



Municipal Tax Update Webcast

January 24, 2020

To watch the archived Webcast Videos click on the links below:

[Website Tools - eFile - MeF](#)

[Individual Tax Updates](#)

[Business Tax Updates](#)

[Legislation Pending and Approved](#)

*Please note: CPE is only available for live webcasts, it is not available on demand.



Ask us a Question

PDF of our presentation

Available
Ask Question
Materials
Technical Assistance is available from
9:00 am ET to 10:00 am ET
(800) 785-0681 & (954) 861-5783

Municipal Tax Update Webcast

January 24, 2020

Survey

Adminis-trivia

Today's Webcast Qualifies for **3 hours CPE - Taxation**

To Qualify:

- Submit answer to **6 of 8 Poll Questions** during the presentation
or
- Submit **6 of 8 Code Words** via email after the presentation

Watching as a Group?

- **Provide a list** after the presentation



Today's Agenda

- ▶ Welcome / Website Tools / eFile / MeF
- ▶ Individual Returns:
 - Form 37: Offsets, NOL CF Phase-in & Form Walk-through
 - FAQs: MeF Partners & Technical Tax
- ▶ Business Returns:
 - Lessons Learned: NOL CF Phase-in, ODT Opt-in & MeF Partners
 - FAQs: Technical Tax
- ▶ Current & Potential Legislation & Litigation
- ▶ Q&A & Wrap-up





WebsiteTools e-File MeF

Don Smith
Executive Director



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MyAccount



Forms



Individuals



Businesses



Tax Professionals



Tax Law Updates



RITA Municipalities



Resources



Tax Rates



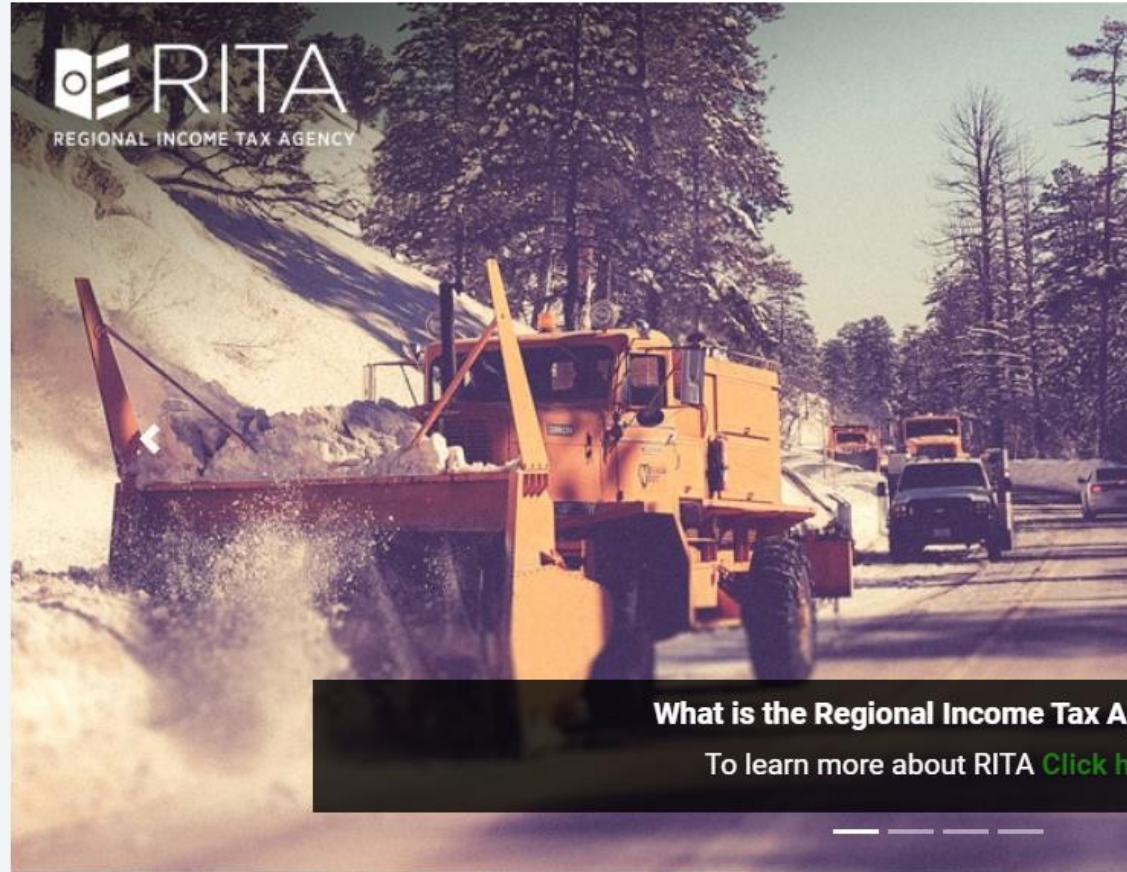
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FAQs









What is the Regional Income Tax Agency?
To learn more about RITA [Click here](#)

Welcome

Welcome to Ohio's Regional Income Tax Agency – RITA – with a website designed to make your municipal tax administration service more easily accessible and navigable online. With forms, tools and communication strategies that simplify and increase transparency, we are helping individuals, businesses and tax professionals navigate the obligations of local taxes in their RITA member municipality.






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Resources for Tax Professionals

RITA strives to provide efficient and effective information to tax preparers and tax software vendors. RITA is dedicated to sharing noteworthy information, including the latest updates to municipal income tax laws.

Register to Receive Email Notifications from RITA.

Use RITA's **Occasional Entrant Flow Chart** to assist in determining where workplace withholding should occur under the 20-day rule.

Use RITA's **S-Corp. Owner Residence Tax Treatment Summary** to see how RITA Member Municipalities tax resident owners of S-Corporations.

News and Important Updates - Page 1





Testing Prod
Posted on: 10/3/16
Testing Prod

Smoke testin
Posted on: 10/16/16
Smoke testin

Website and

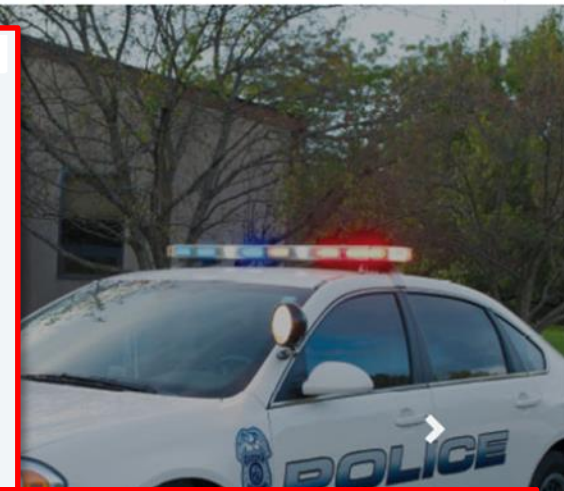
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Forms And Instructions

- 2020
- 2019
- 2018
- 2017
- 2016
- 2015
- 2014
- 2013
- 2012

Form	Form	Instructions
Form 37 Individual Municipal Income Tax Return	Form	Instructions
Exemption Use this form if you are exempt from filing an Individual Municipal Income Tax Return	Form	
Form 10A Application for Municipal Income Tax Refund	Form	
Form 32 EST-EXT Estimated Income Tax and/or Extension of Time to File	Form	
Request for Allocation of Payments Use this form to allocate existing payments/credits between separate individual accounts	Form	
Postal Wage Amendment Statement Form	Form	
Form 75 Individual Registration Form	Form	
Request for Appealable Assessment	Form	

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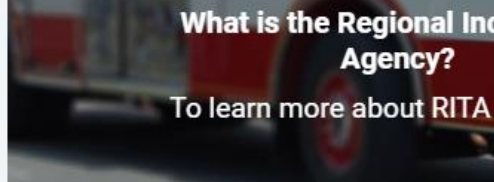
RITA Municipalities

RITA Member List | RITA JEDD, JEDZ and ENTPZ Member List

Aberdeen	Elmore	Medina	Rocky River
Addyston	Elmwood Place	Melrose	Rosford
Adelphi	Elyria	Mentor	Sabina
Alexandria	Empire	Metamora	Saint Clairsville
Amanda	Fairborn	Middle Point	Saint Paris
Amelia	Fairport Harbor	Middleburg Heights	Salineville
Amsterdam	Fairview Park	Middleport	Sandusky
Andover	Fayette	Midvale	Sardinia
Antwerp	Felicity	Mifflin	Sebring
Arlington Heights	Fort Jennings	Milan	Seven Hills
Ashley	Fostoria	Milford	Shaker Heights
Ashville	Fredericktown	Milford Center	Shawnee Hills
Aurora	Fremont	Miller City	Sheffield Lake
Avon	Fulton	Millersport	Sheffield Village
Avon Lake	Gahanna	Mineral City	Silver Lake
Baltic	Galena	Minerva Park	Silverton
Baltimore	Galion	Mingo Junction	Smithfield
Barnesville	Garfield Heights	Mogadore	Solon
Bay Village			
Beachwood			

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Tax Rates Table

Alphabetical Municipality Filter:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

New Municipalities and Tax Rate Changes:

ALL

EXPORT PRINT

2020 2019 2018 2017 2016 2015 2014

Bold indicates a rate that went into effect January 1st in the selected year.

* Indicates a new municipality that went into effect January 1st in the selected year.

Municipality	Code	Tax Rate	Credit Factor (Tax Credit)	Credit Rate (Credit Limit)
Aberdeen	023	1.000%	100.000%	1.000%
Addyston	018	1.500%	100.000%	1.500%
Adelphi	022	1.000%	0.000%	0.000%
Alexandria	043	0.000%	0.000%	0.000%
Amanda	044	1.000%	0.000%	0.000%
Amelia	042	1.000%	0.000%	0.000%
Amsterdam	039	1.000%	100.000%	1.000%

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REGIONAL INCOME TAX AGENCY

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THE INCOME TAX IN THE VILLAGES OF AMELIA, NEWTONSVILLE AND SMITHFIELD REMAINS IN EFFECT. SEE RESOURCES/NEWS AND IMPORTANT U

Tax Rates Tab

Alphabetical Municipality Filter:
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

New Municipalities and Tax Rate Changes:

New Municipalities ▾
EXPORT PRINT

2020 2019 2018 2017 2016 2015 2014

Bold indicates a rate that went into effect January 1st in the selected year.

* Indicates a new municipality that went into effect January 1st in the selected year.

Municipality	Code	Tax
Batavia New as of 07/01/2019	035	
Bellville New as of 07/01/2019	088	
Bloomville *	123	
Brice *	136	

Municipality	Code	Tax Rate	Credit Factor	Credit Rate
Batavia	35	1.00%	0.00%	0.00%
Bellville	88	1.00%	50.00%	1.00%
Bloomville	123	1.00%	0.00%	0.00%
Brice	136	2.00%	100.00%	2.00%
Bridgeport	156	0.00%	0.00%	0.00%
as of 08/01/2019	156	1.00%	0.00%	0.00%
Canal Winchester	175	2.00%	100.00%	2.00%
Carrollton	203	1.00%	100.00%	0.50%
Columbiana	211	1.00%	100.00%	0.50%
Crestline	227	2.00%	100.00%	1.50%
Cuyahoga Falls	220	2.00%	100.00%	2.00%
Cuyahoga Falls Boston Twp JEDD	135	2.00%	0.00%	0.00%
Etna-Reynoldsburg JEDD 4	144	0.00%	0.00%	0.00%
as of 08/30/2019	144	2.00%	0.00%	0.00%
Greenfield	334	1.63%	100.00%	1.63%
Groveport	361	2.00%	100.00%	2.00%
Harrisburg	325	1.00%	0.00%	0.00%
Liberty Center	444	1.00%	50.00%	1.00%
Liberty Center JEDD	687	1.00%	0.00%	0.00%
Milford JEDD VI	668	0.00%	0.00%	0.00%
as of 08/01/2019	668	1.00%	0.00%	0.00%
Pomeroy	584	1.00%	100.00%	1.00%
Wayne Lakes	916	1.00%	0.00%	0.00%
Whitehouse	848	1.50%	100.00%	0.75%

What is the Regional Income Tax Agency?
To learn more about RITA [Click here](#)

Welcome to the fresh new look of designed website to make your municipality more navigable online. With new forms, to transparency, we are helping individuals, businesses and tax professionals navigate the obligations of local taxes in their RITA member municipality.

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
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> View Filing History

 Refund


> View Refund Status

 Payments

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> Make a Payment


> Pay My Filing Voucher

 Contact Us

> Send Us a Message

> Messages

> Manage Alerts

 Account Profile

> Change Address

> Change Email

> Change My Password

> Two Step Authentication

MyAccount Summary

Welcome to MyAccount!

MyAccount has a fresh look with exciting features to enhance your user experience:

- Easy "Send Us a Message" section
- User-friendly navigation
- Credit card payment option for all applications
- More self-service options
- Enhanced Tax Form view in Filing History
- Optional Two-Factor Authentication for an additional security layer

These improvements came from suggestions that were submitted to us by taxpayers like you. We will continue to listen to your feedback. Stay tuned for more updates as we continue to make filing your municipal income taxes **simple and professional**.

Thank you for using MyAccount!

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2018 Local Tax Return

Personal Info

Filing Status

Your Name

Social Security Numbers

Contact Info

Residence

✓ Taxable / Exemption

\$ Income

W-2

W-2G

Schedule C

Schedule E

1099-Misc

4797

Schedule F

Review and File

MyAccount Summary

Income Checklist

Select the income types you received in 2018 and then click on the "Continue" button
OR

You can click on the "Guide Me" button at the bottom of this screen to get step-by-step guidance about each income type.

- Wage Income (Form W-2)
- Gambling Winning Income (Form W-2G)
- Schedule C - Business Income
- Schedule E - Supplemental Income or Loss
- 1099 - Miscellaneous Income
- 4797-Sales of Business Property Income
- Schedule F - Farm Income

Step by Step Guidance

We can lead you step by step through all of the income topics

Guide Me

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Tax Law Updates



Modernized eFile Approved Software Vendors

The software vendors listed below have been approved to provide RITA returns. Products and other information are listed after testing with the software vendor is complete. If you are a software vendor that wants to participate in the MeF program, please submit one or both of the following forms:

[RITA Form 37 MeF Application - Individuals](#)

[RITA Form 27 MeF Application - Businesses](#)

[Tax Professionals News and Important Updates](#) will provide notifications related to the current MeF program.

Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015	Tax Year 2014
Official Company Name: CCH SMALL FIRM					
Product Name:		ATX			
Mailing Address:		225 CHASTAIN MEADOWS CT NW, Suite 200, KENNESAW, GA 30144			
Support:		1-800-638-8291			
Forms Accepted:		Individual Municipal Income Tax Return (RITA Form 37)			
Web Address:		WWW.ATXINC.COM			
Official Company Name: HRB DEVELOPMENT LLC					
Product Name:		BLOCKWORKS			

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TY 2019 MeF Approved Partners @ 1/24/2020

	FORM 37	FORM 27
ATX	X	
BLOCKWORKS	X	
DRAKE	X	
GOSYSTEM/ONESOURCE	X	
LACERTE	X	
PROCONNECT TAX ONLINE	X	
PROSYSTEMFX	X	X
TAXACT	X	
TAXACT PROFESSIONAL	X	
ULTRA TAX CS	X	X

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Individual Tax Updates

Scott Dunford

Individual Processing Manager

Today's Topics

- Form 37 updates
- NOL Carryforward Examples
- Individual Tax Issues
- Individual MeF 2019

Form 37 - Individual Municipal Return

This form is used by all individuals, residents and non-residents, to report taxable income to RITA municipalities.

- Essentially unchanged from TY 2018.
- NOL phase in worksheet updated for 2019.
- Can be used to report any income type, by any individual.
- Main parts are Section A, Section B, Schedule J and Schedule P.

Form 37 Pg. 1

- Demographic section. Names, current address, SSN.
- Informational check boxes. Filing status, extension, amended return, RITA residence municipality.
- City/Village Township of residence section.
- Section A for reporting W-2 and W-2G income.
- Taxpayer and preparer signature lines.

Form 37

**Regional Income Tax Agency
RITA Individual Income Tax Return 2019**
Do not use staples, tape or glue

REGIONAL INCOME TAX AGENCY

800.860.7482
 TDD: 440.526.5332
 ritaohio.com

<small>Your social security number</small>	<small>Spouse's social security number</small>
<small>Your first name and middle initial</small>	<small>Last name</small>
<small>If a joint return, spouse's first name and middle initial</small>	<small>Last name</small>
<small>CURRENT MAILING address (number and street)</small>	
<small>City, state, and ZIP code</small>	
<small>Daytime phone number</small>	<small>Evening phone number</small>

Filing Status:

 Single or Married Filing Separately
 Joint

If you have an EXTENSION check here and attach a copy: EXTENSION

If this is an AMENDED return, check here:
In the space provided below, state why you are filing an AMENDED return. Attach an explanation if you require additional space.

Residency Status in RITA Municipalities:

 Full-Year Part-Year Non-Resident

City/Village/Township of Residence - Required
In the boxes below, indicate the physical location of your residence(s) for all of 2019 and up to and including the date you file this return. This may be different from your mailing address. In addition, if you moved during 2019, list the effective date of the move into the city/village/township, city/village/township and address in the appropriate boxes. Why? Mailing address does not always correspond to the city/village/township in which you live. This required information determines the appropriate taxing jurisdiction for municipal income tax purposes. If you moved more than once, supply the additional information on a separate sheet.

