

SCHEDULE B - DISTRIBUTION OF TAX WITHIN R.I.T.A. MUNICIPALITIES

TOTAL TAX DISTRIBUTED BELOW MUST EQUAL AMOUNT FROM LINE 5

(if more space is needed, attach additional schedule)



27F04B

**FORM
27**

Municipality Name	Taxable Income	Tax Rate	Tax Due
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00

Computation of Estimated Tax

8. A. Estimated Tax (from distribution below)	8A	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
B. Credit (if any) From Prior Year (7B)	8B	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
C. Line 8A less Line 8B	8C	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
D. Amount paid (not less than 1/4 of estimated tax) (IF LINE 8A IS LEFT BLANK AN ESTIMATE WILL BE CREATED FOR YOU BASED ON YOUR PRIOR YEAR TAX LIABILITY AND MUNICIPAL DISTRIBUTION)	8D	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
9. TOTAL OF 7A + 8D	9	<input type="text"/> , <input type="text"/> , <input type="text"/> .00

MAKE CHECKS PAYABLE TO R.I.T.A.

Estimated Tax Distribution From Line 8A (above)

(if more space is needed, attach additional schedule)

Municipality Name	Taxable Income	Tax Rate	Tax Due
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00
<input type="text"/>	<input type="text"/> , <input type="text"/> , <input type="text"/> .00	<input type="text"/> %	<input type="text"/> , <input type="text"/> , <input type="text"/> .00

I CERTIFY I HAVE EXAMINED THIS RETURN, INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT IS TRUE, CORRECT AND COMPLETE, AND THAT THE FIGURES USED HEREIN ARE THE SAME AS USED FOR FEDERAL INCOME TAX PURPOSES.

SIGNATURE OF OFFICER OR PARTNER

PREPARER'S SIGNATURE

FIRM NAME

TITLE

PHONE

DATE

PREPARER'S ADDRESS

Business Status:

Out of Business



M M D D Y Y Y Y



27F04D

Schedule Y BUSINESS APPORTIONMENT FORMULA (See Instructions)

	A. Located Everywhere	B. Located in R.I.T.A. Municipality (ies)	C. Percentage (B ÷ A)
Step 1 Average original cost of real and tangible personal property	\$ <input style="width: 100px;" type="text"/> .00	\$ <input style="width: 100px;" type="text"/> .00	
Gross annual rentals multiplied by 8	\$ <input style="width: 100px;" type="text"/> .00	\$ <input style="width: 100px;" type="text"/> .00	
Total Step 1	\$ <input style="width: 100px;" type="text"/> .00	\$ <input style="width: 100px;" type="text"/> .00	<input style="width: 50px;" type="text"/> %
Step 2 Total wages, salaries, commissions, and other compensation for all employees	\$ <input style="width: 100px;" type="text"/> .00	\$ <input style="width: 100px;" type="text"/> .00	<input style="width: 50px;" type="text"/> %
Step 3 Gross receipts from sales and work or services performed (see instructions)	\$ <input style="width: 100px;" type="text"/> .00	\$ <input style="width: 100px;" type="text"/> .00	<input style="width: 50px;" type="text"/> %
Step 4 Total Percentage			<input style="width: 50px;" type="text"/> %
Step 5 Average percentage (divide total percentage by number of percentages used, enter on Line 3B, Page 1)			<input style="width: 50px;" type="text"/> %

ADJUSTMENTS TO THE FEDERAL TAXABLE INCOME (FTI), BEFORE NET OPERATING LOSSES AND SPECIAL DEDUCTIONS

- i. Deduct intangible income to the extent it is included in FTI;
- ii. Add 5% of the amount deducted as intangible income, but not the portion of the intangible income related to the sale, exchange, or disposition of property described in section 1221 of the Internal Revenue Code (IRC);
- iii. Add any losses allowed in the computation of FTI if the losses relate to the sale, exchange, or disposition of property described in section 1221 or 1231 of IRC;
- iv. Except for depreciation recapture described in section 1245 or 1250 of IRC, deduct income and gain included in FTI to the extent the income and gain relate to the sale, exchange, or disposition of an asset described in section 1221 or 1231 of IRC;
- v. Add taxes on or measured by net income allowed as a deduction in the computation of FTI;
- vi. In the case of a real estate investment trust or regulated investment company, add all dividends, distributions, or amounts set aside for the benefit of investors and allowed as a deduction in the computation of FTI;
- vii. In the case of a taxpayer that is not a C corporation and is not an individual, the taxpayer shall compute FTI as if the taxpayer were a C corporation and, in addition to the above adjustments, shall not be allowed a deduction for guaranteed payments, payments to a qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee, or federal self-employment tax. Refer to the Adjusted Federal Taxable Income (AFTI) worksheet found at www.ritaohio.com to determine the AFTI, as it pertains to taxpayers that are not a C corporation and is not an individual, and who shall compute FTI as if the taxpayer were a C corporation.

