



MUNICIPAL TAX UPDATE WEBCAST

January 15, 2021

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

[Welcome and Website Tools](#)

[Individual Tax Returns](#)

[Business Tax Returns](#)

[Legislation & Litigation](#)

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

Municipal Tax Webcast

Friday, J
9:00 A

Ask us a
Question

0:15 / 0:1

Ask Question

Materials

To listen via the phone, please dial
888-609-1607 followed by
891 820 86#



PDF of our
presentation

MUNICIPAL TAX UPDATE WEBCAST

January 15, 2021

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** via email after the presentation



Today's Agenda

- Welcome / RITAOhio.com Features & Tools
- Individual Returns:
 - Updates to MyAccount & FastFile, Forms 37 & 10A
 - MeF Partners
 - Technical Tax Issues
- Business Returns:
 - Updates to MyAccount & MeF, Form Reminders
 - Technical Tax Issues
 - ODT/Opt-in



Today's Agenda (continued)

- Legislation & Litigation
 - Ohio Supreme Court ruling – HB5 & HB49
 - Section 29 of HB 197
 - Buckeye Institute v City of Columbus
- Q&A & Wrap-up

















RITAOHIO.COM

Features & Tools



Fast File

MyAccount

-  Forms
-  Individuals
-  Businesses
-  **Tax Professionals**
-  News And Important Updates
-  Tax Law Updates
-  RITA Municipalities
-  Resources
-  Tax Rates
-  About
-  Contact
-  FAQs

How Does COVID-19 Affect RITA? See [Resources/News and Updates](#) For the Latest Information.

[Contact Us](#)

[Feedback](#)



MAKES IT  EASY
TO FILE YOUR MUNICIPAL TAXES

**VISIT THE "NEWS AND IMPORTANT UPDATES"
PAGE FOR UP-TO-DATE INFO**

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.

Fast File

MyAccount



Forms



Individuals



Businesses



Tax Professionals

Tax Resources And News

Tax Seminar Presentations

Individual Forms And Instructions

Business Forms And Instructions

EFile Options For Tax Software Vendors

MeF (MODERNIZED EFILE) Software Vendors

Municipal Income Tax Changes



News And Important Updates



Tax Law Updates



RITA Municipalities



Resources



Tax Rates

How Does COVID-19 Affect RITA? See [Resources/News and Updates](#) For the Latest Information.

[Contact Us >](#)

[Feedback >](#)



Tax Seminars

Register for RITA's upcoming Municipal Income Tax Webinar

2021 RITA Municipal Income Tax Webcast

Friday, January 15, 2021

9:00am - 12:00pm

Webcast from your own PC

[View More Information and Register](#)

RITA Speakers Bureau

Did you know?

RITA professionals regularly participate as seminar speakers and panelists to provide attendees with current, useful information on Ohio municipal income tax laws. Requests from groups and associations throughout Ohio are coordinated through the RITA Speakers Bureau. Developed in 2014, the RITA Speakers Bureau has provided numerous presentations throughout the State of Ohio.

Request a Speaker

If you are interested in having a RITA professional speaker at an upcoming event, click to "Request a Speaker" to submit information about the event. You will be contacted within 5 business days of your submission. Resource limitations prevent RITA from honoring all requests.

[Request a Speaker](#)

Tax Seminar Presentations

[Link to January 24, 2020 Municipal Income Tax Update Webcast](#)

[Link to January 25, 2019 Municipal Income Tax Update Webcast](#)

-  **Forms**
-  **Individuals**
-  **Businesses**
-  **Tax Professionals**
-  **News And Important Updates**
-  **Tax Law Updates**
-  **RITA Municipalities**
-  **Resources**
-  **Tax Rates**
-  **About**
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-  **FAQs**