<small>Effective Date</small>	<small>City/ Village/ Township</small>	<small>Address</small>
1/1/2019		

Section A
List all income from W-2 wages and W-2G winnings reported in 2019 and the amount of local/city tax withheld while living in a RITA municipality. In general, unless you moved into or out of a RITA municipality during the year, your taxable wages cannot be less than Medicare wages (Box 5 of your W-2). List all tax withheld for your resident municipality in Column 3 ONLY (even if you worked in the municipality where you lived). In Column 4, indicate the name of the municipality in which you physically worked. This may be different from the employer's address shown on the W-2. If you did not work in a city or village enter "None" in Column 4. DO NOT ENTER SCHOOL DISTRICT TAX IN COLUMNS 2 or 3.

<small>Paperclip Local/City copy of W-2/W-2G Forms and Check or Money Order Here Do not use staples, tape or glue</small>	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6		
	<small>W-2/W-2 G Income (see instructions for qualifying wages)</small>	<small>Local/City Tax Withheld for Workplace/ Winning Municipality</small>	<small>Local/City Tax Withheld for Resident Municipality</small>	<small>Workplace/ Winning Municipality (City or village where you worked)</small>	<small>Resident Municipality (City or village where you lived)</small>	<small>Dates Wages Were Earned</small>		<small>Date of winnings</small>
						<small>From Date MM/DD/YY</small>	<small>Thru Date MM/DD/YY</small>	<small>Date Won MM/DD/YY</small>
Totals				<small>For Full or Part Year Residents in RITA Municipalities - Enter Section A, Column 1 Total onto Page 2, Line 1a; enter Column 2 Total onto Page 2, Line 4a; and enter Column 3 Total onto Page 2, Line 7a. For Non-Residents required to file on workplace wages - Go to Page 3, Schedule K, Line 34 to calculate tax due.</small>				

Caution Tax balances are due by April 15, 2020. Submitting an incomplete form could subject you to penalty and interest if a tax balance is due. If you want RITA to calculate your taxes, please use the online eFile system at ritaohio.com. It is easy to use, secure and will calculate your taxes immediately.

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of municipal taxable income I received during the tax year.

Your Signature _____ Date _____

Spouse's Signature if a joint return _____ Date _____

Preparer's Name (Please Print) _____ Date _____

Preparer's Signature _____ ID Number _____

May RITA discuss this return with the preparer shown above? Yes No Preparer Phone #: _____

Filing is mandatory for most residents: see "Filing Requirements" on page 1 of the Instructions for Form 37 exemptions.

Form 37 Pg. 2

- Section B.
 - Lines 1-22 used by residents of RITA municipalities to compute tax due to their resident and workplace municipalities.
 - Non-residents use lines 10-22 to report tax due to RITA workplaces.
 - Credit rate worksheet used by residents to compute residence tax credit reported on line 5b.

Section B

For NON W-2/ Schedule income see Pages 3-5 before starting Section B.	1 a Total W-2/W-2G income from Page 1, Section A, Column 1.	1a	
	b Total self-employment, rental, partnership, and (if applicable) S-Corp. income as well as any other taxable income from Page 3, Schedule J, Line 29, Column 7. If less than zero, enter -0-.	1b	
	2 Total taxable income. Add Lines 1a and 1b.	2	
	3 Multiply Line 2 by the tax rate of your resident municipality from the tax table. Enter the tax rate of your resident municipality here: _____		3
Withheld taxes shown on your W-2 forms are reported on either Line 4a or 7a.	4 a Tax withheld for all municipalities other than your municipality of residence from Page 1, Section A, Column 2. Do not enter estimated tax payments.	4a	
	b Direct payments from Page 3, Schedule K, Line 37. Do not enter tax withheld from your wages and/or estimated tax payments on this line.	4b	
	5 a Add Lines 4a and 4b.	5a	
	b Total tentative credit from Credit Rate Worksheet, Column E located at the bottom of this page. Your resident municipality's credit rate: _____	5b	
	c Enter the smaller of Line 5a or Line 5b.	5c	
If your resident city/village has a Credit Rate of 0%; enter -0- on Line 5b, 5c and Line 5 and go to Line 7a. You do not need to complete the Credit Rate Worksheet.	6 Multiply Line 5c by the credit factor of your resident municipality from the tax table. Your resident municipality's credit factor: _____	6	
	7 a Tax withheld for your resident municipality from Page 1, Section A, Column 3. Do not enter estimated tax payments (see instructions).	7a	
	b Tax paid by your partnership/S-Corp./trust to YOUR RESIDENT municipality (from Worksheet R)	7b	
	8 Total credits allowable. (Add Lines 6, 7a, and 7b.)		8
	9 Subtract Line 8 from Line 3.	9	
	10 Tax on non-withheld wages from Page 3, Schedule K, Line 34.	10	
	11 Tax on Schedule J Income from Page 3, Line 33, Column 7.	11	
	12 TAX DUE RITA BEFORE ESTIMATED PAYMENTS. Add Lines 9, 10 and 11. If less than zero, enter -0- and file Form 10A (see instructions).		12
Refunds: To avoid delays in processing your refund, mail your return to the PO BOX address listed in the lower right hand corner of this page. Refunds of tax withheld from your wages must be applied for on Form 10A. Download Form 10A at ritaohio.com	13 2019 Estimated Tax Payments made to RITA. Do not enter tax withheld from your W-2s. Only include payments made for the 2019 tax year.	13	
	14 Credit carried forward from 2018.	14	
	15 TOTAL CREDITS AND ESTIMATED PAYMENTS. Add Lines 13 and 14.		15
	16 Balance Due. If Line 15 is less than Line 12, subtract Line 15 from Line 12. If the amount is \$10 or less, enter -0-.		16
	17 If Line 15 is GREATER than 12, subtract Line 12 from Line 15 and enter OVERPAYMENT.		17
	18 Amount you want credited to your 2020 estimated tax.	18	
	19 Amount to be refunded. You may not split an overpayment between a refund and a credit. Amounts \$10 or less will not be refunded. Allow 90 days for your refund.	19	
	20 a Enter 2020 estimated tax in full (see instructions). Estimates are due 4/15/20, 8/15/20, 9/15/20 and 1/15/21.	20a	
	b Enter first quarter estimate (1/4 of Line 20a).	20b	
	21 Subtract Line 18 from Line 20b.		21
	22 TOTAL DUE by April 15, 2020. Add Lines 16 and 21.		22

Estimated Taxes (Line 20a): If your estimated tax liability is \$200 or more, you are required to make quarterly payments of the anticipated tax due. If your estimated tax payments are not 90% of the tax due or not equal to or greater than your prior year's total tax liability, you may be subject to penalty and interest. You may use the amount on Line 12 as your estimate or use Worksheet 2 in the instructions to calculate your estimate. Note: If Line 20a is left blank, RITA will calculate your estimate. Use Form 32 EST-EXT to pay 8/15/20, 9/15/20 and 1/15/21 estimates.

Credit Rate Worksheet (enter each wage separately):

A	B	C	D	E
Wages/Income earned outside of resident municipality	Credit Rate for resident municipality from tax table	Maximum credit (multiply Column A by Column B)	Workplace tax withheld/paid	Tentative Credit Enter lesser of Columns C or D
Enter amount from WORKSHEET L, Row 17, Column 7				
Total Tentative Credit: Enter on Section B, Line 5b, above.				

Mail your return with W-2s and a copy of your federal schedules to:
With payment made payable to RITA:
 Regional Income Tax Agency
 PO Box 6800
 Cleveland, OH 44101-2004
Without payment:
 Regional Income Tax Agency
 PO Box 94801
 Cleveland, OH 44101-4801
Refund with an amount on Line 19:
 Regional Income Tax Agency
 PO Box 89409
 Cleveland, OH 44101-8409

Form 37 Pg. 3

- Schedule J

- Used to report non-wage income from self-employment, rental, farm income or from other sources.
- Used to report Partnership, S-Corporation or Trust income earned in RITA Resident municipality &/or Non-Taxing areas ONLY.

- Schedule K used to determine tax due &/or paid to non-resident municipalities on W-2 earnings.

Note: Separate sub schedules for Schedule J have been provided for Partnership/S-Corp./Trust reporting.
 • Go to Schedule P if pass-through income/loss was earned in any NON RESIDENT, TAXING MUNICIPALITIES.
 • Go to Worksheet R if you are a RITA Municipality Resident and you need to calculate the tax paid by the partnership to your RITA RESIDENT MUNICIPALITY.

SCHEDULE J		SUMMARY OF NON W-2 INCOME (For Columns 3-6, Enter City/Village/Township Where Earned)						Notes: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at rita-nj.com.	
Please see Pages 5-8 of the instructions.		COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL	
Print the name of each location (city/village/township) where income/loss was earned in the appropriate boxes.		11	NON-TAXING	13	14	15	16		
Income/Loss From Federal SCHEDULE C Attached		21	22	23	24	25	26		
Income/Loss From Federal SCHEDULE E, Part I Attached		31	32	33	34	35	36		
Other Taxable Income/Loss Attach Schedule(s) and/or Form(s)		41	42	43	44	45	46		
Partnership/S-Corp./Trust Income/Loss From SCHEDULE E Attached		51	52	RESIDENTS OF RITA MUNICIPALITIES ONLY: GO TO SCHEDULE P for PASS-THROUGH income/loss from a non-resident taxing municipality and enter the total from Schedule P, Column 7, Line 35d HERE.					
CURRENT YEAR WORKPLACE INCOME/LOSS (Total Lines 23-26)		61	62	63	64	65	66		
PRIOR YEAR LOSS CARRYFORWARD		GO TO PAGE 6 RESIDENT MUNICIPALITY LOSS WORKSHEET to calculate the PRIOR YEAR LOSS CARRYFORWARD and enter the total HERE.						71 ()	
NET RESIDENT TAXABLE INCOME (Total Column 7, Lines 25-26)									
Calculate tax due on WORKPLACE INCOME: LESS WORKPLACE LOSS CARRYFORWARD		GO TO PAGE 6 WORKPLACE LOSS WORKSHEET to calculate the workplace loss carryforward and enter the total HERE.				73 ()	74 ()	75 ()	76 ()
NET TAXABLE WORKPLACE INCOME (Line 27 minus Line 30)						83	84	85	86
FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES. Note: If Line 31 is less than zero, do NOT enter tax rate.						FOR LINE 33 BELOW: ADD COLUMNS 3-6. ENTER ON PAGE 2, SECTION B, LINE 11.			
MUNICIPAL TAX DUE (each RITA MUNICIPALITY) Note: If amounts in Columns 3-6 are \$10 or less, enter -0-. Do NOT include NON-RITA Municipalities.									

Note: If you are a resident of a RITA municipality – please go to Page 4 for WORKSHEET L to allocate income/loss and calculate potential credit for your resident municipality.

SCHEDULE K To complete Schedule K, see page 5 of the instructions. If additional space is needed, use a separate sheet.

34. W-2 WAGES EARNED IN A RITA MUNICIPALITY OTHER THAN YOUR RESIDENCE MUNICIPALITY FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here AND on Page 2, Section B, Line 10. 34. _____

35. W-2 WAGES EARNED IN A NON-RITA TAXING MUNICIPALITY FROM WHICH NO MUNICIPAL INCOME TAX WAS WITHHELD BY EMPLOYER. ONLY USE THIS SECTION IF YOU HAVE FILED AND PAID THE TAX DUE TO YOUR WORKPLACE MUNICIPALITY. PROOF OF PAYMENT MAY BE REQUIRED. Complete lines below.

Wages	Municipality	Tax Rate (see instructions)	Tax Due

Add Tax Due Column, enter total here. 35. _____

ENTER the amount from WORKSHEET L, Row 14, Column 7. 36. _____

Add Lines 34-36. Enter total on Page 2, Section B, Line 4b. 37. _____

Form 37 Pg. 4

- Worksheet L
 - Used in situations where gains and losses exist from non-wage income across multiple municipalities.
 - Allocates losses against gains to compute taxable gain amounts for municipalities.
 - Determines amount of direct payments due and potential resident credit available on adjusted gains for residence tax purposes.

Form 37 (2019) Page 4

WORKSHEET L INCOME/LOSS ALLOCATION	RITA RESIDENTS ONLY Use this to allocate income/loss and calculate potential credit for resident municipality.						
Print the name of each location (city/village/township) listed from SCHEDULE J, COLUMNS 1-6 Please see Pages 6-8 of the instructions.	COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
Enter CURRENT YEAR W. WORKPLACE INCOME From SCHEDULE J, Line 27.		NON-TAXING					
Enter CURRENT YEAR, NON- RESIDENT PASS THROUGH INCOME From SCHEDULE P. For Column 2 - enter GAIN from Schedule P, Line 6, COLUMN 7. For Columns 3-6, enter GAIN from Schedule P, Line 4 or LOSS from Schedule P, Line 28d.							
NET TAXABLE WORKPLACE INCOME - Current Year Workplace Income/Loss AND Non-Resident Pass- Through Income (ADD Rows W and P).							
1. Columns 1-6: If ROW T is a gain , enter in each column and total across.							
2. Columns 1-6: If ROW T is a loss , enter in each column and total across.							
3. PRIOR YEAR LOSS CARRY FORWARD From SCHEDULE J, Line 28.							
4. TOTAL LOSSES (ADD Rows 2 and 3).							
5. Compute GAIN Percentage : Divide each amount in Row 1, Columns 1-6 by the total in Row 1, Column 7 and enter the percentage.	%	%	%	%	%	%	%
6. Allocate Total Loss by GAIN Percentage: Multiply the total loss from Row 4, Column 7 by the percentage(s) in Row 5.							
7. Subtract Row 6 from Row 1. Note: If Pass- Through Income included in ROW 7, Column 1 GO TO WORKSHEET R . If less than zero, enter -0-.							
8. Enter NET TAXABLE WORKPLACE INCOME From Schedule J, Line 31. This amount cannot be less than zero.							
9. Add the amount in Row P to the amount in Row 8 and enter total. If amount is less than zero, enter -0-.							
10. Enter the lesser of Row 7 or Row 9.							
11. If Row 8 multiplied by the workplace tax rate is \$10 or less, divide Row W by Row T and then multiply the result by Row 10. Otherwise, enter -0-.							
12. Subtract Row 11 from Row 10. If amount is less than zero, enter -0-.							
13. For Columns 3-6, enter tax rate for workplace municipality listed.							Enter amount from Row 14, Col 7 below on Page 3, Schedule K, Line 36
14. Multiply Row 12 by Row 13.							
15. If amount on Row 14 is greater than zero, enter the amount from Row 12.							
16. Multiply Row 15 by the Credit Rate of the resident municipality. The resident municipality's credit rate: _____							Enter amount from Row 17, Col 7 below on Page 2, Credit Rate Worksheet
17. Enter the lesser of Row 14 or Row 16 above.							

Form 37 Pg. 5

- Schedule P
 - Used by residents of RITA municipalities to report income from Partnership, S-Corporations and Trusts derived from other taxing areas.
- Worksheet R
 - Used to determine payments made by pass-through entity to resident municipality on Partnership, S-Corp or Trust income earned in resident municipality. These payments are reported on line 7b.

Note: For RESIDENTS of RITA MUNICIPALITIES ONLY, separate sub schedules for Schedule J have been provided for Partnership/S-Corp./Trust reporting.

- USE Schedule P if pass-through Income/loss was earned in any NON RESIDENT, TAXING MUNICIPALITIES.
- USE Worksheet R if you are a RITA Municipality Resident and you need to calculate the tax paid by the partnership to your RITA RESIDENT MUNICIPALITY.

SCHEDULE P		FOR RITA RESIDENTS ONLY PASS-THROUGH INCOME/LOSS for TAXING MUNICIPALITIES OTHER THAN YOUR RITA RESIDENT MUNICIPALITY					Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritaho.com .	
Print the name of each location (city/village/township) NON-RESIDENT, TAXING MUNICIPALITIES ONLY, where income/loss was earned in the appropriate boxes. Please see Pages 5-6 of the Instructions.		COMPLETE THE ENTIRE SCHEDULE P BEFORE ENTERING THE TOTALS ON SCHEDULE J AND WORKSHEET L.	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL	
17			18		19		20	
26a	PARTNERSHIP INCOME/LOSS From Federal SCHEDULE E Attached		27		28		29	
26b	S-CORP INCOME/LOSS From Federal SCHEDULE E Attached		37		38		39	
26c	TRUST INCOME/LOSS From Federal SCHEDULE E Attached		47		48		49	
26d	Add Lines 26a-26c down. For each total in Columns 3-6. If amount is a <u>loss</u> , enter on Worksheet L, Row P. If amount is a <u>gain</u> , proceed to Line 1 below.		57		58		59	
1.	FOR EACH MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES.			%		%		%
2.	If Line 26d is a GAIN, multiply Line 26d by Line 1 to calculate potential tax due on current year non-resident pass-through income.							
3.	Enter the tax paid by your Partnership/S-Corp./Trust to each MUNICIPALITY on the taxpayer's distributive share.		67		68		69	
4.	If Line 3 is less than Line 2, divide Line 3 by Line 1 to calculate the income eligible for credit. Otherwise, enter the amount from Line 26d.							
5.	Subtract Line 4 from Line 26d. ADD total across to Column 7.							
		ENTER EACH SCHEDULE P LINE 4 TOTAL ON WORKSHEET L, ROW P, COLUMNS 3-6					ENTER TOTAL ABOVE IN COLUMN 7, LINE 26 ON SCHEDULE J.	
							ADD ROW 5 TOTAL BELOW TO COLUMN 2, ROW P ON WORKSHEET L.	