2004 NET PROFIT TAX TABLE

<u>CODE</u>	<u>MUNICIPALITY</u>	<u>RATE</u>	<u>CODE</u>	<u>MUNICIPALITY</u>	<u>RATE</u>
013	ARLINGTON HEIGHTS	2.10	515	MOGADORE	2.00
006	ASHVILLE	0.50	520	MORELAND HILLS	1.00
010	AURORA	2.00	528	MOUNT STERLING	1.00
020	AVON	1.50	535	NEW ALBANY	2.00
021	AVON LAKE	1.50	504	NEW BLOOMINGTON	1.00
040	BAY VILLAGE	1.50	540	NEWBURGH HEIGHTS	2.00
050	BEACHWOOD	1.50	561	NEWTOWN	1.00
065	BEDFORD HEIGHTS	2.00	549	NORTH LEWISBURG	1.00
090	BENTLEYVILLE	1.00	550	NORTH OLMSTED	2.00
100	BEREA	2.00	570	NORTH ROYALTON	1.00
104	BEXLEY	2.00	580	OAKWOOD VILLAGE	2.00
110	* BOSTON HEIGHTS	1.50	585	OBERLIN	1.90
130	BRECKSVILLE	2.00	590	OLMSTED FALLS	1.50
140	BROADVIEW HEIGHTS	2.00	589	OLMSTED JEDD	1.50
160	BROOKLYN HEIGHTS	2.00	600	ORANGE VILLAGE	2.00
167	* CAMPBELL	2.50	606	OTTAWA	1.00
195	* CECIL	1.00	650	PEPPER PIKE	1.00
192	CEDARVILLE	1.00	640	PLAIN CITY	1.00
194	CENTERBURG	1.00	635	PLYMOUTH	0.50
180	CHAGRIN FALLS	1.50	648	POWELL	0.75
190	CIRCLEVILLE	1.50	660	REMINDERVILLE	1.50
193	* CLAYTON	1.50	661	REMINDERVILLE /	
250	CUYAHOGA HEIGHTS	2.00		TWINSBURG TOWNSHIP JEDD	1.50
270	EAST CLEVELAND	2.00	662	REYNOLDSBURG	1.50
277	ELYRIA	1.75	670	RICHMOND HEIGHTS	2.00
282	ELYRIA TOWNSHIP /		671	* RICHWOOD	1.00
	CITY OF ELYRIA JEDD	1.75	669	RIDGEWAY	0.50
291	FAIRPORT HARBOR	2.00	680	RIVERSIDE	1.50
300	FAIRVIEW PARK	1.50	704	* SABINA	0.50
304	FORT JENNINGS	1.00	707	SAINT PARIS	1.00
310	* FREMONT	1.50	712	SALINEVILLE	1.00
319	GALENA	1.00	710	SANDUSKY	1.00
320	GARFIELD HEIGHTS	2.00	720	SEVEN HILLS	2.00
346	* GIRARD	2.00	750	SHAKER HEIGHTS	1.75
347	GLENWILLOW	2.00	749	SHAWNEE HILLS	2.00
357	GRANDVIEW HEIGHTS	2.00	751	SHEFFIELD LAKE	1.25
358	* GROVE CITY	2.00	752	SHEFFIELD VILLAGE	1.50
364	* HASKINS	1.00	748	* SHERWOOD	1.00
370	HIGHLAND HEIGHTS	1.50	756	SILVER LAKE	2.00
378	* HUDSON	1.00	770	SOUTH EUCLID	1.50
390	INDEPENDENCE	2.00	769	SOUTH SOLON	1.00
377	* JEWETT	1.00	776	STEUBENVILLE	2.00
394	KIRTLAND	2.00	775	STREETSBORO	1.00
398	LAGRANGE	1.50	780	STRONGSVILLE	2.00
401	LAKEMORE	2.00	779	SUNBURY	1.00
400	LAKESWOOD	1.50	792	TORONTO	1.50
426	LOCKLAND	2.10	800	UNIVERSITY HEIGHTS	1.50
440	LYNDHURST	1.50	802	UPPER ARLINGTON	2.00
450	* MACEDONIA	2.00	806	URBANCREST	2.00
451	* MACEDONIA / NORTHFIELD		810	VALLEY VIEW	2.00
	CENTER TWP. JEDD	2.00	815	VERMILION	1.00
454	MAINEVILLE	1.00	821	WAKEMAN	1.00
460	MAPLE HEIGHTS	2.00	820	WALTON HILLS	2.00
466	MARTINS FERRY	0.75	834	WELLSTON	0.75
480	MAYFIELD HEIGHTS	1.00	839	* WELLSVILLE	1.00
485	MAYFIELD VILLAGE	1.50	840	WESTLAKE	1.50
486	* MECHANICSBURG	1.00	890	WILLOWICK	2.00
500	MIDDLEBURG HEIGHTS	1.75	894	WINTERSVILLE	1.00
505	MILAN	0.50	900	WOODMERE	2.00
507	MILFORD CENTER	1.00	904	* WORTHINGTON	2.00
509	* MINERVA PARK	1.00	906	YELLOW SPRINGS	1.50