RITA Municipalities

RITA Member List

RITA JEDD, JEDZ and ENTPZ Member List

Aberdeen	Cedarville	Greenfield	Melrose	Ottawa	Sugarcreek
Ada	Centerburg	Greenhills	Mentor	Owensville	Sunbury
Addyston	Chagrin Falls	Grove City	Metamora	Oxford	Swanton
Adelphi	Chardon	Groveport	Middleport	Painesville	Sycamore
Alexandria	Chesterville	Hanover	Middleburg Heights	Parma Heights	Tallmadge
Alger	Circleville	Harrisburg	Middleport	Pataskala	Thurston
Amanda	Clarksville	Harrison	Midvale	Patterson	Timberlake
Amelia	Cleveland Heights	Harrod	Mifflin	Payne	Tiro
Amsterdam	Clinton	Haskins	Milan	Peninsula	Tontogany
Andover	Columbiana	Helena	Milford	Pepper Pike	Toronto
Antwerp	Commercial Point	Highland Heights	Milford Center	Perry	Tremont City
Arlington Heights	Conesville	Hilliard	Miller City	Piketon	Trimble
Ashley	Continental	Hiram	Millersport	Pleasant Hill	Twinsburg
Ashville	Corwin	Holland	Mineral City	Pleasantville	Uhrichsville
Aurora	Crestline	Hopedale	Minerva Park	Pomeroy	University Heights
Avon	Cuyahoga Falls	Hudson	Mingo Junction	Portage (Wood)	Upper Arlington
Avon Lake	Cuyahoga Heights	Hunting Valley	Mogadore	Powell	Urbancrest
Baltic	Danville	Huron	Monroeville	Powhatan Point	Valley View (Cuyahoga)
Baltimore	Darbyville	Independence	Moreland Hills	Quincy	Valleyview (Franklin)
Barberton	DeGraff	Jackson	Morral	Ravenna	Vermillion
Barnesville	Dennison	Jackson Center	Moscow	Reminderville	Wadsworth
Batavia	Dunkirk	Jeffersonville	Mount Sterling	Reynoldsburg	Wakeman
Bay Village	East Cleveland	Jerry City	Mount Victory	Richmond Heights	Warrensville Heights
Beachwood	East Palestine	Jewett	Mt Healthy	Richwood	Washingtonville
Beaverdam	Eastlake	Johnstown	New Albany	Ridgeway	Waterville
Bedford Heights	Eaton	Kent	New Bavaria	Rio Grande	Wayne Lakes
Belle Center	Edgerton	Killbuck	New Bloomington	Ripley	Waynesville
Bellefontaine	Edison	Kirkersville	New Franklin	Risingsun	Wellington
Bellevue	Elmore	Kirtland	New Richmond	Rocky River	Wellston

Fast File

MyAccount



Forms



Individuals



Businesses



Tax Professionals



News And Important Updates



Tax Law Updates



RITA Municipalities



Resources



Tax Rates



About



Contact



FAQs

How Does COVID-19 Affect RITA? See [Resources/News and Updates](#) For the Latest Information.

Contact Us >

Feedback >



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:

New Municipalities ▾

EXPORT

PRINT

2021

2020

2019

2018

2017

2016

2015

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)
Alexandria *	043	1.000%	0.000%	0.000%
Dorr Street JEDD *	141	2.000%	0.000%	0.000%
Dunkirk *	264	1.000%	50.000%	1.000%
Fulton *	143	1.000%	0.000%	0.000%
Gates Mills New as of 07/01/2020	330	1.000%	50.000%	1.000%
Genoa *	348	1.500%	100.000%	0.750%
Leesburg New as of 02/01/2020	411	1.000%	100.000%	1.000%
Mantua *	459	1.500%	100.000%	0.500%
Oak Harbor *	579	1.000%	0.000%	0.000%
Risingsun *	682	1.000%	0.000%	0.000%
Timberlake New as of 10/01/2020	788	1.000%	100.000%	0.500%

Twenty-three
 municipalities
 have instituted a
 municipal
 income tax *
 and/or joined
 RITA since last
 tax season

Municipality	Joined RITA	Code	Tax Rate	Credit Factor	Credit Rate
Alexandria *	Jan-20	43	1.00%	0.00%	0.00%
Fulton *	Jan-20	141	1.00%	0.00%	0.00%
Risingsun *	Jan-20	682	1.00%	0.00%	0.00%
Leesburg	Feb-20	411	1.00%	100.00%	1.00%
Gates Mills	Jul-20	330	1.00%	50.00%	1.00%
West Unity	Jul-20	847	1.50%	100.00%	1.50%
Xenia	Sep-20	905	2.25%	100.00%	1.50%
Timberlake	Oct-20	788	1.00%	100.00%	0.50%
West Salem	Oct-20	825	1.00%	0.00%	0.00%
Ada	Jan-21	4	1.65%	100.00%	1.65%
Alger	Jan-21	24	1.00%	100.00%	1.00%
Barberton	Jan-21	28	2.25%	100.00%	2.25%
Bratenahl	Jan-21	120	2.00%	50.00%	2.00%
Frazeytsburg	Jan-21	309	1.00%	100.00%	1.00%
Helena	Jan-21	683	1.00%	0.00%	0.00%
Monroeville	Jan-21	516	1.00%	100.00%	1.00%
North Perry	Jan-21	552	1.00%	100.00%	1.00%
Norton	Jan-21	572	2.00%	100.00%	1.50%
Parma Heights	Jan-21	630	3.00%	100.00%	2.00%
Salem	Jan-21	709	1.25%	100.00%	1.25%
Warrensville Heights	Jan-21	830	2.60%	100.00%	1.30%
Woodlawn	Jan-21	896	2.30%	100.00%	2.30%
Euclid	Feb-21	280	2.85%	100.00%	2.85%