WORKSHEET R		RITA RESIDENTS with PASS-THROUGH INCOME in YOUR RITA RESIDENT MUNICIPALITY (Use this to calculate credit for tax paid by the entity to your RITA RESIDENT MUNICIPALITY)			Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritaho.com .
Use this worksheet to calculate the allowed partnership payment made to your RITA RESIDENT MUNICIPALITY	COLUMN 1 FROM SCHEDULE J, LINES 23-26 COLUMN 1 ONLY	COLUMN 2 Compute GAIN Percentage: Divide each amount in Rows 1-4 by Row 5, Column 1 and enter the percentage	COLUMN 3	COLUMN 4	COLUMN 5
1. If GAIN in Schedule J, Line 23 ENTER HERE		%			
2. If GAIN in Schedule J, Line 24 ENTER HERE		%			
3. If GAIN in Schedule J, Line 25 ENTER HERE		%			
4. If GAIN in Schedule J, Line 26 ENTER HERE		%			
5. ADD ROWS 1-4. TOTAL GAINS RESIDENT MUNICIPALITY					
6. Enter from Worksheet L, Row 7, Column 1 ONLY (total gain offset by allocated loss)		Enter Tax Rate for Resident Municipality	Multiply Row 7, Column 1 by Tax Rate for Resident Municipality	Enter BELOW Partnership Payments made to your RITA Resident Municipality on the taxpayer's distributive share.	ENTER the lesser of Column 3, Row 7 OR Column 4, Row 7 BELOW AND ON Page 2, LINE 7B.
7. Multiply Row 6, Column 1 above by the Gain Percentage from Row 4, Column 2.				100	

Note: Pass-through income earned in your RITA Resident Municipality is separated in its own schedule to prevent you from calculating workplace tax on this income in Schedule J. Take the lesser of the calculation on Worksheet R (Column 3) compared to the actual partnership payments (Column 4) and enter directly on Page 2, Line 7b.

Form 37 Pg. 6

NOL Worksheets

Resident

- Computes allowable loss amounts for residents of RITA municipalities.

Workplace

- Computes allowable loss amounts for workplace municipalities for both RITA residents and non-residents.

Both worksheets account for the phase-in of 2017 and later losses that first became available in 2018.

RESIDENT MUNICIPALITY LOSS CARRYFORWARD WORKSHEET - RITA RESIDENTS ONLY		NOL PHASE-IN EXCEPTIONS (RITA Municipalities and Taxing Jurisdictions)			
Use this worksheet to calculate the allowable Prior Year Loss Carryforward for Tax Year 2019, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2018, if applicable, and the 2018 allowable loss, which will be reported in Tax Year 2019 as the Prior Year Loss Carryforward. Print the name of the applicable Resident Municipality where the loss was incurred.		RESIDENT MUNICIPALITY	Beginning with losses incurred in 2017, a net operating loss may be carried forward for 5 years, in all municipalities. For municipalities or taxing jurisdictions that had an income tax in place prior to January 1, 2016, net operating loss carryforward amounts are phased-in. For losses incurred in tax years 2017, 2018, 2019, 2020 and 2021, only 50% of the carried forward loss may be deducted in each subsequent year. For municipalities or taxing jurisdictions that first imposed a tax on or after January 1, 2016, net operating loss carryforward amounts are not phased-in and may be used in full. See the list below of RITA municipalities or taxing jurisdictions with a tax first imposed on or after January 1, 2016.		
1. Enter the total gain from Tax Year 2019 Form 37, Schedule J, Column 7 Lines 26 and 27. Note: If the total is a net loss, do NOT complete this worksheet.	101				
2. Enter the unutilized, unexpired loss originating before Tax Year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	102	()			
3. Subtract Row 2 from Line 1. If amount is less than \$0, enter \$0.					
4. Enter unutilized, unexpired losses originating in Tax Year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	103	()			
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4 OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.					
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.					
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J, Column 7 Line 28.					
		AMELIA HOLLAND SMITHFIELD ASHLEY SPRINGFIELD SOUTH VIENNA BETHEL TWP JEDZ ST. LOUISVILLE BLOOMVILLE JACKSON STOUTSVILLE BRIDGEPORT KIRKERSVILLE WASHINGTONVILLE CHESTERVILLE LODI WAYNE LAKES CIRCLEVILLE LYONS WILLIAMSBURG PICKAWAY TWP MARENGO JEDD JEDD MILFORD JEDD V WILLIAMSPORT CLARKSVILLE MILFORD JEDD VI DARBYVILLE MILLERSPORT ETNA NEWTONSVILLE REYNOLDSBURG NEY JEDDS 1, 2, and 3 OSTRANDER GETTYSBURG PAYNE HANOVER			

WORKPLACE LOSS CARRYFORWARD WORKSHEET				
Use this worksheet to calculate the net loss from prior years available to offset current year workplace locations. Print the name of the applicable location where the loss was incurred.	LOCATION 3	LOCATION 4	LOCATION 5	LOCATION 6
1. From the Tax Year 2019 Form 37, Schedule J, Line 27 - ENTER each net taxable workplace gain. If Line 27 is a loss, do NOT complete worksheet for any Location with a net taxable loss.	104	105	106	107
2. Enter unutilized, unexpired losses originating before tax year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	204	205	206	207
3. Subtract Row 2 from Row 1. If less than \$0, enter \$0.				
4. Enter unutilized, unexpired losses originating in tax year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	304	305	306	307
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4. OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.				
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.				
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J Line 30.				

RESIDENT MUNICIPALITY LOSS CARRYFORWARD WORKSHEET - RITA RESIDENTS ONLY		NOL PHASE-IN EXCEPTIONS (RITA Municipalities and Taxing Jurisdictions)																																																		
<p>Use this worksheet to calculate the allowable Prior Year Loss Carryforward for Tax Year 2019, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2018, if applicable, and the 2018 allowable loss, which will be reported in Tax Year 2019 as the Prior Year Loss Carryforward.</p> <p>Print the name of the applicable Resident Municipality where the loss was incurred.</p>		<p>Beginning with losses incurred in 2017, a net operating loss may be carried forward for 5 years, in all municipalities. For municipalities or taxing jurisdictions that had an income tax in place prior to January 1, 2016, net operating loss carryforward amounts are phased-in. For losses incurred in tax years 2017, 2018, 2019, 2020 and 2021, only 50% of the carried forward loss may be deducted in each subsequent year. For municipalities or taxing jurisdictions that first imposed a tax on or after January 1, 2016, net operating loss carryforward amounts are not phased-in and may be used in full. See the list below of RITA municipalities or taxing jurisdictions with a tax first imposed on or after January 1, 2016.</p>																																																		
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NOL Worksheet changes:

Resident/Non Resident:

- Line 2 changed to ask for Unutilized/Unexpired losses incurred prior to 2017.
- Line 4 changed to ask for Unutilized/Unexpired losses incurred in 2017 and later.
- Line 7 changed to report only the amount of NOL needed to offset any income to zero.

WORKPLACE LOSS CARRYFORWARD WORKSHEET				
<p>Use this worksheet to calculate the net loss from prior years available to offset current year workplace locations.</p> <p>Print the name of the applicable location where the loss was incurred.</p>				
	LOCATION 3	LOCATION 4	LOCATION 5	LOCATION 6
	104	105	106	107
1. From the Tax Year 2019 Form 37, Schedule J, Line 27 - ENTER each net taxable workplace gain. If Line 27 is a loss, do NOT complete worksheet for any Location with a net taxable loss.				
2. Enter unutilized, unexpired losses originating before tax year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	204	205	206	207
	()	()	()	()
3. Subtract Row 2 from Row 1. If less than \$0, enter \$0.				
4. Enter unutilized, unexpired losses originating in tax year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	304	305	306	307
	()	()	()	()
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4. OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.				
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.				
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J Line 30.				

Form 37 - Individual Municipal Return

Helpful hints for form 37.

- Attach all documentation.
- W-2, W-2G and 1099 forms
- Schedules C, E and F if applicable.
- Any attachments to schedules.
 - Loss Carry forward worksheets.
 - Partnership payment listings.
- Sign and date page 1.
- Mail to the appropriate PO box by April 15, 2020.

NOL worksheet examples for Individuals.

NOL worksheet example 1.

TP is a full year resident of a RITA municipality.

- All income and loss allocable to resident city.
- Current year rental income of \$4000
- Unutilized/Unexpired Pre 2017 loss of \$(2000)
- Unutilized/Unexpired 2017 or later loss of \$(1000)

NOL ex. 1

- Fill out resident worksheet only.
- Total income from Schedule J column 7, line 27 on line 1.
- Unutilized/Unexpired 2016 and prior loss entered on line 2.
- Line 3 determines net income after old losses applied.
- Unutilized/Unexpired 2017 and later loss entered on line 4.
- Line 5 applies the 50% limitation to the 2017 and later losses.
- Line 6 determines the amount of total loss available to use for 2019.
- Line 7 is the total amount of loss reportable for 2019 (not to exceed the income on line 1). This number moves to Schedule J, line 28.

Form 37 (2019) Note: Separate worksheets for Prior Year Loss Carryforwards have been provided.

RESIDENT MUNICIPALITY LOSS CARRYFORWARD WORKSHEET: RITA RESIDENTS ONLY	
Use this worksheet to calculate the allowable Prior Year Loss Carryforward for Tax Year 2019, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2018, if applicable, and the 2018 allowable loss, which will be reported in Tax Year 2019 as the Prior Year Loss Carryforward.	RESIDENT MUNICIPALITY
Print the name of the applicable Resident Municipality where the loss was incurred.	101 RITA RESIDENT
1. Enter the total gain from Tax Year 2019 Form 37, Schedule J, Column 7 Lines 26 and 27. Note: If the total is a net loss, do NOT complete this worksheet.	4,000
2. Enter the unutilized, unexpired loss originating before Tax Year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	102 (2,000)
3. Subtract Row 2 from Line 1. If amount is less than \$0, enter \$0.	2,000
4. Enter unutilized, unexpired losses originating in Tax Year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	103 (1,000)
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4 OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.	-500
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.	-2,500
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J, Column 7 Line 28.	-2,500

NOL ex. 1 (con't)

The Schedule J would look like this.

Rental income of \$4000 reported to the resident municipality.

Resident loss of (\$2500) reported on line 28.

Net taxable income from rental is \$1500.

TP has utilized all of his \$2000 pre-2017 loss, and has 2017 and later loss of \$500 remaining to use in 2020.

Note: Separate sub schedules for Schedule J have been provided for Partnership/S-Corp./Trust reporting.

- Go to Schedule P if pass-through income/loss was earned in any NON RESIDENT, TAXING MUNICIPALITIES.
- Go to Worksheet R if you are a RITA Municipality Resident and you need to calculate the tax paid by the partnership to your RITA RESIDENT MUNICIPALITY.

SCHEDULE J		SUMMARY OF NON-W-2 INCOME (For Columns 3-6, Enter City/Village/Township Where Earned)						Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritachio.com.
Please see Pages 5-6 of the Instructions. Print the name of each location (city/village/township) where income/loss was earned in the appropriate boxes.		COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
		11	NON-TAXING	13	14	15	16	
		21	RITA RESIDENT	22	23	24	25	26
Income/Loss From Federal SCHEDULE C Attached 23.								
Income/Loss From Federal SCHEDULE E, Part I Attached 24.		31	4,000	32	33	34	35	36
Other Taxable Income/Loss Attach Schedule(s) and/or Form(s) 25.		41		42	43	44	45	46
Partnership/S-Corp./Trust Income/Loss From SCHEDULE E Attached 26.		51		52	RESIDENTS OF RITA MUNICIPALITIES ONLY: GO TO SCHEDULE P for PASS-THROUGH income/loss from a non-resident taxing municipality and enter the total from Schedule P, Column 7, Line 26d HERE.			
CURRENT YEAR WORKPLACE INCOME/LOSS (Total Lines 23-26) 27.		61	4,000	62	63	64	65	66
PRIOR YEAR LOSS CARRYFORWARD 28.		GO TO PAGE 6 RESIDENT MUNICIPALITY LOSS WORKSHEET to calculate the PRIOR YEAR LOSS CARRYFORWARD and enter the total HERE.						71
NET RESIDENT TAXABLE INCOME 29. (Total Column 7, Lines 26-28)								(2,500)
		FOR LINE 29; ADD COLUMN 7, LINES 26-28, ENTER ON PAGE 2, SECTION B, Line 1b.						1,500
Calculate tax due on WORKPLACE INCOME: 30. LESS WORKPLACE LOSS CARRYFORWARD		GO TO PAGE 6 WORKPLACE LOSS WORKSHEET to calculate the workplace loss carryforward and enter the totals HERE.		73	74	75	76	
NET TAXABLE WORKPLACE INCOME 31. (Line 27 minus Line 30)				83	84	85	86	
FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES. Note: If Line 31 is less than zero, do NOT enter tax rate. 32.								FOR LINE 33 BELOW; ADD COLUMNS 3-6, ENTER ON PAGE 2, SECTION B, LINE 11.
MUNICIPAL TAX DUE (each RITA MUNICIPALITY) Note: If amounts in Columns 3-6 are \$10 or less, enter -0-. Do NOT include NON-RITA Municipalities. 33.								

NOL worksheet example 2.

TP is a full year resident of a RITA municipality.

- All income and loss allocable to resident city or non-taxing location.
- Current year Schedule C income of \$15000
- Current year Rental Loss in Non Taxing city of (\$2500)
- Unutilized/Unexpired 2017 or later loss of \$(20000)

NOL ex. 2

- Fills out resident worksheet only.
- Total income from column 7, line 27 on line 1.
- Unutilized/Unexpired pre-2017 and prior loss entered on line 2.
- Line 3 determines net income after old losses applied.
- Unutilized/Unexpired 2017 and later loss entered on line 4.
- Line 5 applies the 50% limitation to the 2017 and later losses.
- Line 6 determines the amount of total loss available to use for 2019.
- Line 7 is the total amount of loss reportable for 2019 (not to exceed the income on line 1). This number moves to Schedule J, line 28.

Form 37 (2019) Note: Separate worksheets for Prior Year Loss Carryforwards have been provided.

RESIDENT MUNICIPALITY LOSS CARRYFORWARD WORKSHEET: RITA RESIDENTS ONLY	
Use this worksheet to calculate the allowable Prior Year Loss Carryforward for Tax Year 2019, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2018, if applicable, and the 2018 allowable loss, which will be reported in Tax Year 2019 as the Prior Year Loss Carryforward. Print the name of the applicable Resident Municipality where the loss was Incurred.	RESIDENT MUNICIPALITY 101 RITA CITY
1. Enter the total gain from Tax Year 2019 Form 37, Schedule J, Column 7 Lines 26 and 27. Note: If the total is a net loss, do NOT complete this worksheet.	12,500
2. Enter the unutilized, unexpired loss originating before Tax Year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	102 (0)
3. Subtract Row 2 from Line 1. If amount is less than \$0, enter \$0.	12,500
4. Enter unutilized, unexpired losses originating in Tax Year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	103 (20,000)
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4 OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.	-6,250
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.	-6,250
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J, Column 7 Line 28.	-6,250

NOL ex. 2 (con't)

The Schedule J would look like this.

Schedule C income of \$15000 reported to the resident municipality.

Rental Loss of (\$2500) reported in Non-Taxing

Net Current year income of \$12500

Resident loss of (\$6250) reported on line 28.

Net taxable income is \$6250.

TP still has (\$13750) left from 2017 and later loss to potentially use in 2020.

Note: Separate sub schedules for Schedule J have been provided for Partnership/S-Corp./Trust reporting.

• Go to Schedule P if pass-through income/loss was earned in any NON RESIDENT, TAXING MUNICIPALITIES.

• Go to Worksheet R if you are a RITA Municipality Resident and you need to calculate the tax paid by the partnership to your RITA RESIDENT MUNICIPALITY.