*BOSTON HEIGHTS TAX RATE CHANGE FROM 1.50% TO 2.00% AS OF 1-1-05
 *CAMPBELL NEW MEMBER AS OF 1-1-05
 *CECIL NEW MEMBER & NEW TAX AS OF 1-1-04
 *CLAYTON NEW MEMBER & NEW TAX AS OF 1-1-04
 *FREMONT NEW MEMBER AS OF 1-1-05
 *GIRARD NEW MEMBER AS OF 1-1-05
 *GROVE CITY NEW MEMBER AS OF 7-1-04
 *HASKINS NEW MEMBER AS OF 1-1-04
 *HUDSON TAX RATE CHANGE FROM 1.00% TO 2.00% AS OF 1-1-05
 *JEWETT NEW MEMBER AS OF 1-1-05

*MACEDONIA NEW MEMBER AS OF 10-1-04
 *MACEDONIA / NORTHFIELD CENTER TWP. **JEDD** NEW MEMBER AS OF 10-1-04
 *MECHANICSBURG NEW MEMBER AS OF 1-1-05
 *MINERVA PARK NEW MEMBER & NEW TAX AS OF 1-1-05
 *RICHWOOD TAX RATE CHANGE FROM 0.50% TO 1.00% AS OF 1-1-04
 *SABINA NEW MEMBER & NEW TAX AS OF 5-27-04
 *SHERWOOD NEW MEMBER & NEW TAX AS OF 7-1-04
 *WELLSVILLE NEW MEMBER AS OF 2-1-04
 *WORTHINGTON TAX RATE CHANGE FROM 1.65% TO 2.00% AS OF 1-1-04

INSTRUCTIONS FOR PREPARING FORM 27

GENERAL INSTRUCTIONS

FILING REQUIREMENTS: Every corporation, partnership, trust, or estate whether a resident or non-resident that conducts business in a R.I.T.A. municipality must file a return and pay tax on the net profit.

NEW UNIFORM DEFINITION OF NET PROFITS: Recently enacted law in Ohio creates a uniform definition of taxable income for net profits tax returns, effective for taxable year 2004, for filings that occur in 2005. This definition can be found on our website www.ritaohio.com under the heading of "HB 95 Amendments to Municipal Income Tax" or refer to Ohio Revised Code Section 718.01. A listing of the adjustments to the Federal Taxable Income (FTI) before net operating losses and special deductions are located at the top of the reverse side of this page. Refer to the Adjusted Federal Taxable Income (AFTI) worksheet found at www.ritaohio.com to determine the AFTI, as it pertains to taxpayers that are not a C corporation and is not an individual, and who shall compute FTI as if the taxpayer were a C corporation.