THANK YOU!



INDIVIDUAL RETURNS

INDIVIDUAL TAX UPDATES

Scott Dunford

Individual Processing Manager

TODAY'S TOPICS

- Form 37 updates
- NOL Carryforward Examples
 - Form 10a updates
 - Individual MeF 2020
 - Individual Tax Issues

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 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 2020
Do not use staples, tape or glue

REGIONAL INCOME TAX AGENCY

800.860.7482
 TDD: 440.526.5332
 ritaohio.com

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

City/Village/Township of Residence - Required
 In the boxes below, indicate the physical location of your residence(s) for all of 2020 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 2020, 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.

Effective Date	City/ Village/ Tow nship	Address
1/1/2020		

Section A
 List all income from W-2 wages and W-2G winnings reported in 2020 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.**

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	
	W-2/W-2 G Income (see instructions for qualifying wages)	Local/City Tax Withheld for Workplace/ Winning Municipality	Local/City Tax Withheld for Resident Municipality	Workplace/ Winning Municipality (City or village where you worked)	Resident Municipality (City or village where you lived)	Dates Wages Were Earned	
	Date Won MM/DD/YY	Date of winnings MM/DD/YY	From Date MM/DD/YY	Thru Date MM/DD/YY	Date Won MM/DD/YY		
Totals	0	0	0	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.			

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

! **Caution** Tax balances are due by April 15, 2021. 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	Preparer's Name (Please Print)	Date
Spouse's Signature if a joint return	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 6 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	2020 Estimated Tax Payments made to RITA. Do not enter tax withheld from your W-2s. Only include payments made for the 2020 tax year.	13		
	14	Credit carried forward from 2019.	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 2021 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 2021 estimated tax in full (see instructions). Estimates are due 4/15/21, 6/15/21, 9/15/21 and 1/15/22.	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, 2021. 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 6/15/21, 9/15/21 and 1/15/22 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 6600
 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 44101-6409

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)					Note: Special Rules may apply for S-Corp. distributions. See RITA Municipalities at ritaohio.com.	
Please see Pages 5-6 of the Instructions.		COLUMN 1 RESIDENT MUNICIPALITY	COLUMN 2 NON-TAXING LOCATION	COLUMN 3 LOCATION 1	COLUMN 4 LOCATION 2	COLUMN 5 LOCATION 3	COLUMN 6 LOCATION 4	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 26d 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 25-28)		FOR LINE 29, ADD COLUMN 7, LINES 25-28, ENTER ON PAGE 2, SECTION B, LINE 1b.						
Calculate tax due on WORKPLACE INCOME:		GO TO PAGE 6 WORKPLACE LOSS WORKSHEET to calculate the workplace loss carryforward and enter the total HERE.		73 ()	74 ()	75 ()	76 ()	
LESS WORKPLACE LOSS CARRYFORWARD (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 (2020) 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
W. Enter CURRENT YEAR WORKPLACE INCOME From SCHEDULE J, Line 27.		NON-TAXING					
P. 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 26d.							
T. 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.							
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: <input type="text"/>							
17. Enter the lesser of Row 14 or Row 16 above.							

Rows 13-14: Calculate the tax due on Non-W2 workplace income.

Rows 15-17: Get credit for the tax paid in Row 14, Column 7.

Enter amount from Row 14, Col 7 below on Page 3, Schedule K, Line 36.

Enter amount from Row 17, Col 7 below on Page 2, Credit Rate Worksheet.

