

2024 GENERAL INFORMATION – BUTLER TOWNSHIP JEDZ

1. WHO MUST FILE

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

All resident business entities, including corporations, S-corporations, joint ventures, partnerships and other businesses are required to file an annual return on an entity basis.

Non-resident business entities, including corporations, partnerships, joint ventures, trusts and other businesses, that conduct business, perform services, have a location or have income (or losses) in the Butler Township JEDZ are required to file on an entity basis.

2. DUE DATE

Returns are due by **April 15th** following the close of the calendar year, or within 3½ months of the end of the year for those businesses on a fiscal year basis. The due date may vary slightly depending on weekends and/or federal holidays.

3. EXTENSIONS

Extensions may be granted on an automatic basis if an automatic six-month extension was requested for filing the federal income tax return. A copy of the federal extension must accompany the municipal income tax return when filed by the extended due date. An extension of the time to file does not extend the time to pay the tax. Penalty and interest charges may be imposed on any tax remaining unpaid after the original due date. Additionally, there is no provision for extending the current year first quarter estimated payment. Extension request forms may be obtained from the Tax Office or our website: www.vandaliaohio.org.

4. SUPPORTING DOCUMENTATION

Documentation is necessary to verify all amounts of taxable or non-taxable income, expenses, deductions and credits.

The following documents are required to be submitted with the business municipal income tax return: Internal Revenue Service Form 1065, Form 1120, Form 1120S, Form 1120F, Form 1120-REIT or Form 1041. Other documentation, such as any supporting schedules and statements, may be necessary as well.

Those taxpayers claiming deductions for commissions paid, contract labor and the like must provide a schedule showing a breakdown of amounts paid, how much of said work was in each locality, names to whom paid with addresses and social security numbers or federal identification numbers. Copies of Form 1099-NEC or 1099-MISC may be sent in lieu of the schedule.

5. RENTALS

Net rental earnings from all types of real estate or other property or equipment are taxable if located within the JEDZ. An annual return is required even though a loss may have been incurred.

6. STATUS CHANGES

Taxpayers with name, address or other status changes or reorganizations must file those changes with the Income Tax Office within 30 days of the change.

7. 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 90 days of the filing date of any amended Federal return and must include a copy of the amended Federal return.

8. CONSOLIDATED RETURNS

A taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return if a consolidated federal income tax return was filed with respect to that taxable year. This election is binding for a five-year period unless the tax administrator approves a request to discontinue filing consolidated returns. A taxpayer shall prepare the consolidated municipal income tax return in the same manner as is required for preparation of the consolidated federal income tax return, which is required to be filed by the common parent of the affiliated group of which the taxpayer is a member.

9. DECLARATION OF ESTIMATED TAX

Every taxpayer who anticipates having income tax due of \$200.00 or more must file an annual declaration of estimated tax. At least 90% of the current year tax liability or 100% of the previous year liability must be paid by January 15th following the taxable year for calendar year filers. In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed on the amount of the underpayment. Quarterly statements are available on our website: www.vandaliaohio.org.

10. NET OPERATING LOSSES

For taxable years beginning in 2018, a business may deduct any pre-apportioned net operating loss incurred in a taxable year beginning on or after January 1, 2017. The amount of such net operating loss shall be deducted from the net profit to the extent necessary to reduce taxable income to zero, with any remaining unused portion of the net operating loss carried forward for five consecutive taxable years or until fully utilized. Net operating loss carryforwards are permitted beginning in tax year 2023 at 100% of the current year's income. (ORC 718.01(D)(3)(c)(ii))

11. LATE FILING FEE, PENALTIES AND INTEREST

When returns are filed after the due date by business entities required to file an annual Butler Township JEDZ return, a late filing fee of \$25.00 is imposed without regard for the amount of tax due. Late filing fees may be imposed even though no tax may be due.

Any Butler Township JEDZ income tax remaining unpaid after the due date may be subject to a penalty of 15% and interest of 0.83% per month (10% annually) for taxable year 2024.

12. VISA/MASTERCARD

City taxes may be paid online with your credit card or by electronic check. Please refer to the City of Vandalia's website, www.vandaliaohio.org, to access the online payment center. Credit card payments are now accepted in person in the tax office as well.

2024 BUSINESS INSTRUCTIONS – BUTLER TOWNSHIP JEDZ

ATTENTION! This return is to be used by business entities only (Corporations, S-corporations, Partnerships and other businesses required to file on an entity basis). Individual/joint filers reporting Schedule C and/or Schedule E gains/losses must use Form BR to file for the JEDZ, as an individual JEDZ tax form is not provided. Please refer to Item 4 of the General Information for what documentation to submit with this income tax return.

SECTION A: Enter the applicable amounts for the Butler Twp JEDZ.

