

**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 Springfield. Partnerships, joint ventures, associations or other businesses owned by two or more persons and conducting business in Springfield are required to file city returns on an entity basis. Forms may be found at [www.ci.springfield.oh.us](http://www.ci.springfield.oh.us).

All accounts remain on active status until a "final" return is filed. This form is for use by Business entities only. Individual residents, or non-residents having Springfield income (or losses), who file as sole proprietors, use Federal Schedule C, or have other types of income must obtain an Individual Return from the Springfield Income Tax Division.

**Extensions**

Extensions will be granted automatically provided a federal extension has been secured, an estimate paid, and all local ordinance requirements have been met. **In order to receive credit for a valid extension you must send it to the Springfield Income Tax office prior to the due date of the tax return. You may e-mail it to: [Tvanderhorst@ci.springfield.oh.us](mailto:Tvanderhorst@ci.springfield.oh.us). 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.

**Operating Losses**

Although 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 Springfield Income Tax Ordinance. Affiliated corporations may not offset gains or losses.

**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.

**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 Federal Amended Return.

**Consolidated Returns**

The Springfield 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 profit allocable to Springfield. To produce a fair and proper allocation of net profits, such transactions may be adjusted.

**Rounding Off to Whole Dollars**

Rounding off to whole dollars is permitted. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

**When and Where to File**

Returns must be filed on or before April 15<sup>th</sup> (or Federal filing deadline, if different.) or the 15<sup>th</sup> day of the fourth month after the end of the fiscal year with the City of Springfield, Income Tax Division, 76 E High St., Springfield, Ohio 45502-1237. Telephone (939) 324-7357, FAX (937) 328-3471

Any tax due must be paid when filed. Checks or money orders should be made payable to Commissioner of Taxation, Springfield, Ohio and should accompany these returns.

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

**Failure to file a required Springfield City Income Tax Return or filing a fraudulent return may be subject to possible criminal penalty of not more than \$1,000.00 or imprisonment of not more than six months or both for each offense.**

**Name and Address and Account Information Update**

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. (To keep our records current, please send name, address or other status changes to the Springfield Income Tax Division within 30 days of the change.) Indicate the type of business entity and attach explanation if "other" is indicated. Provide the remaining information requested. Attach a copy of your federal return or form.

**Line 1.** Total taxable income from Federal Form 1120, 1120S, 1065 or appropriate federal schedules. Schedules and supporting documentation must be attached.

**Line 2a&b.** Use Schedule X to reconcile federal taxable income to Springfield taxable income, when necessary. Schedule X adjustments should be included on Lines 2a & b.

**Line 2c.** Combine amounts on Lines 2a & b and show the excess on Line 2c. Show negative amounts in parentheses.

**Line 3a.** Total taxable income plus or minus Schedule X adjustments.

**Line 3b.** Amount allocable to Springfield (from Schedule Y computation). The Business Apportionment Formula, Schedule Y is used to compute the portion of net profits allocable to the Springfield when business is conducted both inside and outside of the city. If Schedule Y is completed, carry the average percentage to the parentheses portion of Line 3b, and then enter this percentage portion, of Line 3a on the line to the right.

On June 24, 2003 Ohio House Bill 95 was passed making changes to Municipal Taxation. Below are the sections of this bill that affect the Allocation Formula for Schedule Y calculations. These changes are effective for tax years beginning January 1, 2004.

1. ORC Sec. 718.02 requires the allocation formula in Schedule Y for municipal taxation to match Ohio's definition. The name of Schedule Y is changed to Business Apportionment Formula.
2. Step 1 in this formula for property value determined is now based on the original cost of property, not the net book value.
3. Taxpayers are required to compute apportionment based on the three-factor formula unless a substitute method in the regulations provides an equitable result such as separate books and records.

**Line 4.** Amount of income subject to Springfield Income Tax is computed by subtracting Line 3b from Line 3a.

**Line 5.** Compute the tax by multiplying Line 4 by 2.0%. If line 4 is \$0 or less enter \$0.

**Line 6A.** Enter estimated tax payments paid on your Declaration of Estimated tax.

**Line 6B.** Enter prior year overpayments.

**Line 6C.** Add lines 6A and 6B

**Line 7.** If line 5 is greater than Line 6C, the difference should be entered on this line. **Amounts less than \$1.00 will not be collected. Full payment must be paid by the 15<sup>th</sup> day of the fourth month following the year end of the business. Any unpaid tax after that date may be subject to penalty and interest.**

**Line 7A.** This amount will be filled in by the tax office. Penalty for filing late without an extension is \$25 for the first 30 days, \$50.00 from 31 to 120 days late, and \$100.00 if more than 120 days late. Penalty for failure to pay is 10% of the balance due. Interest is 1% per month even if an extension is filed. Interest for failure to file estimate is based on 90% of the tax due and could be up to 7.5% for the year, but varies depending on which quarters where underpaid.

**Line 7B.** Enter the total of Line 7 plus Line 7A.

**Line 8.** If Line 6C is greater than Line 5, enter the difference on Line 8. Amounts less than \$1.00 will not be refunded or credited.

**Declaration of Estimated Income Tax**

Any entity anticipating taxable income shall file and pay estimated tax, if the amount of the tax estimated is \$50.00 or more. Payments are due on April 15, June 15, September 15, and December 15 of the following year for calendar year taxpayers. For fiscal year taxpayers, the first payment is due the 15<sup>th</sup> day of the fourth month after the beginning of each fiscal year period. The remaining due dates are that of the federal estimated payments; provided however, that in case an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates.

The first estimated tax form is located on the front of the income tax form (lines 9 through 13).

**Line 9.** Enter your estimate of the income you expect to receive in the current tax year that is subject to tax.

**Line 10.** Enter 2% of line 9.

**Line 11.** Enter amount of overpayment from line 8 not refunded and any current year quarterly declaration payments.

**Line 12.** Subtract amount on line 11 from line 10.

**Line 13.** Add amounts on lines 7B and line 12, this is the total amount due by April 15 or 3-1/2 months after the end of your fiscal year.

A declaration and payment, which is less than ninety percent (90%) of the tax shown on the final return, or less than one hundred percent (100%) of the previous year's tax shall not be considered in good faith and the difference shall be subject to an interest charge.

Estimated payment coupons are available on our website at [www.ci.springfield.oh.us](http://www.ci.springfield.oh.us) or by calling the tax office.

\*Please note: We do not bill for the quarterly estimates. The first quarterly estimate is due 4/15/07 or within 3-1/2 months after your tax period begins. Coupons for the second, third, and fourth quarter can be found on our website or by calling our office, see Assistance. The return, unless signed, dated, and accompanied by payment of the balance due on Line 11 does not constitute a legal final return.

\*\*The amount of each quarterly billing will be determined by dividing Line 11 by four. Any credit or previous payments received will be deducted from the most current payment due.

**Signature.** The tax return must be signed and dated. Please provide the daytime phone numbers for the taxpayer and tax preparer.

**ASSISTANCE**

For assistance in completing this return, or if you have any questions, please contact the Springfield Income Tax Division. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. Phone numbers: (937) 324-7357, Fax (937) 328-3471. Our forms and instructions are now on the Internet. Visit the City of Springfield's web page at [www.ci.springfield.oh.us](http://www.ci.springfield.oh.us).