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 raofo.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 5-8 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	
25a	PARTNERSHIP INCOME/LOSS From Federal SCHEDULE E Attached		17	18	19	20		
25b	S-CORP INCOME/LOSS From Federal SCHEDULE E Attached		27	28	29	30		
25c	TRUST INCOME/LOSS From Federal SCHEDULE E Attached		37	38	39	40		
25d	Add Lines 25a-25c down. For each total in Columns 3-6: If amount is a loss , enter on Worksheet L, Row P. If amount is a gain , proceed to Line 1 below.		47	48	49	50		
1.	FOR EACH MUNICIPALITY LISTED IN COLUMNS 3-6 - ENTER THE TAX RATES.			%	%	%		ENTER TOTAL ABOVE IN COLUMN 7, LINE 26 ON SCHEDULE J.
2.	If Line 25d is a GAIN, multiply Line 25d 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	70		ADD ROWS 20-26 BELOW TO COLUMN 2, ROW P ON WORKSHEET L.
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 25d.							
5.	Subtract Line 4 from Line 25d. ADD total across to Column 7.							

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 raofo.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		%			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.	
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			

Form 37 Pg. 6

NOL Worksheets Resident

- Computes allowable loss amounts for residents of RITA municipalities.

Workplace

- Computes allowable loss amounts for RITA 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 2020, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2017, if applicable, and the 2017, 2018 and 2019 allowable losses, which will be reported in Tax Year 2020 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. Losses incurred in tax years 2017 through 2021 are subject to a 50% phase-in limitation. The amount of net operating loss carry forward that may be utilized is limited to the lesser of 50% of the carried forward loss or 50% of that year's income. 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 2020 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 Row 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 2020 Form 37, Schedule J, Column 7 Line 28.			

- | | | |
|--------------|---------------------|-----------------|
| ALEXANDRIA | ETHA | MILLERSPORT |
| AMELIA | REYNOLDSBURG | NEWTOWNVILLE |
| ASHLEY | JEDDO 1, 2, 3 and 4 | NEY |
| BETHEL | FULTON | OSTRANDER |
| BLOOMVILLE | GETTYSBURG | PAYNE |
| BRIDGEPORT | HARSHNER | REISINGER |
| CHESTERVILLE | HOLLAND | SMITHFIELD |
| CIRCLEVILLE- | SPRINGFIELD | SOUTH VEMIA |
| PICKAWAY TWP | TWP-JEDD | ST LOUISVILLE |
| JEDD | JACKSON | STOUTSVILLE |
| CLARKSVILLE | KIRKERSVILLE | WASHINGTONVILLE |
| DARBYVILLE | LODI | WAYNE LAKES |
| DORR STREET | LYONS | WILLIAMSBURG |
| JEDD | WAREHO | JEDD |
| | MILFORD JEDD V | WILLIAMSPORT |
| | MILFORD JEDD VI | |

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
	104	105	106	107
1. From the Tax Year 2020 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 2020 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, 2021.

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 \$6000
- Unutilized/Unexpired Pre 2017 loss of \$(3000)

- Unutilized/Unexpired 2017 or later loss of \$(2000)

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 2020.
- Line 7 is the total amount of loss reportable for 2020 (not to exceed the income on line 1). This number moves to Schedule J, line 28.

Form 37 (2020) 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 2020, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2017, if applicable, and the 2017, 2018 and 2019 allowable losses, which will be reported in Tax Year 2020 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 2020 Form 37, Schedule J, Column 7 Lines 28 and 27. Note: If the total is a net loss, do NOT complete this worksheet.	6,000
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 (3,000)
3. Subtract Row 2 from Row 1. If amount is less than \$0, enter \$0.	3,000
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 (2,000)
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.	-1,000
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.	-4,000
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2020 Form 37, Schedule J, Column 7 Line 28.	-4,000

NOL ex. 1 (con't)

The Schedule J would look like this.

Rental income of \$6000 reported to the resident municipality.

Resident loss carryforward of (\$4000) reported on line 28.

Net taxable income from rental is \$2000.

TP has utilized all of his \$3000 pre-2017 loss, and has 2017 and later loss of \$1000 remaining to use in 2021, subject to limitation.

