

GENERAL INSTRUCTIONS

- WHO MUST FILE:** A return must be filed by individuals, partnerships, corporations, and any other entity having earned income taxable by the City of Chillicothe.
- WHEN AND WHERE TO FILE RETURNS:** Taxpayers who end their taxable year on December 31, must file on or before the following April 15 or the Federal due date. Taxpayers on a fiscal or partial year basis must file within 105 days following the end of such period.
If deadline cannot be met, a request for Federal extension must be filed and approved by the tax administrator on or before the due date.
The Return is to be filed with the Chillicothe Income Tax Department, 35 S. Paint St., P.O. Box 457, Chillicothe, Ohio 45601-0457. Total amount due must be paid when the return is filed. Checks or money orders should be made payable to the City of Chillicothe, Ohio Income Tax.
- TAXABLE INCOME:** Chillicothe Income Tax is levied on the following:
 - On all salaries, wages, 1099 misc., commissions, gambling winnings of \$1,000 or more, and other compensation earned by resident individuals of the City of Chillicothe.
 - On all salaries, wages, 1099 misc., commissions, and other compensation earned by non-resident individuals to the City of Chillicothe for work done or services performed or rendered in the City of Chillicothe.
 - On the net profits attributable to Chillicothe, earned of all resident unincorporated businesses, professions, and other activities derived from work done or services rendered or performed and business or other activities conducted in the City of Chillicothe.
 - On the portion of the distributive share of the net profit earned of a resident individual partner or owner of a resident unincorporated business entity attributable to Chillicothe and not levied against such unincorporated business entity.
 - On the net profits attributable to Chillicothe earned at all non-resident unincorporated businesses, professions or other activities, derived from work done or services performed or rendered and business or other activities conducted in the City of Chillicothe.
 - On that portion of the distributive share of the net profit earned of a resident individual partner or owner of a non-resident unincorporated business entity not attributable to Chillicothe and not levied against such unincorporated business entity.
 - On the net profits earned of all corporations derived from work done or services performed or rendered and business or other activities conducted in the City of Chillicothe.
- WHAT CONSTITUTES NET PROFIT:** Net profit is the income from the operation of a business, profession, or enterprise and from the use of property, after the provision for 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 Chillicothe Income Tax Ordinance. Note that City, Federal, or State Taxes, based on income, are not deductible in determining net profit.
- ALLOCATIONS OF PROFITS:** The business allocation percentage formula is to be used by corporations or non-resident business entities doing business within and outside of Chillicothe if actual record of their Chillicothe profits are not maintained. Determined the ratio of the Chillicothe portion of:
 - (1) Average value of real and tangible property;
 - (2) Total sales regardless of where made;
 - (3) Total compensation paid to all employees.
 Add the ratios obtained 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 Chillicothe. This computation is to be reported as Schedule Y, Page 2 of Form.
- CHANGE IN TAX LIABILITY:** An amended Chillicothe Return is required within three months of the final determination of any changed tax liability resulting from Federal audit, Judicial decision, or other circumstance.
- PENALTIES AND INTEREST:** Penally and interest for late filing and failure to file and pay, shall be imposed as provided by the Ordinance. NOTE: Penally and interest rates are noted on our website.

INSTRUCTIONS FOR PAGE 1

HEADING—If this Return is made for a period other than the calendar year, insert the beginning and ending date of the period. Enter your name and account number if it is not already imprinted on your return. If you do not have an account number, one will be assigned upon the receipt of your Return.

ANSWER THE APPLICABLE QUESTIONS ON PAGE 1

- LINE 1.** List the total income.
- IF YOU HAVE NO OTHER TAXABLE INCOME, YOU MAY SKIP FROM HERE TO LINE 6.**
- LINE 2.** Enter on Line 2 the total of Schedules C, E, and H, Line 21 from back page. Federal Schedules may be attached or detail may be entered on appropriate City Schedule. Failure to comply may constitute an incomplete return.
- LINE 3.** Enter the total of Lines 1 and 2.
- LINE 4a,** b, and c are used to reconcile your Chillicothe Return with your Federal Tax Return. This is done by the use of Schedule X. (See instructions for Schedule X.)
- 4a.** Enter total of non-deductible items from Line H, Schedule X.
- 4b.** Enter total of non-taxable items from Line N, Schedule X.
- 4c.** Enter excess of non-deductible or non-taxable items from 4a and 4b.
- LINE 5a.** Enter income from Line 3 plus non-deductible items or less non-taxable items from Line 4c.
- LINE 5b.** Enter amount allocable to Chillicothe if business allocation formula (Schedule Y, Page 2) is used.
- LINE 6.** Enter amount subject to Chillicothe Income Tax from Line 1, 3, 5a, or 5b.
- LINE 7.** Enter 1.6 percent of amount shown in Line 6. This can be computed by multiplying Line 6 or 1 by .016.
- LINE 8A.** Enter the total Chillicothe Tax withheld, if any.
- LINE 8B.** Enter amount you have paid on Declaration of Chillicothe Income Tax, if any.
- LINE 8C.** A Chillicothe resident may take credit, not to exceed 1%, for income tax paid to another municipality.
- LINE 8X.** Enter total of Lines 8A, 8B, and 8C on Line 8X.
- LINE 9.** If Line 7 is greater than Line 8X, the difference should be entered on Line 9a. A remittance payable to the City of Chillicothe Income Tax for the amount of Line 9a must accompany your Return when filed.
- LINE 11.** If Line 8X is greater than Line 7, enter the difference in the box opposite Line 11, if, upon audit, the amount is found to be correct it may either be refunded or credited to your next year's tax liability. Please indicate on this line whether you want a refund.

