

VILLAGE OF COVINGTON
DEPARTMENT OF TAXATION
1 S. HIGH STREET
COVINGTON, OHIO 45318

TO

FORWARDING AND ADDRESS CORRECTION REQUESTED

VILLAGE OF COVINGTON BUSINESS INCOME TAX RETURN

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|----------------------------|---|---|
| Who Must File: | All corporations, partnerships, trusts, estates or other entities that conduct business in, perform services in, or derive income from activities in the Village of Covington. | |
| Which Form To File: | This BUSINESS INCOME TAX RETURN has been designed for corporations, partnerships, s-corporations, and all other businesses required to file on an entity basis. All supporting schedules (from Federal Tax Return, etc.) must be attached to this return. | |
| When To File: | Calendar Year - By April 30th of the following year.
Fiscal Year - within 4 months after fiscal year end. | |
| Where To File: | File with: Village of Covington Income Tax Department
1 S. High St., P.O. Box 156
Covington, OH 45318 | Telephone: (937) 473-5173
Fax (937) 473-3853 |
| Extensions: | Extensions of time to file must be postmarked by the original due date of the return. | |

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 Village of Covington.

Partnerships, joint ventures, associations or other businesses owned by two or more persons and conducting business in Covington are required to file city returns on an entity basis.

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

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 not granted on an automatic basis.

All extensions shall be conditioned upon the taxpayer filing a tentative return, accompanied by payment of the amount of tax due thereon, by the original due date. An extension of time to file does not give you an extension of time to pay. Interest will be assessed on any tax balance remaining due after the original due date.

The Ordinance makes no provision for extension on the current year's estimate, which must be filed and any amount due paid by the due date.

Make written request for extension on or before April 30th or 4 months after fiscal year end.

Operating Losses

Net operating losses may only be carried forward for five (5) years.

Consolidated Returns

The Income Tax Division may require or disallow the filing of a consolidated return when certain transactions, apportionment of expenses or other devices appear to distort the net profits allocable to Covington. To produce a fair and proper allocation of net profits, such transactions may be adjusted.

Penalty and Interest

Penalty and interest are assessed on any unpaid tax liability after the due date of the return.

Penalty - 1.5% per month.

Interest - .5% per month

Supporting Documents

Documentation is necessary to verify all amounts of taxable or non-taxable incomes, expenses and deductions, as applicable.

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

When and Where To File

Returns must be filed on or before April 30th or within 4 months after the fiscal year end with the Village of Covington Income Tax Department, 1 S. High St., P.O. Box 156, Covington, OH 45318

Any tax due must be paid when filed. Checks or money orders should be made payable to Village of Covington.

Incomplete returns or returns received without signatures or without proper supporting information may not be accepted; thereby creating potential penalty or interest assessments or delays in refund processing.

INSTRUCTIONS

Name and Address

Complete the name and address information, and federal employer identification number where requested. If your name and address are not correctly shown, make any necessary changes. Indicate the type of business entity and attach 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 Line 3: Use Schedule X to reconcile federal taxable income to city taxable income, when necessary. Schedule X adjustments should be included on Lines 2 and 3.

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 6: Amount allocable to Covington (from Schedule Y computation). The Business Allocation Formula, Schedule Y is used to compute the portion of net profits allocable to Covington when business is conducted both inside and outside of the city. A business allocation formula consisting of the average of 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 Covington. However, if the books and records of the taxpayer shall disclose with reasonable accuracy the net profit attributable to Covington then only this portion shall be considered as having a taxable situs in Covington.

Line 7: Amount of income subject to Municipal Income Tax is computed by multiplying Line 5 by percentage on Line 6, if applicable.

Line 8: Covington Tax Due - Line 7 multiplied by 1.5% (.015).

Line 9: Show total estimated payments made.

Line 10: Prior year overpayment is amount of tax overpaid in prior year, not refunded, but transferred for use on the liability for this 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.

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

Line 14: If line 13 is \$1.00 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 mailed within a maximum of ninety days of receipt of a complete return.

Line 15: Indicate the amount of estimated tax due. You may base the estimate either on current year tax due (Line 8) or actual estimated amounts for next tax year.

Line 16: Divide Line 15 by 4

Line 17: Show the overpayment from Line 14 if so indicated. The overpayment for the current tax year as shown on Line 14 of this return is applied to the first quarterly payment. If the overpayment is greater than the first quarterly payment, the difference will apply to the next quarter due.

Line 18: Line 16 minus Line 17.

Line 19: Line 12 plus Line 18. This amount is due no later than April 30 or within 4 month after the fiscal year end.

Signature: The tax return must be signed and dated.

If someone other than the taxpayer completes this return, sign as preparer and show address and Federal Identification Number. Indicate by checking yes or no if we may contact your tax preparer regarding this return.

ACCOUNT INFORMATION UPDATE

Complete this form annually to provide our office with current information..

ASSISTANCE

For assistance in completing this return, or if you have any questions, please contact the Income Tax Department Tuesday or Thursday 9 to 1 or 2 to 4.

VILLAGE OF COVINGTON
 INCOME TAX DEPARTMENT
 1 S. High St.- P.O. Box 156
 Covington, OH 45318
 Phone 937-473-5173
 Fax 937-473-3853

BUSINESS INCOME TAX RETURN

CALENDAR YEAR _____ DUE BY APRIL 30 OF FOLLOWING YEAR
 FISCAL YEAR _____ TO _____ DUE 4 MONTHS AFTER FISCAL YEAR END

NAME and ADDRESS (Indicate Changes)

TYPE OF BUSINESS: Corporation Partnership
 "S" Corporation Other _____

Federal Employer Identification No.