HOW TO TREAT A NET LOSS: The portion of a net operating loss sustained in any taxable year, allocable to a R.I.T.A. municipality may be applied against the portion of the profit of succeeding year(s) allocable to a R.I.T.A. municipality until exhausted, but in no event for more than five (5) taxable years (SEE SPECIAL NOTES). No portion of a net operating loss shall be carried back against net profits of any prior year. The portion of a net operating loss sustained shall be allocated to a R.I.T.A. municipality in the same manner as provided herein for allocating net profits to the taxing municipality. A worksheet or schedule is required to support an operating loss claimed on the return. The net operating loss of a business which loses its identity through merger, consolidation, etc. shall be allowed as a loss carry-forward deduction to the surviving business entity to the extent permitted by the Internal Revenue Code.

SPECIAL NOTES
BEXLEY, CIRCLEVILLE, FREMONT, GRANDVIEW HEIGHTS, GROVE CITY, LAKEMORE, NEW ALBANY, OBERLIN, PLYMOUTH, POWELL, REYNOLDSBURG, RICHWOOD, SANDUSKY, SHAWNEE HILLS, SHEFFIELD LAKE, SUNBURY, TORONTO, UPPER ARLINGTON, URBANCREST, WELLSVILLE, WORTHINGTON, AND YELLOW SPRINGS: A net operating loss may not be carried forward.
BOSTON HEIGHTS, RIVERSIDE, SOUTH SOLON, AND VERMILION: A net operating loss may be carried forward for a maximum of three (3) years.
JEWETT: A net operating loss may be carried forward for a maximum of (7) years.

WHEN TO FILE: On or before the fifteenth day of the fourth month following the end of the taxpayer's taxable year.

WHERE TO FILE: Forms may be mailed to R.I.T.A., P.O. Box 89475, Cleveland, Ohio 44101-6475, or delivered to the office of the Regional Income Tax Agency.

EXTENSIONS OF TIME TO FILE: A federal extension will extend the municipal due date to the last day of the month to which the due date of the federal return is extended. A copy of the federal extension must be filed on or before the original due date for filing the return. For good cause, an extension may be granted by the Administrator. Make written request on or before the due date stating reason for extension.

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.

In accordance with law, **PENALTY AND INTEREST** will be charged for failing to file a return and to pay taxes, including estimated taxes, when they are due.

SPECIFIC INSTRUCTIONS

HEADING - Print your company name, address, federal identification number, or make needed corrections if already imprinted.

LINE 1 - Indicate your Adjusted Federal Taxable Income (AFTI), or the equivalent on Line 1. (Refer to the AFTI worksheet found at www.ritaohio.com to determine the AFTI, as it pertains to taxpayers that are not a C corporation and is not an individual, and who shall compute FTI as if the taxpayer were a C corporation.

LINES (2A), (2B), AND (2C) - are used to make adjustments when Line 1 includes income not taxable and/or items not deductible for municipal tax purposes. Schedule X is used to reconcile income as used for federal purposes by subtracting such income items that are not taxable for municipal purposes and adding back deductions used for federal purposes that are not allowable for city purposes. Enter the amounts of any such items in Schedule X, and carry the totals of Schedule X, Lines (K) and (Z) respectively to Lines (2A) and (2B). The difference between Lines (2A) and (2B) is to be entered on Line (2C). Also see instructions for Schedule X.

LINE (3A) - is the result of Line 1 plus Line (2A) less Line (2B).

LINE (3B) - The income tax ordinance recites a formula (Schedule Y) to determine the percentage of income attributable to R.I.T.A. municipalities by business entities conducting business activity both within and outside R.I.T.A. municipalities. Bring the average percentage from Line 5 of Schedule Y to the % line of Line (3B). Multiply Line (3A) by this percentage and enter the result on Line (3B).

LINE (3C) Refer to the Special Notes section (listed above) as to the specific municipal limitations on Net Operating Losses.

LINE 4 - is the result of Line (3B) less Line (3C).

LINE 5 - See reverse side for tax rates or use www.ritaohio.com to obtain current rates. NOTE: You must complete Schedule B for any amount on Line 5.

LINE (6A) - Enter here estimated payments made to R.I.T.A. municipalities for this taxable year.

LINE (6B) - Enter credit from prior year(s). (Overpayment you indicated on the prior return to be credited against this year's tax.)

LINE (6C) - is the total of Lines (6A) and (6B).