SIGNATURE—Do not fail to sign and date your Return before submitting it to the Chillicothe Income Tax Department. A Return is not "filed" within the meaning of the law, until signed by the taxpayer or an agent legally authorized to sign tax returns for such taxpayer.

You must attach a Copy of your W-2 and all applicable Federal Schedules of Income and Deductions with this Return.

EXAMPLES OF FEDERAL ADJUSTMENTS NOT ALLOWED

Keogh or RR-10	Net Loss Carry
I.R.A.	Forward or Backward
Tax Sheltered	Any Deferred
Annuities	Compensation

INSTRUCTIONS FOR BACK PAGE

COMPLETE ONLY IF APPLICABLE

SCHEDULE C PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. Schedule C is arranged much the same as Schedule C required for Federal Income Tax. Taxpayers are required to submit a copy of the Federal Schedule C if one has been completed. If you operate more than one business and separate books are kept, a copy of Schedule C should be attached for each business, and the total profit of loss entered on Line 17. Do not include in this schedule the cost of goods withdrawn for personal use or deductions not connected with the business or profession.

SCHEDULE E INCOME FROM RENTS. This schedule corresponds to the Rent Schedule of Federal Form 1040. If space is inadequate, attach a separate sheet.

SCHEDULE H INCOME FROM OTHER SOURCES. Report in this Schedule any other income you may have which is subject to Chillicothe Tax. For example, a Chillicothe resident may be a member of a partnership not located or doing business in Chillicothe. Such partnership as a business entity is not required to file returns and pay the tax. This Chillicothe resident, never-the-less, is subject to tax on this income he earned from the partnership and must report the income in Schedule H.

SCHEDULE X—BUSINESS RECONCILIATION WITH FEDERAL INCOME TAX RETURN. This Schedule is used to adjust Federal Net Income to your Chillicothe Taxable Income. The left hand column is for items deductible on the Federal Return but not deductible under the Chillicothe Ordinance. The right hand column is for items taxable on the Federal Return but not taxable by Chillicothe.

EXAMPLES:

- If Line 1, Page 1 did not include sick pay, then such income must be entered on Line G this schedule, since it is taxable.
- Non-residents who perform services both within and outside of Chillicothe may determine the amount of salaries, wages, etc. not taxable by dividing total days worked outside of Chillicothe by dividing total days worked and multiplying total salaries, wages, etc. by the resulting decimal. This amount should be entered on Line M with explanation.
- Businesses and Professions which deduct State and City Income Taxes on Schedule C, must list these items on Line B of Schedule X.
- If Line 3 includes income subject to Ohio tax on intangibles, such as dividend and interest then such dividend and interest income may be listed on Lines J and K. Enter the total of these columns on Line 1 and 4b Page 1.

SCHEDULE Y BUSINESS ALLOCATION FORMULA. See 5, Allocations of Profits.

SCHEDULE Z PARTNERSHIPS. Partnerships enter in Column 1 of Schedule Z the name, and in Column 2 the address of each partner. In Column 3 show the proportionate share of profit to each member. In Column 4 list other amounts paid to each partner such as salary, wage, special service fee, etc. In Column 5 enter for each partner, the percentage figure which represents the portion of this income that is subject to Chillicothe Tax. Non-residents may determine this per cent by use of the allocation formula shown as Schedule Y. For resident partners, however, this percentage will be 100 per cent. In Column 5 enter the taxable income of each partner. (Column 3 and 4 times percentage shown in Column 5.)

Filing of a partnership return does not relieve individual partners of the responsibility of reporting any other taxable income they may have.

EXAMPLES OF ITEMS NOT TAXED

Alimony received
Annuities Received—Insurance
Military Pay, Reserve Pay
Interest and Dividends from Intangible Property
Any compensation earned by persons under 16 years of age
Pensions/Retirement
Royalties
Welfare
Fed. or State Unemployment Insurance Benefits

EXAMPLES OF ITEMS TAXED

Gross Wages	Rental Income—Net
Tips	Sick Pay
Bonuses	Vacation Pay
Commissions	Incentive Payment
Jury Duty	Corporations
Sub Pay	1099 Miscellaneous
Salaries	Gambling Winnings—
Partnership income	\$1,000 or more

THIRD PARTY DESIGNEE

If you want to allow a friend, family member, or any other person you choose to discuss your tax-return with the City of Chillicothe: check the "YES" box in the "Third Party Designee" area of your return. Also enter the designee's name, phone number and SSN. But if you want to allow the paid preparer who signed your return to discuss it with the City of Chillicothe, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

If you check the "YES" box, you, and your spouse, if filing a joint return, are authorizing the City of Chillicothe to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the City of Chillicothe any information that is missing

from your return.

- Call the City of Chillicothe for information about the processing of your return or the status of your refund or payment(s).
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain City of Chillicothe notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the City of Chillicothe.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your tax return.