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1. TOTAL TAXABLE INCOME (Per Copy Federal Form 1120, 1120S, 1065 or appropriate schedules attached)..... \$ _____
2. ITEMS NOT DEDUCTIBLE (From Line M, Schedule X below)..... ADD _____
3. ITEMS NOT TAXABLE (From Line Z, Schedule X below)..... DEDUCT _____
4. ENTER EXCESS OF LINE 2 or 3..... _____
5. ADJUSTED NET INCOME (Line 1 plus or minus Line 4)..... _____
6. AMOUNT ALLOCABLE TO COVINGTON (If Schedule Y is used, _____ % of Line 5)..... _____
7. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX..... _____
8. COVINGTON TAX DUE - 1.5%..... \$ _____
9. ESTIMATED PAYMENTS..... \$ _____
10. PRIOR YEAR OVERPAYMENTS..... _____
11. TOTAL CREDITS (Add lines 9 and 10)..... _____
12. BALANCE OF TAX DUE - (Subtract 11 line from line 8)..... (No tax due if less than \$1.00)..... \$ _____
13. OVERPAYMENT (If line 11 exceeds line 8)..... \$ _____
14. _____ REFUND _____ CREDIT TO _____ (year) _____ (No refund or credit if less than \$1.00)..... \$ _____
- ESTIMATED TAX (See Instructions)
15. TOTAL _____ (year) ESTIMATED TAX DUE..... _____
16. QUARTERLY AMOUNT DUE (1/4 of line 15)..... _____
17. PRIOR YEAR CREDIT (line 14) APPLIED TO FIRST QUARTERLY PAYMENT..... _____
18. BALANCE OF QUARTERLY PAYMENT DUE (Line 16 minus line 17)..... \$ _____
19. TOTAL DUE (Add lines 12 and 18) Make check or money order payable to VILLAGE OF COVINGTON, if \$1 or more..... \$ _____

SCHEDULE X - RECONCILIATION WITH FEDERAL INCOME TAX RETURN

ITEMS NOT DEDUCTIBLE	ADD
a. Capital Losses (Do not include ordinary losses from Federal Form 4797)..... \$ _____	_____
b. Interest and/or Other Expenses Incurred in the production of non-taxable income (at least 5% of Line Z).....	_____
c. Income Taxes, City and State (If Deducted as Expense).....	_____
d. Net Operating loss deduction per Federal return.....	_____
e. Payments to partners per Federal Form 1065.....	_____
f. Retirement plan payments (Keogh, IRA, Tax Sheltered Annuity).....	_____
g. Portion State of Ohio Franchise Tax based on Income.....	_____
h. Other items not deductible (explain).....	_____
.....	_____
.....	_____
m. Total Additions.....	_____

ITEMS NOT TAXABLE	DEDUCT
n. Capital Gains (Do not include ordinary gains from Federal Form 4797)..... \$ _____	_____
o. Interest earned or accrued.....	_____
p. Dividends (Less Federal exclusion).....	_____
q. Other items not taxable (explain).....	_____
.....	_____
z. Total Deductions.....	_____

SCHEDULE Y - BUSINESS ALLOCATION FORMULA (See Instructions)

The business allocation formula is to be used only in the absence of books and receipts which will disclose with reasonable accuracy that portion of the new profits which is attributed to that part of the business within Covington.

	A Located Everywhere	B Located in Covington	C Percentage (B + A)
Step 1. Average value of real and tangible personal property.....	\$ _____	\$ _____	_____
Gross annual rentals multiplied by 8.....	\$ _____	\$ _____	_____
Total step 1.....	\$ _____	\$ _____	_____
Step 2. Gross receipts from sales and work or services performed (See instructions).....	\$ _____	\$ _____	_____
Step 3. Total wages, salaries, commissions, and other compensation of all employees.....	\$ _____	\$ _____	_____
Step 4. Total percentages.....	_____	_____	_____
Step 5. Average percentage (Divide total percentages by number of percentages used - enter on % line 6 above).....	_____	_____	_____

The undersigned declares that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated and that the figures used herein are the same as used for Federal Income Tax Purposes, and if an audit of Federal return is made which affects tax liability shown on this return, an amended return will be filed within 3 months.

Signature _____ (Title) _____ (Date) _____ Preparer's signature (other than taxpayer) _____ (Date) _____

If this return was prepared by a tax practitioner, may we contact your practitioner directly with questions regarding the preparation of this return? _____ Address (and Zip Code) _____

YES NO

MAKE CHECKS PAYABLE TO VILLAGE OF COVINGTON INCOME TAX DIVISION

ACCOUNT INFORMATION UPDATE

Complete all questions fully. The information below will be used to update information currently on file.

BUSINESS NAME _____

NATURE OF BUSINESS _____

COVINGTON LOCATION _____

HOME OFFICE LOCATION _____

HOME OFFICE TELEPHONE _____ CONTACT _____

MAILING ADDRESS _____

FEDERAL IDENTIFICATION NUMBER _____

DATE BUSINESS BEGAN IN COVINGTON _____

TYPE OF ENTITY (Corp, S Corp, Partnership, Assoc., etc.) _____

ACCOUNTING PERIOD _____ Calendar Year
_____ Fiscal Year (month ending _____)

NAME AND ADDRESS OF PARTY IN CHARGE OF BOOKS _____

DO YOU SUBCONTRACT LABOR TO PERFORM WORK IN COVINGTON? _____ If YES, copies of 1099's issued must be submitted to this office within 3 1/2 months after end of tax year.

DO YOU HAVE EMPLOYEES WORKING IN COVINGTON? _____ If YES, copies of employee W-2 forms must be submitted within two months after end of tax year.