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 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 RITA RESIDENT	12 NON-TAXING	13	14	15	16	
21.	Income/Loss From Federal SCHEDULE C Attached	21	22	23	24	25	26	
24.	Income/Loss From Federal SCHEDULE E, Part I Attached	31 6,000	32	33	34	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 28d HERE.				
27.	CURRENT YEAR WORKPLACE INCOME/LOSS (Total Lines 23-26)	61 6,000	62	63	64	65	66	6,000
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 (4,000)
29.	NET RESIDENT TAXABLE INCOME (Total Column 7, Lines 26-28)	FOR LINE 29; ADD COLUMN 7, LINES 26-28, ENTER ON PAGE 2, SECTION B, Line 1b.						2000
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 totals HERE.		73 ()	74 ()	75 ()	76 ()	
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 1c.
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.							

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 \$20000
- Current year Rental Loss in Non Taxing city of (\$5000)
- Unutilized/Unexpired 2017 or later loss of \$(30000)

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 2020.
- Line 7 is the total amount of loss reportable for 2020 (not to exceed the income on line 1). This number moves to Schedule J, line 28.

Form 37 (2020) Note: Separate worksheets for Prior Year Loss Carryforwards have been provided.

RESIDENT MUNICIPALITY LOSS CARRYFORWARD WORKSHEET: RITA RESIDENT'S ONLY	
Use this worksheet to calculate the allowable Prior Year Loss Carryforward for Tax Year 2020, for your Resident Municipality. The worksheet will calculate the loss amounts allowable for tax years prior to 2017, if applicable, and the 2017, 2018 and 2019 allowable losses, which will be reported in Tax Year 2020 as the Prior Year Loss Carryforward. Print the name of the applicable Resident Municipality where the loss was incurred.	RESIDENT MUNICIPALITY 101 RITA RESIDENT
1. Enter the total gain from Tax Year 2020 Form 37, Schedule J, Column 7 Lines 26 and 27. Note: If the total is a net loss, do NOT complete this worksheet.	15,000
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 (0)
3. Subtract Row 2 from Row 1. If amount is less than \$0, enter \$0.	15,000
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 (30,000)
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.	-15,000
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
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2020 Form 37, Schedule J, Column 7 Line 28.	-7500

NOL ex. 2 (con't)

The Schedule J would look like this.

Schedule C income of \$20000 reported to the resident municipality,

Rental Loss of (\$5000) reported in Non-Taxing

Net Current year income of \$15000

Resident loss carryforward of (\$7500) reported on line 28.

Net taxable income is \$7500.

TP still has (\$22500) left from 2017 and later loss to potentially use in 2021, subject to limitation.

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 ritahio.com.		
Please see Pages 5-6 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 RESIDENT	NON-TAXING	13	14	15	16			
Income/Loss From Federal 23. SCHEDULE C Attached		21 20,000	22	23	24	25	26			
Income/Loss From Federal 24. Attached SCHEDULE E, Part I		31	32 -5,000	33	34	35	36			
Other Taxable Income/Loss 25. Attach Schedule(s) and/or Form(s)		41	42	43	44	45	46			
Partnership/S-Corp./Trust 26. From SCHEDULE E Attached 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.						
CURRENT YEAR WORKPLACE 27. (Total Lines 23-26) INCOME/LOSS		61 20,000	62 -5,000	63	64	65	66	15,000		
PRIOR YEAR 28. LOSS CARRYFORWARD		GO TO PAGE 6 RESIDENT MUNICIPALITY LOSS WORKSHEET to calculate the PRIOR YEAR LOSS CARRYFORWARD and enter the total HERE.						71 (7,500)		
NET RESIDENT TAXABLE 29. (Total Column 7, Lines 26-28) INCOME		FOR LINE 29; ADD COLUMN 7, LINES 26-28, ENTER ON PAGE 2, SECTION B, Line 1b.						7,500		
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.								
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 3.

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

- Has rental income of \$15000 in City A.
- Has rental Income of \$10000 in City B.
- Has NOL carry forward of (\$20000) in City A.
 - (\$10000) from 2017 and later, (\$10000) Pre-2017.
- Has NOL carry forward of (\$15000) in City B.
 - All (\$15000) is 2017 and later.

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 2020.
- Line 7 is the total amount of loss reportable for 2020. 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 2020 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.	15,000	10,000		
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 (10,000)	205 (0)	206 ()	207 ()
3. Subtract Row 2 from Row 1. If less than \$0, enter \$0.	5,000	10,000		
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.	304 (10,000)	305 (15,000)	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	-5,000		
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.	-12,500	-5,000		
7. Enter the lesser of Row 1 or Row 6 on Tax Year 2020 Form 37, Schedule J Line 30.	-12,500	-5,000		

NOL ex. 3 (con't)

The Schedule J would look like this.