SCHEDULE J		SUMMARY OF NON W-2 INCOME (For Columns 3-6, Enter City/Village/Township Where Earned)						Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritashio.com .
Please see Pages 6-8 of the Instructions.		COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
Print the name of each location (city/village/township) where income/ loss was earned in the appropriate boxes.		11 RITA CITY	12 NON-TAXING	13	14	15	16	
23. SCHEDULE C Attached	Income/Loss From Federal	21 15,000	22	23	24	25	26	
24. Attached	Income/Loss From Federal SCHEDULE E, Part I	31	32 -2,500	33	34	35	36	
25. Form(s)	Other Taxable Income/Loss Attach Schedule(s) and/or	41	42	43	44	45	46	
26. From SCHEDULE E Attached	Partnership/S-Corp./Trust Income/Loss	51	52	RESIDENTS OF RITA MUNICIPALITIES ONLY: GO TO SCHEDULE P for PASS-THROUGH income/loss from a non-resident taxing municipality and enter the total from Schedule P, Column 7, Line 26d HERE.				
27. (Total Lines 23-26)	CURRENT YEAR WORKPLACE INCOME/LOSS	61 15,000	62 -2,500	63	64	65	66	12,500
28. LOSS CARRYFORWARD	PRIOR YEAR LOSS CARRYFORWARD	GO TO PAGE 6 RESIDENT MUNICIPALITY LOSS WORKSHEET to calculate the PRIOR YEAR LOSS CARRYFORWARD and enter the total HERE.						71 (-6,250)
29. (Total Column 7, Lines 26-28)	NET RESIDENT TAXABLE INCOME	FOR LINE 29; ADD COLUMN 7, LINES 26-28, ENTER ON PAGE 2, SECTION 8, Line 1b.						6,250
30. LESS WORKPLACE LOSS CARRYFORWARD	Calculate tax due on WORKPLACE INCOME	GO TO PAGE 6 WORKPLACE LOSS WORKSHEET to calculate the workplace loss carryforward and enter the total HERE.						
31. (Line 27 minus Line 30)	NET TAXABLE WORKPLACE INCOME							
32. enter tax rate.	FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES. Note: If Line 31 is less than zero, do NOT enter tax rate.							FOR LINE 33 BELOW: ADD COLUMNS 3-6, ENTER ON PAGE 2, SECTION 8, LINE 11.
33. RITA Municipalities.	MUNICIPAL TAX DUE (each RITA MUNICIPALITY) Note: If amounts in Columns 3-6 are \$10 or less, enter -0-. Do NOT include NON-RITA Municipalities.							

NOL worksheet example 3.

TP is a full year non-resident of a RITA municipality.

- Has rental income of \$10000 in City A.
- Has rental Income of \$5000 in City B.
- Has NOL carry forward of (\$10000) in City A.
 - (\$5000) from 2017 and later, (\$5000) Pre-2017.
- Has NOL carry forward of (\$15000) in City B.
 - All (\$15000) is pre 2017.

NOL ex. 3.

- Fills out workplace worksheet only.
- Total income from Schedule J, row 27 for each municipality on line 1.
- Unutilized/Unexpired pre-2017 loss entered on line 2.
- Line 3 determines net income after old losses applied.
- Unutilized/Unexpired 2017 and later loss entered on line 4.
- Line 5 applies the 50% limitation to the 2017 and later losses.
- Line 6 determines the amount of total loss available to use for 2019.
- Line 7 is the total amount of loss reportable for 2019 (not to exceed the income on line 1). This number moves to Schedule J, line 30.

WORKPLACE LOSS CARRYFORWARD WORKSHEET				
Use this worksheet to calculate the net loss from prior years available to offset current year workplace locations.	LOCATION 3	LOCATION 4	LOCATION 5	LOCATION 6
Print the name of the applicable location where the loss was incurred.	104 RITA City A	105 RITA City B	106	107
1. From the Tax Year 2019 Form 37, Schedule J, Line 27 - ENTER each net taxable workplace gain. If Line 27 is a loss, do NOT complete worksheet for any Location with a net taxable loss.	10,000	5,000		
2. Enter unutilized, unexpired losses originating before tax year 2017 (OLD LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, net operating loss carryforward amounts are not phased-in and may be used in full and SKIP Row 3.	204 (5,000)	205 (15,000)	206 ()	207 ()
3. Subtract Row 2 from Row 1. If less than \$0, enter \$0.	5,000	0		
4. Enter unutilized, unexpired losses originating in tax year 2017 or later (NEW LOSS). For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, SKIP Row 5.	304 (5,000)	305 (0)	306 ()	307 ()
5. If using NEW losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 1 or 50% of Row 4. OR if using OLD losses first, for municipalities subject to the 50% phase-in, enter the lesser of 50% of Row 3 or 50% of Row 4.	-2,500	0		
6. Add Row 2 and Row 5. For the municipalities and tax jurisdictions listed in the NOL Phase-In Exceptions box, add Rows 2 and 4.	-7,500	-15,000		
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2019 Form 37, Schedule J Line 30.	-7,500	-5,000		

NOL ex. 3 (con't)

The Schedule J would look like this.

Rental income of \$10000 in City A, \$5000 in City B.

Net Current year income of \$10000 in City A, \$5000 in City B.

Allowable Loss of (\$7500) in City A, (\$5000) in City B.

Net taxable income from rental in City A is \$2500, \$0 in City B.

TP has fully exhausted his pre-2017 loss and still has (\$2500) left from his 2017 and later loss to potentially use in 2020 in City A. TP still has \$(10000) in pre 2017 loss to potentially use in City B in 2020.

Note: Separate sub schedules for Schedule J have been provided for Partnership/S-Corp./Trust reporting.

- Go to Schedule P if pass-through income/loss was earned in any NON RESIDENT, TAXING MUNICIPALITIES.
- Go to Worksheet R if you are a RITA Municipality Resident and you need to calculate the tax paid by the partnership to your RITA RESIDENT MUNICIPALITY.

SCHEDULE J		SUMMARY OF NON W-2 INCOME (For Columns 3-6, Enter City/Village/Township Where Earned)						Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritaohio.com.
Please see Pages 6-8 of the Instructions.		COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 3	COLUMN 4 LOCATION 4	COLUMN 5 LOCATION 5	COLUMN 6 LOCATION 6	COLUMN 7 TOTAL
Print the name of each location (city/village/township) where income/loss was earned in the appropriate boxes.		11	NON-TAXING	13 RITA City A	14 RITA City B	15	16	
23. Income/Loss From Federal SCHEDULE C Attached		21	22	23	24	25	26	
24. Income/Loss From Federal SCHEDULE E, Part I Attached		31	32	33 10,000	34 5,000	35	36	
25. Other Taxable Income/Loss Attach Schedule(s) and/or Form(s)		41	42	43	44	45	46	
26. Partnership/S-Corp./Trust Income/Loss From SCHEDULE E Attached		51	52	RESIDENTS of RITA MUNICIPALITIES ONLY: GO TO SCHEDULE P for PASS-THROUGH income/loss from a non-resident taxing municipality and enter the total from Schedule P, Column 7, Line 26d HERE.				
27. CURRENT YEAR WORKPLACE INCOME/LOSS (Total Lines 23-26)		61	62	63 10,000	64 5,000	65	66	
28. PRIOR YEAR LOSS CARRYFORWARD		GO TO PAGE 6 RESIDENT MUNICIPALITY LOSS WORKSHEET to calculate the PRIOR YEAR LOSS CARRYFORWARD and enter the total HERE.						71 ()
29. NET RESIDENT TAXABLE INCOME (Total Column 7, Lines 26-28)								
30. Calculate tax due on WORKPLACE INCOME: LESS WORKPLACE LOSS CARRYFORWARD		GO TO PAGE 6 WORKPLACE LOSS WORKSHEET to calculate the workplace loss carryforward and enter the total HERE.						
31. NET TAXABLE WORKPLACE INCOME (Line 27 minus Line 30)								
32. FOR EACH RITA MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES. Note: If Line 31 is less than zero, do NOT enter tax rate.								FOR LINE 33 BELOW: ADD COLUMNS 3-6, ENTER ON PAGE 2, SECTION B, LINE 11.
33. MUNICIPAL TAX DUE (each RITA MUNICIPALITY) Note: If amounts in Columns 3-6 are \$10 or less, enter 0-. Do NOT include NON-RITA Municipalities.								

Individual Tax Issues

Taxable Schedule Income, S-Corp Treatment, SERP

Taxable income for Individuals reported on Schedule P

- ▶ Partnership income/loss.
 - ▶ Taxable to the Resident Partner in all cases.
 - ▶ Amounts reported on Schedule E part II should be reported on RITA schedule P
 - ▶ Credit allowed for Tax paid by the Partnership.
- ▶ Trust Income
 - ▶ Taxable to the Resident Trustee to the extent it represents ordinary income.
 - ▶ Amounts reported on Schedule E part III should be reported on RITA schedule P.
 - ▶ Credit allowed for Tax paid by the Trust.

Taxable income for Individuals reported on Schedule P (con't)

- ▶ S-Corporation income/loss

- ▶ Taxable to Resident Owner as dictated by law

S-Corp distributive shares are taxable, regardless of participation or origin and should be reported on Form 37.

FAIRPORT HARBOR
PAINESVILLE

PERRY
RICHMOND HEIGHTS

YELLOW SPRINGS

The Ohio S-Corp distributive shares are taxable and should be reported on Form 37.

AVON
AVON LAKE
BOSTON HEIGHTS
BROOKLYN HEIGHTS
CAMPBELL
CHAGRIN FALLS
CHARDON
CLEVELAND HEIGHTS

CUYAHOGA FALLS
CUYAHOGA HEIGHTS
EAST PALESTINE
EASTLAKE
FREMONT
GAHANNA
HIGHLAND HEIGHTS
HOLLAND
JACKSON CENTER

JOHNSTOWN
LAKEMORE
MACEDONIA
MAPLE HEIGHTS
MENTOR
NORTH CANTON
OAKWOOD
POWELL
SEVEN HILLS

SHEFFIELD LAKE
SHEFFIELD VILLAGE
SOLOM
SOUTH EUCLID
STREETSBORO
TWINSBURG
VALLEY VIEW
WICKLIFFE

WILLOUGHBY
WILLOUGHBY HILLS
WOODMERE

Taxable income for Individuals reported on Schedule P (con't)

- ▶ S-Corporation income/loss
 - ▶ Losses are allowable using the same rules as whether or not gains are included.
 - ▶ For all other RITA municipalities, S-Corp distributive shares that do not represent wages are generally NOT taxable and should not be reported on form 37.
 - ▶ A listing of Municipal tax treatment of S-Corp income is listed at:
 - ▶ WWW.RITAOHIO.COM
 - ▶ Follow the links to Tax Professionals, Tax Resources and News.
 - ▶ A link to the list is shown as “S-Corp. Owner Residence tax Treatment Summary.
- ▶ SERP/Guaranteed Payments to Retired Partners
 - ▶ Taxable for 2019 based on Ordinance of RITA members.
 - ▶ Not taxable beginning in tax year 2020.

Individual MeF 2019

MeF statistics for Individuals

- Started in CY 2015 with 4 partners.
- Growth year over year.
- 10 partners for 2019 Tax year

▶ Accepted MeF filings by Tax Year

▶ 2014	42,948
▶ 2015	133,703
▶ 2016	161,548
▶ 2017	162,360
▶ 2018	192,445
▶ 2019	??????????

MeF partners for Individuals for TY 2019

- 10 partners for 2019 Tax year
- One new partner.

▶ 2019 MeF Partners

- ▶ ATX
- ▶ BlockWorks
- ▶ Drake Software
- ▶ GoSystem/OneSource
- ▶ Lacerte
- ▶ Online Tax - NEW!
- ▶ ProConnect Tax Online
- ▶ ProSystem FX
- ▶ TaxAct/TaxAct Professional
- ▶ Ultra Tax

MeF Helpful Hints

- ▶ Federal XML
- ▶ Check Rejections
- ▶ Limitations
 - ▶ W2G
 - ▶ Moves
 - ▶ Rate Changes
 - ▶ Loss Carry Forward



Business Compliance Updates

Melissa Benedek and Shylo Carmody

Business Updates

- ▶ MyAccount updates
- ▶ NOLs
 - Form 27
 - NOL CF Phase-in & Example
- ▶ ODT/OPT-IN
- ▶ MeF Updates
- ▶ Technical Tax Issues
- ▶ Q&A



MyAccount Updates

The screenshot displays the RITA MyAccount website interface. At the top, a dark blue header contains the RITA MyAccount logo on the left and 'Log Out' and 'Welcome' on the right. A dark blue sidebar on the left lists various account management options, each with a right-pointing arrow. The main content area features a green header for 'MyAccount Summary' and a white box containing a welcome message and a list of updates.

RITA MyAccount Log Out Welcome

MyAccount

- Summary
- Tax Filings**
 - View Filing History
 - File a Form 11
 - File a Form 17
 - Submit W-2s
- Refund**
 - View Refund Status
- Payments**
 - View Payment History
 - Make a Payment
- Contact Us**
 - Send Us a Message
 - Messages
 - Manage Alerts
- Account Profile**
 - Change Address
 - Change Email
 - Change My Password
 - Two Step Authentication

MyAccount Summary

Welcome to MyAccount!

MyAccount has a fresh look with exciting features to enhance your user experience:

- Easy "Send Us a Message" section
- User-friendly navigation
- Credit card payment option for all applications
- More self-service options
- Enhanced Withholding Tax Form view in Filing History
- Optional Two-Factor Authentication for an additional security layer

These improvements came from suggestions that were submitted to us by taxpayers like you. We will continue to listen to your feedback. Stay tuned for more updates as we continue to make filing your municipal income taxes **simple and professional**.

Thank you for using MyAccount!

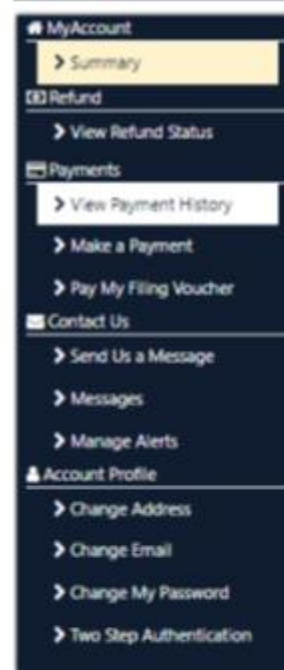
MyAccount Updates



- ▶ Expanded payment and filing History
- ▶ Multiple Form 11s can be filed for one period
- ▶ Easier messaging
- ▶ Now accepting credit card payments

Expanded Payment History: Net Profit

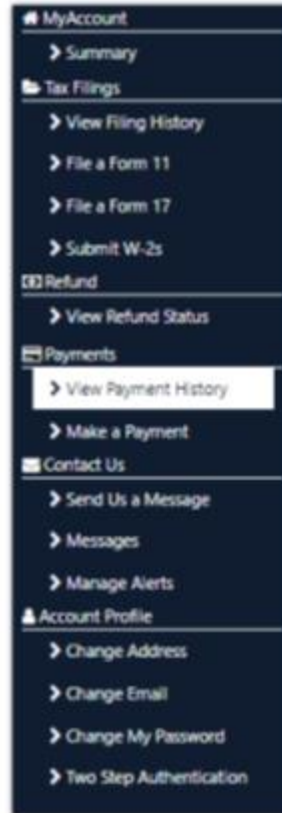
- ▶ Displays 6 years of rolling history from the current calendar date
- ▶ Includes pending payments
- ▶ Displays credit carried forwards and estimates



Payment History				
Total Estimated Payment Amount for Tax Year 2019 is \$836.27. Credit Carried Forward from Tax Year 2018 \$791.00.				
Payment Date	Payment Amount	Payment Type	Payment Applied To Tax Year	Status
12/13/2019	\$27.27	Tax Form		Pending
12/06/2019	\$27.00	Tax Form		Pending
12/04/2019	\$25.00	Tax Form		Pending
12/04/2019	\$60.00	Tax Form		Pending
12/03/2019	\$27.27	Estimate	2019	Processed
11/27/2019	\$11.11	Tax Form		Pending
11/21/2019	\$17.00	Tax Form		Pending
11/21/2019	\$2.00	Payment Plan		Processed
11/19/2019	\$10.00	Payment Plan		Processed
11/15/2019	\$25.00	Tax Form		Pending
11/15/2019	\$15.00	Tax Form		Pending
11/15/2019	\$10.00	Tax Form		Pending
11/11/2019	\$10.00	Tax Form		Pending
11/11/2019	\$10.00	Tax Form		Pending
11/06/2019	\$5.00	Tax Form		Pending
11/06/2019	\$2.00	Account Balance		Processed
11/06/2019	\$10.00	Payment Plan		Processed
11/01/2019	\$10.00	Payment Plan		Processed
11/01/2019	\$2.00	Account Balance		Processed
11/01/2019	\$10.00	Payment Plan		Processed
11/01/2019	\$5.00	Payment Plan		Processed
11/01/2019	\$2.00	Tax Form		Pending
09/17/2019	\$400.00	Account Balance		Processed
07/03/2019	\$409.00	Account Balance		Processed
04/12/2019	\$1,734.00	Account Balance		Processed
12/11/2018	\$29.00	Account Balance		Processed
04/23/2018	\$391.00	Tax Form/Estimate	2017, 2018	Processed
05/20/2017	\$362.00	Account Balance		Processed
04/17/2017	\$362.00	Tax Form	2016	Processed

Expanded Payment History: Withholding

- ▶ Displays 2 years of history from current calendar date in descending order
- ▶ Includes pending payments



Payment History					
Payment Date	Payment Amount	Payment Type	Payment Applied To Tax Year	Payment Applied To Tax Period	Status
11/21/2019	\$13.00	Payment Plan			Processed
11/21/2019	\$8.00	Payment Plan			Processed
11/19/2019	\$10.00	Account Balance			Processed
11/19/2019	\$99,983.00	Account Balance			Processed
11/06/2019	\$7.00	Account Balance			Processed
11/06/2019	\$6.00	Payment Plan			Processed
11/05/2019	\$15,000.00	Tax Form			Pending
11/01/2019	\$30.00	Payment Plan			Processed
11/01/2019	\$2.00	Payment Plan			Processed
10/07/2019	\$361.06	Tax Form	2019	9	Processed
09/09/2019	\$280.45	Tax Form	2019	8	Processed
08/08/2019	\$421.44	Tax Form	2019	7	Processed
07/16/2019	\$312.74	Account Balance			Processed
07/09/2019	-\$312.74	Bank Adjustment			
07/02/2019	\$312.74	Tax Form	2019	6	Processed
06/10/2019	\$317.19	Tax Form	2019	5	Processed
05/08/2019	\$392.07	Tax Form	2019	4	Processed
04/05/2019	\$309.70	Tax Form	2019	3	Processed
03/11/2019	\$302.75	Tax Form	2019	2	Processed
02/08/2019	\$319.52	Tax Form	2019	1	Processed
01/11/2019	\$398.54	Tax Form	2018	12	Processed
12/05/2018	\$322.17	Tax Form	2018	11	Processed
11/09/2018	\$378.75	Tax Form	2018	10	Processed
10/05/2018	\$293.29	Tax Form	2018	9	Processed
09/13/2018	\$288.86	Tax Form	2018	8	Processed
08/08/2018	\$359.70	Tax Form	2018	7	Processed
07/09/2018	\$289.86	Tax Form	2018	6	Processed
06/06/2018	\$298.96	Tax Form	2018	5	Processed
05/09/2018	\$354.12	Tax Form	2018	4	Processed
04/09/2018	\$296.58	Tax Form	2018	3	Processed
03/07/2018	\$289.65	Tax Form	2018	2	Processed
02/08/2018	\$371.70	Tax Form	2018	1	Processed

Expanded Filing History: Withholding

- ▶ Displays history of forms filed electronically via MyAccount at RITAOHIO.com
- ▶ Form 11 displays a rolling 2 years in descending order
- ▶ Form 17 displays the last 6 years in descending order

Filing History

[View Form 11 Filing History](#) [Select](#)

[View Form 17 Filing History](#) [Select](#)

Disclaimer: This filing history represents the Form 11 and Form 17 data as originally submitted by you or your tax preparer. Corrections or adjustments to the originally submitted Form 11s and Form 17s are not reflected in this filing history.