Line 1

Enter applicable amount for the JEDZ per the Federal Return. Attach copies of the Federal Return and all applicable schedules, statements and other supporting documentation.

Line 2

Enter amount, if any, from Schedule X, Line 2-C on page 2.

Line 3

Enter the total of Line 1 +/- Line 2.

Line 4

Enter the full amount of unutilized pre-apportioned net operating losses available from tax years beginning on or after January 1, 2019 (five years of allowable losses). Use the worksheet on page 2 of the business return for guidance in calculating net operating losses if needed.

Line 5

Enter the total amount of pre-apportioned net operating losses being used on the 2024 tax return. Use the worksheet on page 2 of the business return if needed.

Line 6

Subtract Line 5 (if applicable) from Line 3 and enter the total. If there are no net operating losses to report, enter the Line 3 amount again. This amount is subject to apportionment if Schedule Y (page 2) is used.

Line 7

Enter average percentage calculated in Schedule Y from page 2 if engaged in business in more than one locality. Multiply this percentage by Line 6 to compute the municipal taxable income. If the business is located 100% in the Butler Township JEDZ, enter the Line 6 amount again.

Line 8

Multiply Line 7 by 1% for the Butler Township JEDZ.

Line 9-A

Enter the total of any estimated taxes paid.

Line 9-B

Enter the amount of any prior year overpayment that was carried forward.

Line 9-C

Enter the total of Line 9-A and Line 9-B.

Line 10

Enter Line 8 minus Line 9-C. If Line 8 is greater than Line 9-C, a balance is due and payment must accompany this return. (If the balance is \$10.00 or less, no payment is necessary, but the return will still need to be filed.) If Line 8 is less than Line 9-C, proceed to Line 13.

Line 11

If the return is filed after the due date, a late filing penalty may be added, and penalty and interest charges may apply. (See Item 11 of the General Information.)

Line 12

Enter the total of Line 10 and Line 11.

Line 13

If Line 9-C is greater than Line 8, enter the amount to be refunded and/or the amount to be credited to your next year tax liability. This overpayment must be greater than \$10.00 to be a valid credit or refund.

SECTION B: A declaration of estimated tax must be filed by every business entity that expects to receive taxable income that would result in tax due of \$200.00 or more. Vouchers are available on our website www.vandaliaohio.org for use in making quarterly estimated tax payments. Upon filing the tax return, penalty and interest charges may be imposed if at least 90% of the tax liability, or 100% of the prior year tax liability, was not received by January 15th following the taxable year for calendar year filers.

Line 14

Enter the estimated amount of taxable income where indicated, and show the amount of tax estimated to be due.

Line 15

Enter ¼ of Line 14. This is the quarterly amount due.

Line 16

If you indicated a credit to next year on Line 13-A (\$10.01 minimum), show the amount on Line 16. The overpayment will be applied to your first quarterly payment. If the overpayment is greater than the first quarterly payment, the difference will apply to the next payment(s) due.

Line 17

Subtract Line 16 from Line 15. This is the amount of estimated tax due with this return. (Vouchers are available at the Tax Office and on our website: www.vandaliaohio.org.)

Line 18

Enter the total of Line 12 plus Line 17. Make checks payable to City of Vandalia.

SECTION C: If paying by credit card or electronic check, please refer to the website, www.vandaliaohio.org, to access the online payment center. Credit card payments are now accepted in person in the tax office as well.

SIGNATURES: The return must be signed and dated on page 1 by a person within the business entity who is authorized to do so. If an outside tax preparer completed this return, indicate by checking yes or no if we may contact the tax preparer with questions regarding this return. In either case, in addition to the taxpayer designee, the tax preparer must sign in the appropriate area.

SCHEDULE Y on page 2 of Form BR, is a Business Apportionment Formula used to compute the portion of net profits allocable to the JEDZ and any other areas when business is conducted both inside and outside the locality. If the Business Apportionment Formula is used, the average percentage should be entered on Line 7 of page 1 to calculate the municipal taxable income.

SCHEDULE X on page 2 of Form BR is for Partnerships, Corporations and other business entities needing to reconcile items from their Federal Return that are not taxable or not deductible for city purposes. The net amount from Schedule X, Line 2-C must be entered on Line 2 of page 1.

NET OPERATING LOSS WORKSHEET: Complete this worksheet to calculate any applicable prior year losses. Enter the total from Column C on Line 4, Page 1. Enter the total from Column D on Line 5, Page 1 of Form BR to deduct any available net operating loss.

ASSISTANCE: For assistance in completing this return, or if you have any questions, please contact the Income Tax Office. We are located in the Vandalia Municipal Building at 333 James E. Bohanan Memorial Dr, Vandalia, Ohio. Office hours are 8:00 A.M. to 5:00 P.M. Monday through Friday. Phone (937) 415-2240 or toll-free (866) 898-5891 or visit our website at www.vandaliaohio.org.