Revised Code Section 718 for requirements mandated by State law. For further assistance, please contact our office at (937) 339-3861. Office hours are Monday through Friday, 8:00 am to 5:00 pm.