Form 11 Filing History

Listed below is a summary of your tax filing activity. Click on the View Summary to review your tax filing for each period. If the information displayed does not agree with your records, please call Customer Service during normal business hours at 800.860.7482 ext. 5003.

Tax Year	Form Period End Date	Receipt Date	Amount Paid	Form Link
2019	10/31/2019	11/25/2019	\$14,750.00	View Summary

[MyAccount Summary](#) [Print](#)

Form 17 Filing History

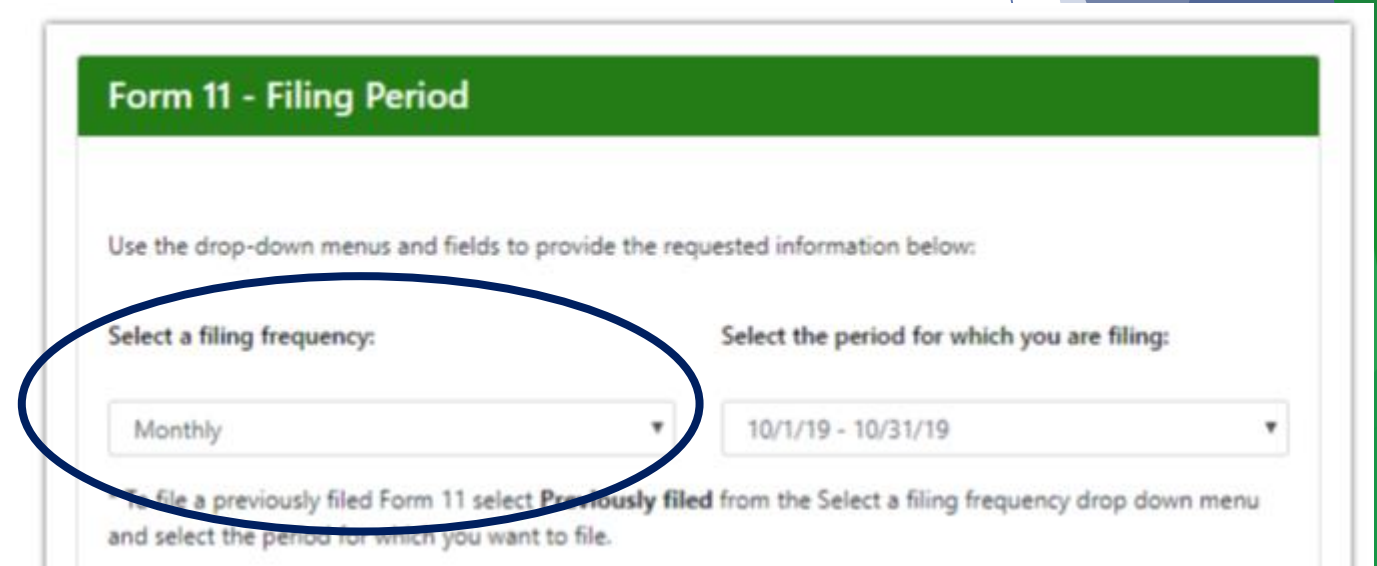
Filing history will only display forms filed electronically via MyAccount. Listed below is a summary of your Form 17 Reconciliations that were filed through MyAccount. Click on the View Summary to review Form 17 for each year. If the information displayed does not agree with your records, please call Customer Service during normal business hours at 800.860.7482 ext. 5003.

Tax Year	Filing Status	Summary
2018	Form Submitted	View Summary

[MyAccount Summary](#) [Print](#)

Previously Filed Form 11:

- ▶ More than 1 form can be filed per period by selecting Previously Filed from the Select a filing frequency drop down menu
- ▶ Adjustments to periods and municipalities already filed should be completed using a Form 11A.
- ▶ Reporting an additional amount is an exception to using the Form 11A and can be done through MyAccount.



Form 11 - Filing Period

Use the drop-down menus and fields to provide the requested information below:

Select a filing frequency: Monthly ▼

Select the period for which you are filing: 10/1/19 - 10/31/19 ▼

To file a previously filed Form 11 select **Previously filed** from the Select a filing frequency drop down menu and select the period for which you want to file.

Security Enhancement

Beginning January 1, 2020, RITA will no longer accept CD or USB submissions. All CDs and USBs submitted will be immediately destroyed.

We understand there may be challenges, and we are committed to making this transition as smooth as possible for you and your clients. If you have questions please contact the Business Department at 800.860.7482, ext. 5003.



Send Us a Message

- ▶ Send messages online just by logging into MyAccount
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Send Us a Message

Date:

First Name:

Last Name:

Contact Phone Number: International

Select a message category:

Message (Limit to 500 characters):

Credit Card Payments

- ▶ Credit card payments now accepted for business accounts!



Payment Type Payment Amount **Payment Options** Payment Confirmation

Payment Options

Credit Cards Accepted (Service Charge Applies): MasterCard, VISA, Discover

Please note that a 2.75% Service Charge will be added to payments made by credit card. [Select](#)

If you pay by credit card, the total amount will be charged to the account immediately on submission of the return.

****If your credit card payment attempt is unsuccessful, please **DO NOT** make multiple payment attempts with the same credit card. Doing so may subject your credit card account to an automatic hold by your credit card provider.*

Direct Transfer From Your Checking or Savings Account

A fee will be charged to your account for a dishonored electronic debit from lack of funds. [Select](#)

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NOLS

NOLS

Law referring to the taxable income limitation:

718.01(D)(3)(a)

The amount of such net operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

Law concerning the phase in of the 50% NOL limitations and its duration:

718.01(D)(3)(c)(i)

For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, more than fifty per cent of the amount of the deduction otherwise allowed by division (D)(3) of this section.

Form 27

▶ No major changes for 2019

▶ The law is ambiguous as to which loss to use first:

▶ As a result, the Form 27 has been designed to allow taxpayers to determine which order to use their NOLs.

Please Note: **Pre-2017** (old) means 2016, 2015, 2014, and 2013
Post-2017 (new) means for 2017 and later

Form **27** Regional Income Tax Agency
 RITA Net Profit Tax Return **2019** RITA REGIONAL INCOME TAX AGENCY
 800.860.7482
 TDD 440.526.5332
 ritaohio.com

FOR CALENDAR YEAR [] OR FISCAL YEAR BEGINNING [] AND ENDING []
 The federal return **MUST** be attached to be considered a complete tax return. Please also attach all applicable schedules and 1099-MISC to avoid delays.

Check if: Initial RITA Return No longer in RITA [] Extension
 Amended Return Out of Business []
 Consolidated Return (Attach Form 851) Alternate Method Federal Business Activity Code # []
 Consolidated filer with 80% ownership of a Pass-Through Entity (see instructions, Page 3) Business Activity []

BUSINESS: C CORPORATION PARTNERSHIP LLC SMALL EMPLOYER:
 S CORPORATION ESTATE TRUST

Company Name [] Federal Identification Number: []
 Address # [] Street [] Suite # []
 City [] State [] Zip Code []

1. INCOME PER ATTACHED FEDERAL RETURN (per attached Federal Form 1120 (Line 28), 1120S (Sch. K - Line 18), 990T (Line 30), 1065 (Sch. K - Analysis of Net Income (Loss), Page 5 - Line 1), 1041 (Line 17) or the equivalent) 1 [] .00
 2. A. ITEMS NOT DEDUCTIBLE (from Page 3, Schedule X, Line G) Add 2A [] .00
 B. ITEMS NOT TAXABLE (from Page 3, Schedule X, Line Q) Deduct 2B [] .00
 C. ENTER EXCESS OF LINE 2A OR 2B 2C [] .00
 3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C) ▶ 3A [] .00
 B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50%)
 Check this box if utilizing a NOL incurred prior to 1/1/17 first. See instructions.
 I. TOTAL UNUTILIZED PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 ▶ 3B(i) [] .00
 II. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 UTILIZED In TAX YEAR 2019 ▶ 3B(ii) [] .00
 III. Income/Loss Subject to Apportionment (Line 3A less Line 3B(ii)) ▶ 3B(iii) [] .00
 C. AMOUNT ALLOCABLE TO RITA If Schedule Y, Page 4 is used [] % of Line 3b(iii) 3C [] .00
 D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR TO 1/1/17 Per previous Municipal Income Tax Returns (schedule must be submitted) ▶ 3D [] .00
 4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX (Line 3C less Line 3D) ▶ 4 [] .00
 5. MUNICIPAL INCOME TAX DUE (see instructions) NOTE: Must equal Schedule B on Page 2 ▶ 5 [] .00
 6. A. PAYMENTS ON DECLARATIONS OF ESTIMATED MUNICIPAL INCOME TAX 6A [] .00
 B. AMOUNT OF PREVIOUS YEAR CREDITS 6B [] .00
 C. TOTAL CREDITS ALLOWABLE (Line 6A + 6B) ▶ 6C [] .00
 7. A. BALANCE DUE (Line 5 less Line 6C) AMOUNT PAYABLE TO RITA MUST ACCOMPANY THIS FORM ▶ 7A [] .00
 B. OVERPAYMENT CLAIMED (If Line 6C exceeds Line 5 enter difference here and check the desired box) 7B [] .00
 (Cannot be split between refund and credit) Refund Credit

Checkbox instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit Instructions. References for Line 3B(i) through Line 4 are found on the worksheet.

Form 27

▶ 3B Checkbox

- ▶ Indicates Old Loss is used first (Use the NOL Worksheet to complete the rest of the Form)

▶ Line 3B(i)

- ▶ Total amount of **unutilized** new losses

▶ Line 3B(ii)

- ▶ New losses utilized on the return

▶ Line 3B(iii)

- ▶ Income subject to apportionment after the new loss is utilized

▶ Line 3C

- ▶ Amount allocable to RITA

▶ Line 3D

- ▶ Reports old losses (NOL Schedules by municipality and tax year)

Form **27** Regional Income Tax Agency
RITA Net Profit Tax Return **2019** RITA REGIONAL INCOME TAX AGENCY 800.860.7482
TDD 440.526.5332 ritaohio.com

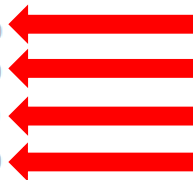
FOR CALENDAR YEAR [] OR FISCAL YEAR BEGINNING [] AND ENDING []
The federal return **MUST** be attached to be considered a complete tax return. Please also attach all applicable schedules and 1099-MISC to avoid delays.

Check if: Initial RITA Return No longer in RITA [] Extension
 Amended Return Out of Business []
 Consolidated Return (Attach Form 851) Alternate Method Federal Business Activity Code # []
 Consolidated filer with 80% ownership of a Pass-Through Entity (see Instructions, Page 3) Business Activity []

BUSINESS: C CORPORATION PARTNERSHIP LLC SMALL EMPLOYER:
 S CORPORATION ESTATE TRUST

Company Name [] Federal Identification Number: []
Address # [] Street [] Suite # []
City [] State [] Zip Code []

1. INCOME PER ATTACHED FEDERAL RETURN (per attached Federal Form 1120 (Line 28), 1120S (Sch. K - Line 18), 990T (Line 30), 1065 (Sch. K - Analysis of Net Income (Loss), Page 5 - Line 1), 1041 (Line 17) or the equivalent) 1 [] .00
2. A. ITEMS NOT DEDUCTIBLE (from Page 3, Schedule X, Line G) Add 2A [] .00
B. ITEMS NOT TAXABLE (from Page 3, Schedule X, Line Q) Deduct 2B [] .00
C. ENTER EXCESS OF LINE 2A OR 2B 2C [] .00
3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C) ▶ 3A [] .00
B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50% limit)
Check this box if utilizing a NOL incurred prior to 1/1/17 first. See Instructions.
▶ 3B(i) [] .00
C. AMOUNT ALLOCABLE TO RITA (Line 3B(ii) less Line 3B(i)) 3C [] .00
D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR TO 1/1/17 Per previous Municipal Income Tax Returns (schedule must be submitted) ▶ 3D [] .00
4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX (Line 3C less Line 3D) ▶ 4 [] .00
5. MUNICIPAL INCOME TAX DUE (see Instructions) NOTE: Must equal Schedule B on Page 2 ▶ 5 [] .00
6. A. PAYMENTS ON DECLARATIONS OF ESTIMATED MUNICIPAL INCOME TAX 6A [] .00
B. AMOUNT OF PREVIOUS YEAR CREDITS 6B [] .00
C. TOTAL CREDITS ALLOWABLE (Line 6A + 6B) ▶ 6C [] .00
7. A. BALANCE DUE (Line 5 less Line 6C) AMOUNT PAYABLE TO RITA MUST ACCOMPANY THIS FORM ▶ 7A [] .00
B. OVERPAYMENT CLAIMED (if Line 5C exceeds Line 5 enter difference here and check the desired box) 7B [] .00
(Cannot be split between refund and credit) Refund Credit



Form 27 Worksheet

Worksheet for Line 3B through Line 4. Pre-AppORTIONED Losses from Tax Years Beginning on or After 1/1/17

If you check the box at Line 3B, attach a schedule that shows the net operating loss and how it is being utilized. The schedule is subject to review. Below is an example of this method and sample worksheet.

NOL PHASE-IN EXCEPTIONS: For municipalities and taxing jurisdictions that first imposed a tax on or after January 1, 2016, net operating loss carryforward amounts are not phased-in and may be used in full. The following municipalities and taxing jurisdictions imposed a tax on or after January 1, 2016: AMELIA, ASHLEY, BETHEL, BLOOMVILLE, BRIDGEPORT, CHESTERVILLE, CIRCLEVILLE-PICKAWAY TWP JEDD, CLARKSVILLE, DARBYVILLE, ETNA-REYNOLDSBURG JEDD 1, ETNA-REYNOLDSBURG JEDD 2, ETNA-REYNOLDSBURG JEDD 3, ETNA REYNOLDSBURG JEDD 4, GETTYSBURG, HANOVER, HOLLAND SPRINGFIELD TWP JEDZ, JACKSON, KIRKERSVILLE, LODI, LYONS, MARENGO, MILFORD JEDD V, MILFORD JEDD VI, MILLERSPORT, NEWTONSVILLE, NEY, OSTRANDER, PAYNE, RISINGSUN, SMITHFIELD, SOUTH VIENNA, ST. LOUISVILLE, STOUTSVILLE, WASHINGTONVILLE, WAYNE LAKES, WILLIAMSBURG JEDD, WILLIAMSPORT.

