

Regional Income Tax Agency

Net Profits

Auto-Calculating Form 27

Disclaimer

This worksheet is intended as an aid for tax preparation. The form will be useful in many situations but it does not apply to all possible filing scenarios. **Form restrictions are listed below. Please scroll down and review them.**

Under no circumstance does the use of this worksheet exempt the return from RITA audit processes nor does this form excuse any penalties and interest that may result from the underpayment of the actual taxes due.

Who May Use This Form

RITA Form 27 is used by corporations (including S corporations), estates, limited liability companies, partnerships, and trusts to report net profit (or loss) and to pay the tax due as a result of profits earned while conducting business in one or more RITA municipalities. **Form restrictions are listed below. Please scroll down and review them.**

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Rounding Off to Whole Dollars

When using the auto-calc all amounts must be rounded. To round, drop amounts under 50 cents and increase amounts 50 cents or greater to the next dollar.

Restrictions

Do not use this worksheet if any of the following apply **as the auto-calc will produce incorrect results.**

- The business is a disregarded entity filing for federal purposes on Schedule C or E (Form 1040).
- The business is a regulated investment company.
- The business needs to allocate income to more than five RITA municipalities.
- The federal return reports income or loss from a like-kind exchange.
- The federal return reports income or loss from an installment sale.
- The federal return reports flow-through capital gains and/or losses from a partnership.
- The business is a partnership with more than five (5) partners.

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- The business is a non-C corporation that paid a single employee in excess of \$1 million in compensation.
- The federal return reports a capital loss carryback.
- The business is claiming a **municipal** net operating loss generated more than five (5) tax years ago.
- The business is using an alternate method for allocating income.
- The business is a non-C corporation that could claim a deduction for charitable contributions **and** one or more of the following apply:

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- ★ The business claimed a IRC 249 deduction related to the cost of borrowing to repurchase bonds it issued.
- ★ If the business was a C corporation, it would have claimed a domestic production activities deduction.

Do not use this worksheet if any of the following apply **as the auto-calc may produce incorrect results.**

- The business is filing a consolidated return. This worksheet was not designed to support consolidated returns.
- The business is filing a return for a tax year beginning prior to January 1, 2004.
- The business is filing a return for a tax year beginning after December 31, 2019.
- The business is reporting a profit to a municipality whose rate changed during the business's tax year.
- The business is filing a short-year return.
- The business is a partnership that has made a section 754 election.

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How to Use This Form

Preparers should enter information in the blue boxes on the "Complete This Page" tab and, if applicable, the "Form 8903" tab. When finished, print the "Print Return" worksheet, the "Print Schedules" worksheet, and if applicable, the "Form 8903" worksheet. Review the return for accuracy, have the taxpayer sign the return, and then mail the return, schedules, and a copy of the taxpayer's federal return to the address shown on page 4 of the Form 27. If payment is due, make the check or money order payable to RITA and include it with the return.

The tab labeled "Form 8903" has been provided for taxpayers that are not C corporations that are claiming an domestic production activities deduction (DPAD) on Schedule X.

Instructions for Form 27 and the answers to frequently asked questions regarding the net profits tax are available on-line at www.ritaohio.com.