LINE (7A) - If Line 5 is greater than Line (6C) the difference should be entered here. Remittance in this amount must accompany the return when filed. If this amount is less than \$1, (for Macedonia \$2 and Bedford Heights \$5), you do not have to pay.

LINE (7B) - If Line (6C) is greater than Line 5 the difference should be entered here. This amount will be transferred as a credit unless you request a refund. Refunds of less than \$1, (for Macedonia \$2 and Bedford Heights \$5), are not made, per the income tax ordinance, but can be credited to your account. Do not split overpayment between credit and refund. Please check refund box on return envelope to expedite processing of the refund.

LINE (8) - COMPUTATION OF ESTIMATED TAX

PLEASE NOTE: IF THE ESTIMATE IS LEFT BLANK, AN ESTIMATE WILL BE CREATED FOR YOU BASED ON YOUR PRIOR YEAR TAX LIABILITY AND MUNICIPAL DISTRIBUTION. IF NO ESTIMATE IS REQUIRED PLACE A ZERO ON LINE 8A.

DECLARATION OF ESTIMATED MUNICIPAL TAX ON NET PROFITS

It is required by municipal ordinance, a Declaration of Estimated Income Tax on Net Profits must be filed by the following:

- (1) All corporations (including S Corps. and LLC's) whose income is derived from sales made, work done, services performed or rendered, and business or other activities conducted in any R.I.T.A. MUNICIPALITY, whether or not such income results in a net profit.
- (2) All resident or non-resident partnerships, limited partnerships, estates or trusts which expect a profit or loss derived from sales made, work done, services performed or rendered, and business or other activities conducted in any R.I.T.A. MUNICIPALITY.

The estimate is due on the 15th day of the fourth month following the end of the fiscal year.

A. Enter the computed, estimated taxable income and taxes for each municipality in the space provided next to the name of that municipality listed on the bottom part of the Estimated Tax Requirements section. Then place the total taxes on Line (8A).

B. **Credit from prior year:** If upon completion of your annual net profit Form 27 you have accrued a credit and did not request a refund, you may take that credit here on Line (8B). Otherwise, place a zero on this Line.

C. Subtract Line (8B) from Line (8A) and place the difference on Line (8C).

D. Enter the amount of estimated tax to be paid with this return on Line (8D).

LINE (9) - Enter the total tax (Line 7A) plus total estimate paid (Line 8D).

For your convenience, you may pay the full amount of total estimated tax due, (Line 8C) with this declaration. Otherwise, 1/4 of the estimated tax due must be remitted with this declaration and the remaining amount will be billed to you in three equal installments.

For each R.I.T.A. MUNICIPALITY owed, if your estimated payments are not 90% of the tax due or are not equal to or greater than your prior year's total tax liability, you will be subject to penalty and interest assessments.

QUARTERLY PAYMENTS OF ESTIMATED TAX MUST BE MADE TO EACH R.I.T.A. MUNICIPALITY REGARDLESS OF THE AMOUNT OWED, EXCEPT FOR THE FOLLOWING CITIES:

IF THE AMOUNT IS AT LEAST:	FOR THE FOLLOWING CITIES:		
\$10	AVON BENTLEYVILLE BOSTON HEIGHTS BROADVIEW HEIGHTS BROOKLYN HEIGHTS CHAGRIN FALLS EAST CLEVELAND FAIRVIEW PARK HIGHLAND HEIGHTS KIRTLAND	LYNDHURST MAPLE HEIGHTS MARTINS FERRY MAYFIELD VILLAGE MORELAND HILLS NEWBURGH HEIGHTS NORTH OLMSTED OLMSTED FALLS OLMSTED JEDD ORANGE VILLAGE	PEPPER PIKE REMINDERVILLE REMINDERVILLE / TWINS TWP. JEDD SEVEN HILLS STREETSBORO VALLEY VIEW WALTON HILLS WOODMERE
\$40	AVON LAKE	SANDUSKY	
\$50	AURORA BAY VILLAGE BEREA GALENA GLENWILLOW HUDSON	MAYFIELD HEIGHTS MIDDLEBURG HEIGHTS NEW ALBANY NORTH ROYALTON OAKWOOD VILLAGE POWELL	SHAKER HEIGHTS STRONGSVILLE SUNBURY UNIVERSITY HEIGHTS WELLSTON WILLOWICK
\$75	BRECKSVILLE		
\$100	BEDFORD HEIGHTS CENTERBURG CIRCLEVILLE ELYRIA ELYRIA TWP. / CITY JEDD FORT JENNINGS FREMONT	GRANDVIEW HEIGHTS LAKEWOOD MAINEVILLE OTTAWA REYNOLDSBURG RICHMOND HEIGHTS RIVERSIDE	SAINT PARIS SILVER LAKE SOUTH EUCLID STEBENVILLE UPPER ARLINGTON WESTLAKE WORTHINGTON
\$200	BEXLEY	HASKINS	