Enter Municipality Name	EXAMPLE	Column 1 Municipality #1	Column 2 Municipality #2	Column 3 Municipality #3	Column 4 Total
1. Enter Adjusted Federal Taxable Income (AFTI) from Tax Year 2019 Form 27, Page 1, Line 3A.	\$ 50,000				
2. Enter Apportionment % from Schedule Y, Step 5. Enter the total of all percentages on Page 1, line 3C%.	25 %				
3. Row 1 multiplied by Row 2, this is the Apportioned Income and ENTER Total (Column 4) on Tax Year 2019 Form 27, Page 1, Line 3C.	12,500				
4. Enter Post Apportioned Loss Utilized (from NOL schedule - attach to your form). ENTER Total (Column 4) on Tax Year 2019 Form 27, Page 1, Line 3D.	\$ 2,000				
5. Row 3 less Row 4.	\$ 10,500				
6. Divide Row 5 by Row 2 to calculate the gross amount of income that must be used in this calculation.	42,000				
7. Enter Pre-AppORTIONED Net Operating Loss	\$ 1,000				
8. 50% of the lesser of Row 7 or Row 6. ENTER the HIGHEST dollar amount on Tax Year 2019 Form 27, Page 1, Line 3Bii. NOTE: DO NOT ENTER AMOUNTS from a RITA municipality on the NOL-PHASE-IN EXCEPTIONS list, leave blank.	\$ 500				
9. If there is an amount in Row 8, ENTER the difference of Row 6 less Row 8. Cannot be less than zero. If Row 8 is blank, enter the difference of Row 6 less Row 7. ENTER Total (Column 4) of Row 9 on Tax Year 2019 Form 27, Page 1, Line 3B(iii).	\$ 41,500				
10. Row 9 multiplied by Row 2 for the Apportioned Income after net operating loss. ENTER Total (Column 4) on Tax Year 2019 Form 27, Page 1, Line 4. Enter each municipality on Schedule B.	\$ 10,375				
11. Enter Tax Rate of RITA Municipality	2 %				
12. Row 10 multiplied by Row 11. ENTER Total (Column 4) on Tax Year 2019 Form 27, Page 1, Line 5. Enter amounts for each municipality on Schedule B. If the tax liability for a municipality is \$10 or less, enter a zero. in the tax due field of Schedule B.	\$ 208				

Example Fact Pattern

AFTI	\$	2,500,000.00
Post-2017 (New) NOL	\$	3,000,000.00
Pre-2017 (Old) NOL	\$	50,000.00
Apportionment Factor		75.0000%

Example Overview

Use New NOL 1st- standard form option	
AFTI	\$ 2,500,000.00
Post-2017 (New) NOL	\$ 1,250,000.00
subtotal	\$ 1,250,000.00
Apportioned Income	\$ 937,500.00
Pre-2017 (Old) NOL	\$ 50,000.00
Taxable Income	\$ 887,500.00
New NOL remaining	\$ 1,750,000.00
Old HB5 remaining	\$ -
Total NOL Remaining	\$ 1,750,000.00

Use old NOL 1st- optional alternative	
Appn Inc	\$ 1,875,000.00
Pre-2017 (Old) NOL	\$ 50,000.00
subtotal	\$ 1,825,000.00
Gross Up	\$ 2,433,333.33
Post-2017 (New) NOL	\$ 1,216,666.67
Taxable Income	\$ 912,500.00
New NOL remaining	\$ 1,783,333.33
Old HB5 remaining	\$ -
Total NOL Remaining	\$ 1,783,333.33

Example New NOL First

1. INCOME PER ATTACHED FEDERAL RETURN (per attached Federal Form 1120 (Line 28), 1120S (Sch. K - Line 18), 990T (Line 30), 1065 (Sch. K - Analysis of Net Income (Loss), Page 5 - Line 1), 1041 (Line 17) or the equivalent)	1	2,500,000	.00
2. A. ITEMS NOT DEDUCTIBLE (from Page 3, Schedule X, Line G)	Add 2A	0	.00
B. ITEMS NOT TAXABLE (from Page 3, Schedule X, Line Q)	Deduct 2B	0	.00
C. ENTER EXCESS OF LINE 2A OR 2B	2C	0	.00
3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C)	▶ 3A	2,500,000	.00
B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50%) Check this box if utilizing a NOL incurred prior to 1/1/17 first. See instructions.	▶ <input type="checkbox"/>		
i. TOTAL UNUTILIZED PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17	▶ 3B(i)	3,000,000	.00
ii. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 UTILIZED in TAX YEAR 2019	▶ 3B(ii)	1,250,000	.00
iii. Income/Loss Subject to Apportionment (Line 3A less Line 3B(ii))	▶ 3B(iii)	1,250,000	.00
C. AMOUNT ALLOCABLE TO RITA If Schedule Y, Page 4 is used <input type="text" value="75"/> % of Line 3b(iii)	3C	937,500	.00
D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR TO 1/1/17 Per previous Municipal Income Tax Returns (schedule must be submitted)	▶ 3D	50,000	.00
4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX (Line 3C less Line 3D)	▶ 4	887,500	.00
5. MUNICIPAL INCOME TAX DUE (see Instructions)	▶ 5	17,750	.00

Checkbox instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit Instructions. References for Line 3B(i) through Line 4 are found on the worksheet.

Example Old NOL First

1. INCOME PER ATTACHED FEDERAL RETURN (per attached Federal Form 1120 (Line 28), 1120S (Sch. K - Line 18), 990T (Line 30), 1065 (Sch. K - Analysis of Net Income (Loss), Page 5 - Line 1), 1041 (Line 17) or the equivalent)	1	2,500,000.00
2. A. ITEMS NOT DEDUCTIBLE (from Page 3, Schedule X, Line G)	Add 2A	0.00
B. ITEMS NOT TAXABLE (from Page 3, Schedule X, Line Q)	Deduct 2B	0.00
C. ENTER EXCESS OF LINE 2A OR 2B	2C	0.00
3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C)	▶ 3A	2,500,000.00
B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50%) Check this box if utilizing a NOL incurred prior to 1/1/17 first. See Instructions.	▶ <input checked="" type="checkbox"/>	Checkbox Instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit instructions. References for Line 3B(i) through Line 4 are found on the worksheet.
I. TOTAL UNUTILIZED PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 ▶ 3B(i)	▶ 3B(i)	3,000,000.00
II. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 UTILIZED IN TAX YEAR 2019	▶ 3B(ii)	1,216,667.00
III. Income/Loss Subject to Apportionment (Line 3A less Line 3B(ii))	▶ 3B(iii)	1,216,666.00
C. AMOUNT ALLOCABLE TO RITA If Schedule Y, Page 4 is used <input type="text" value="75"/> % of Line 3B(iii)	3C	1,875,000.00
D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR TO 1/1/17 Per previous Municipal Income Tax Returns (schedule must be submitted)	▶ 3D	50,000.00
4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX (Line 3C less Line 3D)	▶ 4	912,500.00
5. MUNICIPAL INCOME TAX DUE (see Instructions)	▶ 5	18,250.00

Enter Municipality Name	Brecksville
Enter Adjusted Federal Taxable Income (AFTI) from Tax 1. Year 2018 Form 27, Page 1, Line 3A.	2,500,000
Enter Apportionment % from Schedule Y, Step 5. Enter the total of all percentages on Page 1, line 3C%.	75%
Row 1 multiplied by Row 2, this is the Apportioned Income and ENTER Total (Column 4) on Tax Year 2018 Form 27, Page 1, Line 3C.	1,875,000
Enter Post Apportioned Loss Utilized (from NOL schedule - attach to your form). ENTER Total (Column 4) on Tax Year 2018 Form 27, Page 1, Line 3D.	50,000
5. Row 3 less Row 4.	1,825,000
6. Divide Row 5 by Row 2 to calculate the gross amount of income that must be used in this calculation.	2,433,333.33
7. Enter Pre-Apportioned Net Operating Loss	3,000,000.00
8. 50% of the lesser of Row 7 or Row 6. ENTER the HIGHEST dollar amount on Tax Year 2018 Form 27, Page 1, Line 3Bii. NOTE: DO NOT ENTER AMOUNTS from a RITA municipality on the NOL-PHASE-IN EXCEPTIONS list, leave blank.	1,216,667
9. If there is an amount in Row 8, ENTER the difference of Row 6 less Row 8. Cannot be less than zero. If Row 8 is blank, enter the difference of Row 6 less Row 7. ENTER Total (Column 4) of Row 9 on Tax Year 2018 Form 27, Page 1, Line 3B(iii).	1,216,666
10. Row 9 multiplied by Row 2 for the Apportioned Income after net operating loss. ENTER Total (Column 4) on Tax Year 2018 Form 27, Page 1, Line 4. Enter each municipality on Schedule B.	912,500
11. Enter Tax Rate of RITA Municipality	2.00%
12. Row 10 multiplied by Row 11. ENTER Total (Column 4) on Tax Year 2018 Form 27, Page 1, Line 5. Enter amounts for each municipality on Schedule B. If the tax liability for a municipality is \$10 or less, enter a zero in the tax due field of Schedule B.	18,250

Example Overview

3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C)

▶ 3A .00

▶ 3A .00

B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50%)
Check this box if utilizing a NOL incurred prior to 1/1/17 first. See instructions.

▶

Checkbox instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit Instructions. References for Line 3B(i) through Line 4 are found on the worksheet.

▶

Checkbox instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit Instructions. References for Line 3B(i) through Line 4 are found on the worksheet.

I. TOTAL UNUTILIZED PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 ▶ 3B(i) .00

ii. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 UTILIZED in TAX YEAR 2019

▶ 3B(ii) .00

▶ 3B(ii) .00

iii. Income/Loss Subject to Apportionment (Line 3A less Line 3B(ii))

▶ 3B(iii) .00

▶ 3B(iii) .00

C. AMOUNT ALLOCABLE TO RITA
If Schedule Y, Page 4 is used % of Line 3b(iii)

▶ 3C .00

▶ 3C .00

D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR TO 1/1/17
Per previous Municipal Income Tax Returns (schedule must be submitted)

▶ 3D .00

▶ 3D .00

4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX
(Line 3C less Line 3D)

▶ 4 .00

▶ 4 .00

5. MUNICIPAL INCOME TAX DUE (see Instructions)

▶ 5 .00

▶ 5 .00

Difference when considering which NOL to use first

- ▶ When the Post-2017 NOL CF is greater than the current year taxable income less Pre-2017 NOL CF, it matters which NOL is used first.
 - ▶ It is more favorable to the taxpayer (in the current tax year) to use the Post-2017 NOL CF first to reduce more of the income (except when the Pre-2017 NOL CF can reduce the income to zero)
 - ▶ Said differently, whenever the loss would be, in effect, limited to 50% of the income regardless of which NOL CF is used first, it benefits the taxpayer (in the current year) to take the Post-2017 NOL CF first. This is because more of the income can be offset.



Filing Reminders



- ▶ Any loss generated in 2017 and later, is taken on a pre-apportioned basis and may be subject to the 50% phase in
- ▶ 2016 loss rules remain in effect. You still can not use losses generated in 2016 in municipalities that previously did not allow or limited a net operating loss
- ▶ The income should NOT be reduced to half as if the taxpayer has a net operating loss

Opt-Ins and ODT: Lessons Learned

- ▶ If a refund is requested for payments that were made to a RITA municipality prior to opting in, that request must come back to RITA
- ▶ ODT will not transfer existing credits among municipalities.
- ▶ The de minimus rules can, in effect, be different
 - ▶ \$200 estimate
 - ▶ \$10 tax due
- ▶ Old net operating losses are required to be used first.
 - ▶ This can have tax implications when the new loss is greater than the current year taxable income less the old loss carry forward.

Opt-Out How to...

- ▶ If you wish to opt-out of filing your Net Profit Tax with the Ohio Department of Taxation, the election to terminate must be made by the first day of the third month of the taxpayer's taxable year
- ▶ Contact the State of Ohio to make the election to opt-out



2019 Form 27 MeF

Shylo Carmody
Form 27 MeF Coordinator



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Modernized eFile Approved Software Vendors

The software vendors listed below have been approved to provide RITA returns. Products and other information are listed after testing with the software vendor is complete. If you are a software vendor that wants to participate in the MeF program, please submit one or both of the following forms:

RITA Form 37 MeF Application - Individuals

RITA Form 27 MeF Application - Businesses

Tax Professionals News and Important Updates will provide notifications related to the current MeF program.

Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015	Tax Year 2014
Official Company Name:		CCH SMALL FIRM			
Product Name:		ATX			
Mailing Address:		225 CHASTAIN MEADOWS CT NW, Suite 200, KENNESAW, GA 30144			
Support:		1-800-638-8291			
Forms Accepted:		Individual Municipal Income Tax Return (RITA Form 37)			
Web Address:		WWW.ATXINC.COM			
Official Company Name:		HRB DEVELOPMENT LLC			

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Tax Year 2019

Tax Year 2018

Tax Year 2017

Tax Year 2016

Tax Year 2015

Tax Year 2014

Official Company Name:	CCH SMALL FIRM
Product Name:	ATX
Mailing Address:	225 CHASTAIN MEADOWS CT NW, Suite 200, KENNESAW, GA 30144
Support:	1-800-638-8291
Forms Accepted:	Individual Municipal Income Tax Return (RITA Form 37)
Web Address:	WWW.ATXINC.COM
Official Company Name:	HRB DEVELOPMENT LLC

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[RITA Form 37 MeF Application - Individuals](#)

[RITA Form 27 MeF Application - Businesses](#)

[Tax Professionals News and Important Updates](#) will provide notifications related to the current MeF program.

Tax Year 2019

Tax Year 2018

Tax Year 2017

Tax Year 2016

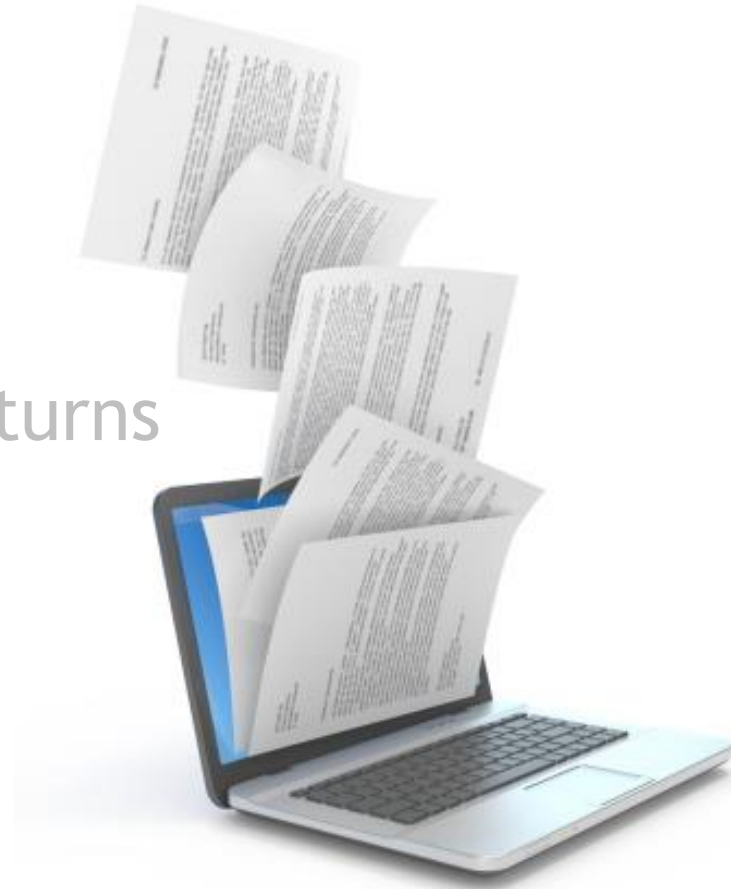
Tax Year 2015

Tax Year 2014

Official Company Name:	CCH SMALL FIRM
Product Name:	ATX
Mailing Address:	225 CHASTAIN MEADOWS CT NW, Suite 200, KENNESAW, GA 30144
Support:	1-800-638-8291
Forms Accepted:	Individual Municipal Income Tax Return (RITA Form 37)
Web Address:	WWW.ATXINC.COM
Official Company Name:	HRB DEVELOPMENT LLC

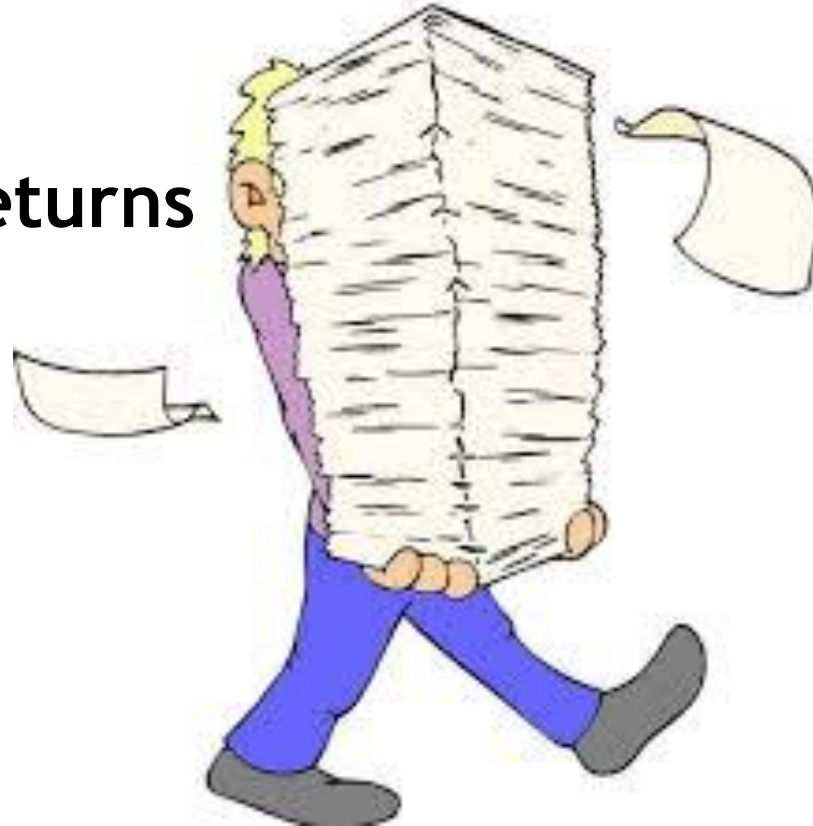
2019 Form 27 MeF

- ▶ **Easy to file returns**
- ▶ No need to mail federal returns
- ▶ Receipt confirmation



2019 Form 27 MeF

- ▶ Easy to file returns
- ▶ **No need to mail federal returns**
- ▶ Receipt confirmation



2019 Form 27 MeF

- ▶ Easy to file returns
- ▶ No need to mail federal returns
- ▶ **Receipt confirmation**



2019 Form 27 MeF Updates

- ▶ Added a general footnote section
- ▶ Added description fields for the adjustments labeled “other” on Schedule X and on the AFTI worksheet. If there is an amount in any of these fields a corresponding description is required.
- ▶ Expanded the Y-1 FEIN field to accommodate more than 1 withholding FEIN.
- ▶ Added the NOL worksheet

Common Form 27 MeF Rejections

- ▶ Rule F27-SCHY-1-652: Explanation required if the overall discrepancy between the total workplace RITA wages reported on payroll returns and the amounts reported on Schedule Y, Step 2 for each municipality is: 1) greater than 10%; and (2) greater than \$5,000.
- ▶ Nearly $\frac{1}{4}$ of all rejected returns were rejected due to this error, regardless of software provider.