SIGN AND DATE FORM 27 IN THE SPACE PROVIDED.

PRINT YOUR FEDERAL EMPLOYER IDENTIFICATION NUMBER ON YOUR CHECK OR MONEY ORDER AND MAKE IT PAYABLE TO R.I.T.A. ENCLOSE CHECK OR MONEY ORDER AND ORIGINAL FORM 27 IN THE ENCLOSED RETURN ENVELOPE.

SCHEDULE INSTRUCTIONS Distribution of Profit Within R.I.T.A. Municipalities

SCHEDULE B This schedule must be used for the distribution of tax on Line 5. If the amount of tax shown on Line 5 of this form is to be allocated to any R.I.T.A. municipality, you must fill in the names of all the municipalities and the amount of taxable income and tax due to each one. The total distribution in Schedule B must equal total tax due (Line 5). Attach a schedule if you need more space.

Reconciliation with Federal Income Tax Return

SCHEDULE X This schedule is used for the purpose of making adjustments when total income (Line 1) includes income not taxable and/or items not deductible for municipal purposes. Enter the amounts of any such items in Schedule X and carry totals, Line K and Line Z, respectively to Lines (2A) and (2B). **LINE A -** Capital losses from the sale, exchange, or disposition of property shall not be taken into consideration in arriving at net profits earned.

LINE B - Would include federal, state, local, and other taxes based on income. **LINE C -** Add 5% of the amount deducted as intangible income, but not the portion of the intangible income related to the sale, exchange, or disposition of property described in section 1221 of the Internal Revenue Code. **LINE E -** In the case of a taxpayer that is not a C corporation and is not an individual, the taxpayer shall compute FTI as if the taxpayer were a C corporation and, in addition to the above adjustments, shall not be allowed a deduction for payments to a qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee, or federal self-employment tax. **LINE F -** In the case of a real estate investment trust or regulated investment company, add all dividends, distributions, or amounts set aside for the benefit of investors and allowed as a deduction in the computation of FTI.

LINE N - Capital gains from the sale, exchange, or other disposition of property shall not be taken into consideration in arriving at net profits earned. **LINE Q -** Include items listed in the general instructions as Federal Income Not Taxable, as well as compensation or like reimbursement for damages, (except for loss of profits), involuntary conversion, cancellation of indebtedness, income of a decedent's income already taxable by the State of Ohio from which R.I.T.A. municipalities are specifically prohibited from taxing, and income which is prohibited from taxation by the Constitution of the United States and the State of Ohio or any Act of Congress or the Ohio General Assembly.

Business Apportionment Formula

SCHEDULE Y A business apportionment formula consisting of the average original cost of the property, gross receipts and wages paid must be used by business entities not required to pay tax on entire net profits, by reason of doing business both within and without of R.I.T.A. municipalities. However, if the Business Apportionment Formula does not produce an equitable result, another basis (for example: the books and records) may be substituted, once approved by the municipality.

NOTE: Sales and gross receipts in R.I.T.A. municipalities (Step 3) mean:

1. All sales of tangible personal property which is shipped from a R.I.T.A. municipality to purchasers outside of a R.I.T.A. municipality regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.
2. All sales of tangible personal property which is delivered within a R.I.T.A. municipality regardless of where title passes, even though transported from a point outside a R.I.T.A. municipality, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.
3. All sales of tangible personal property which is delivered within a R.I.T.A. municipality regardless of where title passes, if shipped or delivered from a stock of goods within a R.I.T.A. municipality.

Partner's Distributive Shares of Net Income

SCHEDULE Z Must be completed by all partnerships and associations filing returns. Amounts shown in this schedule must correspond with amounts reported on your Federal Partnership Form. Attach a schedule if you need more space.