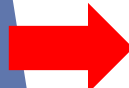
Common Form 27 MeF Rejections: Rule F27-SCHY-1-652:

	A. LOCATED EVERYWHERE	B. RITA MUNICIPALITY Brecksville	C. PERCENTAGE (B / A)
STEP 1. AVERAGE ORIGINAL COST OF REAL & TANGIBLE PERSONAL PROPERTY	\$ 10,000,000	\$ 10,000,000	
GROSS ANNUAL RENTALS MULTIPLIED BY 8.....	\$ 50,000	\$ 50,000	
TOTAL OF STEP 1.....	\$ 10,050,000	\$ 10,050,000	100 %
STEP 2. TOTAL WAGES, SALARIES, COMMISSION AND OTHER COMPENSATION PAID TO ALL EMPLOYEES.....	\$ 5,000,000	\$ 4,000,000	80 %
STEP 3. GROSS RECEIPTS FROM SALES AND WORK OR SERVICES PERFORMED.....	\$ 30,000,000	\$ 10,000,000	33.3333 %
STEP 4. TOTAL OF PERCENTAGES.....			213.3333 %
STEP 5. AVERAGE PERCENTAGE (DIVIDE TOTAL PERCENTAGES BY NUMBER OF PERCENTAGES USED)			71.1111 %

SCHEDULE Y-1: RECONCILIATION OF SCHEDULE Y WAGES TO WITHHOLDING RETURNS

- Total workplace RITA wages shown on your withholding tax returns filed for the year covered by this return. \$ 3,000,000
- Attach explanation of any difference between total wages remitted and total wages shown on Schedule Y above.
- Provide the Company Name and Federal Identification Number under which the withholding tax was remitted, if different than information on page 1.

Company Name	Federal Identification Number
<input type="text"/>	<input type="text"/>



Common Form 27 MeF Rejections: Rule F27-SCHY-1-652:

- ▶ More often than not, this rejection reason occurs because Y-1, line 1 was left blank.
- ▶ If we compare a number within a RITA municipality on Schedule Y to a zero in this field, it will be outside the threshold amount and the return will be rejected. Please make sure you are entering the Withholding amount in Y1-2.



Common Form 27 MeF Rejections: Rule F27-SCHY-1-652:

- ▶ If an actual discrepancy exists, please briefly explain the difference.



- ▶ Note: The rejection does not look at your explanation verbiage or our actual withholding amounts, it simply looks for a difference and whether an explanation exists.

Common Form 27 MeF Rejections: Rule F27-FORMINCOME-310

- ▶ F27-FORMINCOME-310: Line 3C must equal the value of $3C\% \times 3B(iii)$.

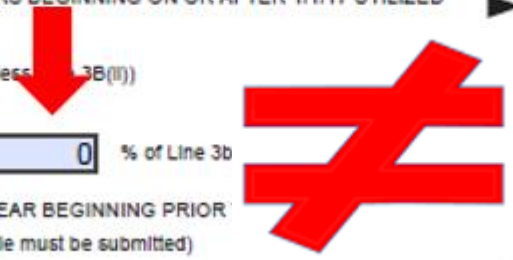
REJECTED

- ▶ This rejection reason commonly stems from returns that are trying to demonstrate 100% apportionment. Some software companies require their users to complete Schedule Y, even if the company has only one municipality. In these cases, if Schedule Y is not fully completed, the 3C% will be incorrect, causing the calculation error.

Common Form 27 MeF Rejections: Rule F27-FORMINCOME-310

1. INCOME PER ATTACHED FEDERAL RETURN <small>(per attached Federal Form 1120 (Line 28), 1120S (Sch. K - Line 18), 990T (Line 30), 1065 (Sch. K - Analysis of Net Income (Loss), Page 5 - Line 1), 1041 (Line 17) or the equivalent)</small>	1	-33,146.00
2. A. ITEMS NOT DEDUCTIBLE (from Page 3, Schedule X, Line G)	Add 2A	443.00
B. ITEMS NOT TAXABLE (from Page 3, Schedule X, Line Q)	Deduct 2B	.00
C. ENTER EXCESS OF LINE 2A OR 2B	2C	443.00
3. A. ADJUSTED FEDERAL TAXABLE INCOME (Line 1 plus or minus Line 2C)	▶ 3A	-32,703.00
B. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 (subject to 50%) <small>Check this box if utilizing a NOL incurred prior to 1/1/17 first. See Instructions.</small>	▶ <input type="checkbox"/>	
I. TOTAL UNUTILIZED PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17	▶ 3B(i)	.00
II. PRE-APPORTIONED LOSSES FROM TAX YEARS BEGINNING ON OR AFTER 1/1/17 UTILIZED IN TAX YEAR 2019	▶ 3B(ii)	.00
III. Income/Loss Subject to Apportionment (Line 3A less 3B(ii))	▶ 3B(iii)	-32,703.00
C. AMOUNT ALLOCABLE TO RITA <small>If Schedule Y, Page 4 is used</small>	▶ 3C	-32,703.00
D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR <small>Per previous Municipal Income Tax Returns (schedule must be submitted)</small>	▶ 3D	.00
4. AMOUNT SUBJECT TO MUNICIPAL INCOME TAX <small>(Line 3C less Line 3D)</small>	▶ 4	.00

Checkbox Instructions: If you check the box you must use the Worksheet on Page 4 of the Net Profit Instructions. References for Line 3B(i) through Line 4 are found on the worksheet.



Common Form 27 MeF Rejections: Returns rejected by IRS

- ▶ RITA return is linked to federal return
- ▶ If the IRS does not accept the federal return, RITA never receives the municipal return.
- ▶ Preparers will not receive a rejection from RITA.
 - Another indication of this, is that you will not receive confirmation that the RITA return was accepted.

2019 Form 27 MeF Updates:

If your software company has not partnered with us, we encourage you to reach out to them and let them know the benefits of filing with RITA via MeF.

We are looking forward to partnering with as many software vendors as possible.



2019 Form 27 MeF Updates: Contact information

If you are having trouble with a Form 27 MeF Rejection, contact the Business Department at: 440-526-0900 option 2.



Technical Tax FAQs



Technical Tax FAQs

- ▶ 163(J) Limitations
- ▶ §291 Adjustments
- ▶ §754 Adjustments
- ▶ Wage discrepancies
- ▶ Reporting Pass Through Income



163(J) Limitations under the TCJA and the Impact on the Form 27

For tax years beginning after December 31, 2017, the deduction for business interest expense is limited for C corps with a 3 year average gross receipts of \$25M or more to the sum of:

- ▶ Business interest income
- ▶ 30% of adjusted taxable income (not less than zero)
- ▶ Floor plan financing interest



For affected C corps, the limitation will already be included in the “start number” line 28.

163(J) Limitations under the TCJA and the Impact on the Form 27

Adjusted Taxable Income (ATI) calculation

The IRS describes how to calculate the ATI for use in determining the limitation:

ATI is calculated by taking the taxable income for the taxable year as if section 163(j) does not limit any interest deduction, and then adding and subtracting from it certain amounts for the taxable year:

Additions: business interest expense; net operating loss deduction; deduction for qualified business income under section 199A; depreciation, amortization, or depletion deduction; capital loss carrybacks or carryovers; and any deduction or loss not properly allocable to a non-excepted trade or business.

Subtractions: business interest income; floor plan financing interest expense; the lesser of (i) gain realized on sale or disposition of property or (ii) deductions for depreciation, amortization or depletion taken for such property during a tax year beginning after 2017 (and similar adjustments for sales or dispositions of property held by a partnership or member of a consolidated group upon the sale or other disposition of the partnership interest or stock of the member); and any income or gain that is not properly allocable to a non-excepted trade or business.

For taxable years beginning after 2021, deductions for depreciation, amortization, or depletion are not taken into account in calculating ATI.

Certain other adjustments apply for some types of taxpayers. See §1.163(j)-1(b)(1) of the proposed regulations(IRS.gov).

<https://www.irs.gov/newsroom/basic-questions-and-answers-about-the-limitation-on-the-deduction-for-business-interest-expense>



163(J) Limitations under the TCJA and the Impact on the Form 27

Interest Expense Limitation Exceptions

- ▶ Taxpayer meets \$25 million gross receipts test
- ▶ Qualified personal service corporations
- ▶ Electing real property trade or business
- ▶ Electing farm business
- ▶ Regulated public utility

*Yadda, Yadda,
Yadda*

<https://www.irs.gov/newsroom/basic-questions-and-answers-about-the-limitation-on-the-deduction-for-business-interest-expense>

163(J) Limitations under the TCJA and the Impact on the Form 27

Important Info regarding Partnerships and S-Corps

- ▶ S-Corps and Partnerships (and potentially even Pro Forma C Corp returns) that are subject to this limitation must make an adjustment to be taxed “as if” they were a C corp under ORC 718.01(E).
- ▶ Non C Corp taxpayers should have an ADD BACK on the AFTI worksheet or Schedule X for any years where the deduction would have been limited if the taxpayer were a C corp.
- ▶ Any “disallowed business interest expense carryforward” DEDUCTION may be carried forward in a subsequent year if the taxpayer has not exceeded its limitation to utilize some or all of this previously disallowed expense. Note this is very similar to a Charitable Contributions adjustment/ carryover.

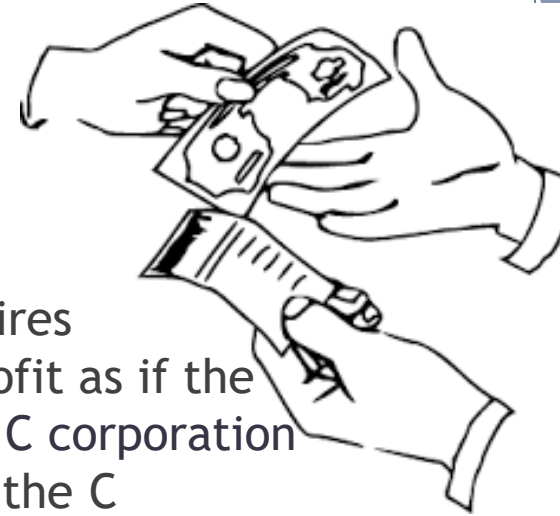


IRC §291 adjustments

- ▶ The portion of the gain classified for federal tax purposes as IRC section 1250 gain is taxable and is included in the business' net profit subject to apportionment.
- ▶ The taxable portion is normally referred to as depreciation recapture.
- ▶ The Ohio Revised Code requires partnerships and S-corporations to calculate their depreciation recapture as if these taxpayers were a C corporation.
- ▶ C corporations must make the IRC section 291 adjustment when calculating their depreciation recapture on the sale of a section 1250 asset.
- ▶ The section 291 adjustment increases the amount of depreciation recapture (1250 gain).



IRC §754 adjustments



- ▶ ORC section 718.01 defines taxable net profit, and requires partnerships to calculate their municipal taxable net profit as if the partnerships were C corporations. When one owner of a C corporation sells his/her ownership interest (stock) to a new owner, the C corporation does not take any deduction on its return related to that transaction.
 - ▶ Thus, a partnership cannot claim an IRC section 754 adjustment given the fact pattern above.
- ▶ However, if a C corporation purchases an ownership interest in an existing partnership, the C corporation can claim the IRC section 754 adjustment on its return. Thus, if a partnership purchases an ownership interest in an existing partnership, the purchasing partnership can claim the related the IRC section 754 adjustment on its return.
- ▶ The IRC section 754 adjustment is allowed only on the return of the purchasing partner.

Net Profit to Withholding Wage Issues

- ▶ RITA compares the wages reported on your Form 27 Net Profits Tax Return to the amount of withholding tax reported throughout the year.
 - ▶ An explanation is required if a discrepancy exists that is:
 - 1) More than \$5000 and
 - 2) More than a 10% difference
- ▶ RITA provides you with the opportunity to explain that discrepancy on page 4 of the return in Section Y-1.
- ▶ If there is a variance outside of the threshold stated above and no explanation is provided, your client will receive a letter from RITA.



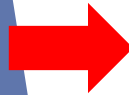
Net Profit to Withholding Wage Issues

	A. LOCATED EVERYWHERE	B. RITA MUNICIPALITY Brecksville	C. PERCENTAGE (B / A)
STEP 1. AVERAGE ORIGINAL COST OF REAL & TANGIBLE PERSONAL PROPERTY	\$ 10,000,000	\$ 10,000,000	
GROSS ANNUAL RENTALS MULTIPLIED BY 8.....	\$ 50,000	\$ 50,000	
TOTAL OF STEP 1.....	\$ 10,050,000	\$ 10,050,000	100 %
STEP 2. TOTAL WAGES, SALARIES, COMMISSION AND OTHER COMPENSATION PAID TO ALL EMPLOYEES.....	\$ 5,000,000	\$ 4,000,000	80 %
STEP 3. GROSS RECEIPTS FROM SALES AND WORK OR SERVICES PERFORMED.....	\$ 30,000,000	\$ 10,000,000	33.3333 %
STEP 4. TOTAL OF PERCENTAGES.....			213.3333 %
STEP 5. AVERAGE PERCENTAGE (DIVIDE TOTAL PERCENTAGES BY NUMBER OF PERCENTAGES USED)			71.1111 %

SCHEDULE Y-1: RECONCILIATION OF SCHEDULE Y WAGES TO WITHHOLDING RETURNS

- Total workplace RITA wages shown on your withholding tax returns filed for the year covered by this return. \$ 3,000,000
- Attach explanation of any difference between total wages remitted and total wages shown on Schedule Y above.
- Provide the Company Name and Federal Identification Number under which the withholding tax was remitted, if different than information on page 1.

Company Name	Federal Identification Number
<input type="text"/>	<input type="text"/>



Net Profit to Withholding Wage Issues:

There are many reasons that these amounts may be different and many are legitimate. Some examples include:

- ▶ S Corp shareholder health insurance (make sure to add back on Schedule X, Line D.)
- ▶ Wages exempt from withholding due to being related to a cafeteria plan.
- ▶ Wages for employees under 18 in municipalities that do not tax these wages.
- ▶ Withholding under one or more different FEINs.
- ▶ Tips



Net Profit to Withholding Wage Issues:

Examples of explanations that **DO NOT** satisfy the discrepancy:

- ▶ One employee worked in Florida.
- ▶ They will never match.
- ▶ We did not withhold on certain employees.
- ▶ We withhold residence tax. Additional action required **ONLY** if the payroll tax was not properly reported.
- ▶ We withhold where our employees live, not where they work.

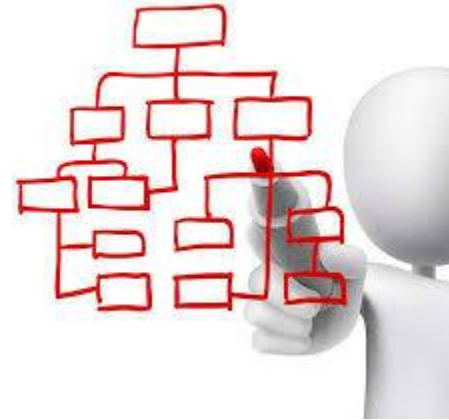


Net Profit to Withholding Wage Issues: Prevention is Key - Action is necessary



- ▶ Use Y-1. **Every. Single. Year.**
- ▶ Remind your clients to forward all correspondence from RITA to you immediately.
- ▶ Do not ignore these letters, even if you are certain no tax is due. We will eventually charge any under withholding or additional net profit tax on taxpayers that did not reply. Your client will get a bill for tax, penalty, and interest.
- ▶ How the payroll is reported is important and will impact our expectations. When considering how to respond to a notice, consider whether taxes were appropriately reported as workplace tax or residence tax. If taxes are reported as workplace wages, we will expect those wages on the net profit return.
- ▶ Call us with questions or before doing a lot of work. If the net profit return shows \$500,000 in wages and the withholding tax was paid on \$100,000 do not simply amend the Form 27 Net Profit Return to show \$100,000. We will not process it without a reasonable explanation.

Net Profit Issues: Pass Through Income/Losses



- ▶ **Partnership Reporting at the Entity Level:** All partnerships are required to file at the entity level effective with tax years beginning on or after 1/1/16. Municipalities that previously taxed the individual partners now tax the entity.
- ▶ As a result, there are no longer refundable partnership credits.
- ▶ We continue to see taxpayers attempting to pay the tax at the individual partner level.
- ▶ Keep in mind this does not change the fact that residents are still required to report partnership income on their resident returns.

Net Profit Issues: Pass Through Income/Losses

Flow through income and losses are excluded from AFTI under ORC § 718.01(D)(9) & § 718.01(D)(10). Prior to 2016, pass through income had to have been previously reported to a municipality in order to be excluded from income.

- ▶ Make an adjustment on Schedule X, Line P

SCHEDULE X – ADJUSTMENT TO FEDERAL INCOME TAX RETURN (attach supporting statement for line items utilized below)

ITEMS NOT DEDUCTIBLE

- | | | |
|---|----------------------|-----|
| A. LOSSES THAT DIRECTLY RELATE TO THE SALE, EXCHANGE, OR OTHER DISPOSITION OF AN ASSET DESCRIBED IN 1221 OR 1231 OF THE IRC | <input type="text"/> | .00 |
| B. TAXES BASED ON INCOME | <input type="text"/> | .00 |
| C. 5% OF THE AMOUNT DEDUCTED AS INTANGIBLE INCOME EXCLUDING THE PORTION DIRECTLY RELATED TO THE SALE, EXCHANGE, OR OTHER DISPOSITION OF PROPERTY DESCRIBED IN 1221 OF THE IRC | <input type="text"/> | .00 |
| D. AMOUNTS PAID OR ACCRUED TO QUALIFIED SELF-EMPLOYED RETIREMENT AND HEALTH AND LIFE INSURANCE PLANS FOR OWNERS OR OWNER-EMPLOYEES OF NON-C CORPORATION ENTITIES | <input type="text"/> | .00 |
| E. REIT'S AND RIC'S - ALL AMOUNTS WITH RESPECT TO DIVIDENDS, DISTRIBUTIONS, OR AMOUNTS SET ASIDE FOR OR CREDITED TO THE BENEFIT OF INVESTORS AND ALLOWED AS A DEDUCTION | <input type="text"/> | .00 |
| F. OTHER: (ATTACH EXPLANATION) | <input type="text"/> | .00 |
| G. TOTAL ADDITIONS (ENTER ON PAGE 1, LINE 2A) | <input type="text"/> | .00 |

ITEMS NOT TAXABLE

- | | | |
|---|----------------------|-----|
| N. INCOME AND GAINS - FEDERALLY REPORTED INCOME AND GAINS FROM IRC 1221 OR 1231 PROPERTY DISPOSITIONS EXCEPT TO THE EXTENT THE INCOME AND GAINS APPLY TO THOSE DESCRIBED IN 1245 OR 1250 OF THE IRC | <input type="text"/> | .00 |
| O. INTANGIBLE INCOME SUCH AS INTEREST, DIVIDEND, PATENT, AND COPYRIGHT INCOME ALSO INCLUDE ROYALTY INCOME EXCEPT ROYALTIES DERIVED FROM INTEREST IN LAND (i.e. OIL AND GAS RIGHTS, ETC.) | <input type="text"/> | .00 |
| P. OTHER: PASS-THROUGH INCOME (LOSS) | <input type="text"/> | .00 |
| Q. TOTAL DEDUCTIONS (ENTER ON LINE 2B) | <input type="text"/> | .00 |

Net Profit Issues: Pass Through Income/Losses

DO NOT:

- ▶ Take credit on Page 1 for PTE payments/credits.
- ▶ Alternate method requests- No alternate method is needed to exclude this income.
- ▶ Include PTE property, wage, and sales figures in Schedule Y.

Net Profit Issues:


Pass Through Income/Losses: EXCEPTION

If the annual 718.06(E)(3)(b) election is made, the PTE's property, payroll, and gross receipts ARE included in Schedule Y.

718.06(E)(3)(b) Include the pass-through entity's net profit or loss in the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 718.02 of the Revised Code, include the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit situated to a municipal corporation...

Net Profit Issues: Pass Through Income/Losses: EXCEPTION

- ▶ A corporation filing a consolidated municipal return can make the annual 718.06(E)(3)(b) election to include in the group's income the profit or loss of a pass through entity in which it owns at least 80%.

Form 27	Regional Income Tax Agency	2019	 RITA REGIONAL INCOME TAX AGENCY	800.860.7482
	RITA Net Profit Tax Return			TDD 440.526.5332
FOR CALENDAR YEAR <input type="text"/> OR FISCAL YEAR BEGINNING <input type="text"/> AND ENDING <input type="text"/>				
The federal return MUST be attached to be considered a complete tax return. Please also attach all applicable schedules and 1099-MISC to avoid delays				
Check if:	<input type="checkbox"/> Initial RITA Return	<input type="checkbox"/> No longer in RITA <input type="text"/>	<input type="checkbox"/> Extension	
	<input type="checkbox"/> Amended Return	<input type="checkbox"/> Out of Business <input type="text"/>		
	<input checked="" type="checkbox"/> Consolidated Return (Attach Form 851)	<input type="checkbox"/> Alternate Method	Federal Business Activity Code # <input type="text"/>	
	<input checked="" type="checkbox"/> Consolidated filer with 80% ownership of a Pass-Through Entity (see Instructions, Page 3)		Business Activity <input type="text"/>	



Municipal Income Tax Miscellany

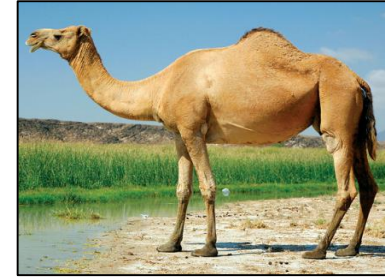
Amy Arrighi
Chief Legal Counsel

Bob Meaker
Chief of Tax Operations



- ▶ Battling in Court
- ▶ Legislative Update
 - ▶ Passed and Pending
- ▶ Dissolving Villages
 - ▶ Impact on Taxpayers and Tax Preparers
- ▶ Ohio BTA Case to Watch

Battling In Court



Ohio House Bill 49 (132nd General Assembly)

- ▶ Provided business net profit taxpayers the option to have municipal net profit tax administered by the Ohio Tax Commissioner instead of municipalities or third party administrators, like RITA.
- ▶ Tax Commissioner becomes the administrator for municipal tax upon a taxpayer “opting in”.
- ▶ Municipalities are charged a .5% fee by the Tax Commissioner.

Battling In Court

Nearly **200** Ohio municipalities, in two Ohio Supreme Court cases, are challenging the constitutionality of the “opt-in” and other provisions of House Bill 49.

- ▶ *City of Athens v. Joseph A. Testa [Jeff McClain]*, Case No. 2019-693 originally filed by the City of Elyria and others in the Lorain County Common Pleas Court; and
- ▶ *City of Athens v. Joseph A. Testa [Jeff McClain]*, Case No. 2019-696 originally filed by the City of Athens and others in the Franklin County Common Pleas Court.

Battling In Court

Where do these cases stand?

- ▶ All briefing completed on December 30, 2019
 - ▶ “Friend of the Court” briefs filed by **at least 10 parties in support of municipalities’ position**, including the Ohio Municipal League, Dayton Area Mayors & Managers, International Municipal Lawyers Association, City of Toledo, and others.
 - ▶ **One** “Friend of the Court” brief **in support of the Tax Commissioner’s position filed jointly** by the Ohio Society of CPAs, Ohio Chamber of Commerce and others.

Battling In Court

Where do these cases stand?

- ▶ Next up - Ohio Supreme Court to schedule the cases for oral argument.
 - ▶ The Court's oral argument calendar is already set through March 11, 2020.
 - ▶ No oral argument (and no ruling) prior to the next calendar year opt-in deadline of March 1, 2020.

Legislative Update - Passed

Ohio House Bill 166 - State Biennium Budget Bill

- ▶ Passed July 2019
- ▶ Included Provision Exempting SERPs (& likely Guaranteed Payments to Retired Partners) by defining “**pension**” as any **retirement benefit plan** regardless of whether:
 - ▶ 1. the plan qualifies for favorable income tax treatment
 - ▶ 2. the plan is subject to Medicare and Social Security withholding taxes
 - ▶ 3. the plan is included in the employee’s taxable wages.

Legislative Update - Passed

Ohio House Bill 166 - State Biennium Budget Bill

- ▶ Defines a “**retirement benefit plan**” as any arrangement by which benefits are provided to individuals on or after their retirement or termination of service, **excluding**:
 - ▶ 1. wage continuation,
 - ▶ 2. severance, or
 - ▶ 3. leave payments

Legislative Update - Passed

Ohio House Bill 166 - State Biennium Budget Bill

- ▶ SERP exemption effective for tax years beginning **on or after January 1, 2020.**
- ▶ **Question** - what about tax years **2016, 2017, 2018 and 2019?**
 - ▶ As required by Ohio House Bill 5, all RITA member municipalities' ordinances were updated for tax years beginning on or after January 1, 2016; AND
 - ▶ Most all include a definition of “pension” that excludes SERPs
 - ▶ Important because while House Bill 5 exempted “pensions” from tax, it provided no definition of a pension.

Legislative Update - Pending

Ohio Senate Bill 206

- ▶ Introduced by Senator Tim Schaffer
- ▶ Would **require** Columbus, Cleveland, Cincinnati, Toledo, Akron and Dayton to **grant tax credits or refunds** to nonresidents for taxes paid to these employment cities.
 - ▶ Credit or refund would be the **lesser of** 10% of the nonresident's tax liability **OR** the amount of the nonresident's tax liability that exceeds 2%.
 - ▶ Potential revenue loss to affected municipalities may total up to **\$190 million annually** (Ohio Legislative Service Commission).

Legislative Update - Pending

Ohio House Bill 382

- ▶ Introduced by Representative Kris Jordan
- ▶ Would **prohibit** municipal corporations from levying an income tax on **nonresidents'** compensation for personal services, or on the net profits from a sole proprietorship owned by a nonresident.



2019 Villages Voting to Dissolve

Village of **Amelia** (Clermont County)

Village of **Newtonsville** (Clermont County)

Village of **Smithfield** (Jefferson County)



-
- ▶ All three of these Villages will be undergoing a **surrender of corporate powers and dissolution** as a result of ballot issues approved at the November 5, 2019 election.
 - ▶ The Ohio Auditor of State's office will facilitate the **winding down and transition** of these Villages to the appropriate townships.

2019 Villages Voting to Dissolve

Village of **Amelia** (Clermont County)

Village of **Newtonsville** (Clermont County)

Village of **Smithfield** (Jefferson County)



Pursuant to the provisions of R.C. 703.21(A) and R.C. 703.21(B),

- ▶ the municipal income tax in all three Villages **remains in effect**; and
- ▶ the Villages **will continue to levy and collect their municipal income tax, until a date that will later be determined for each Village.**

2019 Villages Voting to Dissolve

Village of **Amelia** (Clermont County)

Village of **Newtonsville** (Clermont County)

Village of **Smithfield** (Jefferson County)

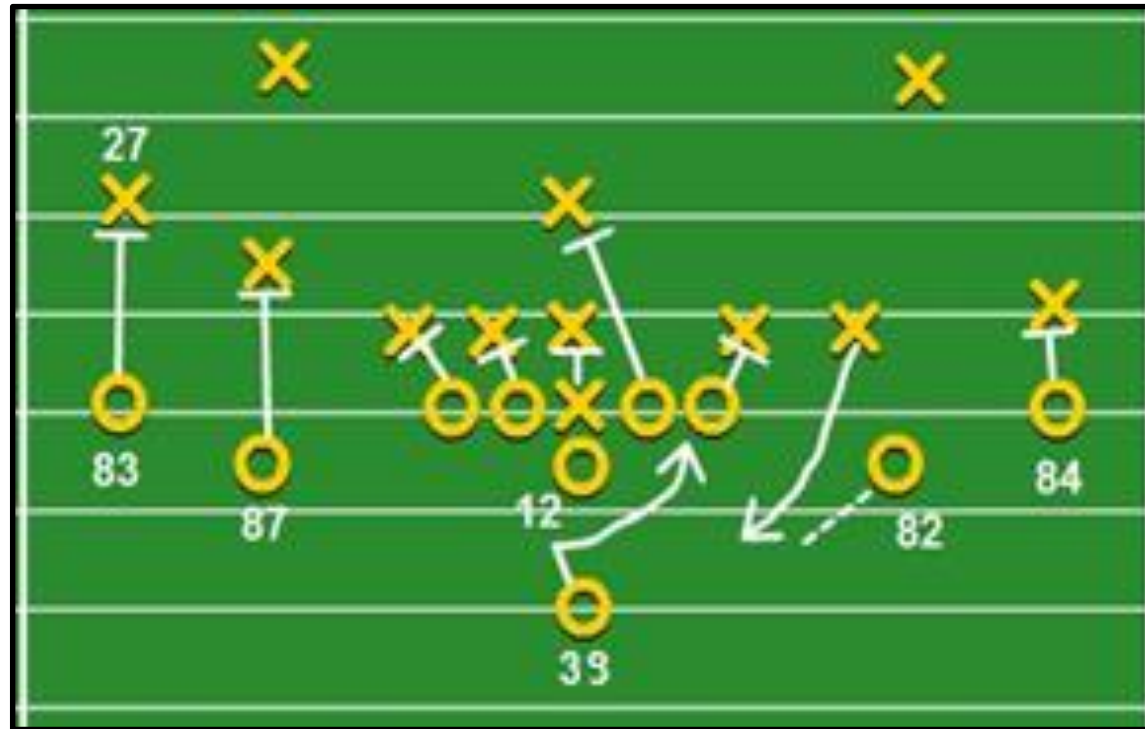


What does this mean for taxpayers and tax preparers?

- ▶ **2019 tax returns must be filed, and tax paid.**
- ▶ **2020 estimates are to be paid.**
- ▶ **Past due tax must be paid.**
- ▶ **Employers are to continue to withhold and remit.**

The **tax ending date** in each Village will be **communicated** to taxpayers **when determined**.

Time Out: Before We Get to the Ohio BTA Case to Watch...



What is the Occasional Entrant Rule?

The Occasional Entrant Rule:

Voluntary, administrative withholding rule for employers that have employees working in more than one location.

An employee must perform services in an occasional entrant municipality for 20 days *before the employer is required to withhold* tax for that municipality for that employee.

If the 20-day threshold is *not exceeded* for the employee and if the employee's **principal place of work (the place to which employee reports to work on an ordinary and regular basis)** is within a municipality imposing income tax, withhold only for the principal place of work for that employee for that day.

Ohio BTA Case to Watch

Tammy Aul Jones v. City of Massillon, Ohio BTA Case No. 2018-2137

- ▶ Ms. Aul Jones (“Taxpayer”) is a postal employee assigned to the U.S. Post Office in Massillon (the “City”). Taxpayer is not withheld for the City and is not a resident of the City.
- ▶ Although Taxpayer is assigned to the post office in the City, Taxpayer spends only 40% of her time working in the City, with the remainder of her work performed outside of the City.
- ▶ Taxpayer files a tax year 2017 return with the City reporting only 40% of her income as taxable in the City.
- ▶ City objects and claims that it is entitled to tax on all of Taxpayer’s earnings, regardless of where earned, because it is Taxpayer’s PP of W municipality under the withholding/occasional entrant rules.

Ohio BTA Case to Watch

Tammy Aul Jones v. City of Massillon, Ohio BTA Case No. 2018-2137

- ▶ City issues an Assessment for tax on all of Taxpayer's earnings in 2017. Taxpayer appeals to City's Income Tax Board of Review.
- ▶ Board of Review affirms the City's Assessment, agreeing that Taxpayer must pay tax to City on all of her earnings related to her employment at the post office.
- ▶ Taxpayer appeals to the Ohio Board of Tax Appeals and case assigned to the BTA's small claims docket.
- ▶ August 26, 2019 - BTA reassigned case from the small claims docket to its regular docket finding it "presents an issue of public or great general interest."
- ▶ Hearing set for February 25, 2020.

Ohio BTA Case to Watch

Tammy Aul Jones v. City of Massillon, Ohio BTA Case No. 2018-2137

- ▶ Is PP of W/occasional entrant rule applicable in this situation?
- ▶ Can a municipality tax income not earned in its municipality by a nonresident by virtue of it being the nonresident's principal place of work municipality for purposes of the occasional entrant rule?
- ▶ Occasional entrant rule is an administrative courtesy for employers, and voluntary for employers.
- ▶ Employers can decide to simply withhold in the places that wages are earned.



Questions From the Audience





Final Thoughts



**To submit CPE verification using the
“8 Code Words”, and/or to vouch for
attendees at your office, email list(s) to:**

MemberServices@ritaohio.com



Thank you!