Rental income of \$15000 in City A, \$10000 in City B.

Net Current year income of \$15000 in City A, \$10000 in City B.

Allowable Loss of (\$12500) in City A, (\$5000) in City B.

Net taxable income from rental in City A is \$2500, \$5000 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 2021 in City A. TP still has \$(10000) in 2017 and later loss to potentially use in City B in 2021, subject to limitation.

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 5-6 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 15,000	24 10,000	25	26	
24. Income/Loss From Federal SCHEDULE E, Part I Attached		31	32	33	34	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 15,000	64 10,000	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)		FOR LINE 29; ADD COLUMN 7, LINES 26-28, ENTER ON PAGE 2, SECTION B, Line 1b.						
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 totals HERE.		73 (-12,500)	74 (-5,000)	75 ()	76 ()	
31. NET TAXABLE WORKPLACE INCOME (Line 27 minus Line 30)				83 2,500	84 5,000	85	86	
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.				0.010	0.020			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.				25	100			125


**FORM 10A-APPLICATION FOR MUNICIPAL INCOME
TAX REFUND.**

Form 10A - Application for Municipal Income Tax Refund

- Form used to request a refund of overpaid tax.
 - Primarily used for tax withheld by employers, but can also be used to request overpayments on individual accounts.
 - Major Change for this year is the inclusion of COVID-19 specific reasons and instructions.

Form 10A Pg. 1

- Complete demographic section at the top with full name, address and SSN.
- Select a reason for refund from 1-10.
- Complete the Claim section at the bottom of the form.
 - If you are a RITA resident, or will owe tax to other RITA municipalities as a non-RITA resident, you can allocate money to your account to cover this
 - List the amount of net refund claimed on line 6.

Form 10A	Regional Income Tax Agency Application for Municipal Income Tax Refund PO Box 470638 Broadview Heights, OH 44147-0638	 REGIONAL INCOME TAX AGENCY	800.860.7482 TDD 440.526.5332 ritaohio.com
Your first name and middle initial _____ Last name _____		Your social security number _____ Tax year of claim _____	
Current home address (number and street) _____ Apt # _____		Daytime phone number _____ Evening phone number _____	
City, state, and ZIP code _____		<input type="checkbox"/> Check here if you worked outside of your normal place of work in 2020 due to COVID-19. See Check Box No. 2 below.	

Reason for Claim

Check the Box below that applies.

- A separate 10a is required if you have multiple W-2 forms, or for each municipality from which a refund is requested.
- No refunds will be issued without the proper documentation indicated by reason for claim.

- Age Exemption.** Date of Birth (MMDDYYYY) _____ Attach a copy of your W-2 form and proof of birthdate (birth certificate, driver's license, etc.). If you were under 18 for only part of the year, you must either: (1) have your employer sign the completed Employer Certification on page 2; or (2) attach a copy of your pay stub for the pay period in which your birthday fell. Exceptions to the 18 years of age or older exemption exist. For more information, visit ritaohio.com, select the RITA municipality in which you worked and review the Special Notes section that relates to the appropriate tax year.
- Due to COVID-19, days worked outside of municipality** for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **The availability of a refund is dependent upon the outcome of pending litigation. Requests will be held until this litigation is resolved.**
- Days worked outside of municipality** for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. In addition, your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld at a rate higher than the municipality's tax rate.** Attach a copy of your W-2 Form. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld too much (over-withheld) resident municipality tax.** Attach a copy of your W-2 Form. Your employer must sign the Employer Certification Part 2 on page 2.
- Withheld by mistake for the municipality of _____** when I actually worked in the municipality of _____. Attach a copy of your W-2 Form. Your employer must sign the Employer Certification Part 2 on page 2. Indicate the address where you actually worked. **Do Not Use for COVID-19.**

Work Location Street Address _____	City _____	State _____	Zip _____
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- Over-the-road truck driver.** The wages of an interstate trucker regularly assigned to drive in more than one state are only taxable by the trucker's municipality of residence. Truck drivers assigned to drive in multiple Ohio municipalities only may be eligible to receive a 90% refund from their principal place of work. Your employer must complete and sign the Employer Certification Part 2 on page 2.
- Military Spouse Residency Relief Act.** Attach copies of W-2 Form, Form DD 2058, valid military spouse ID card and service member's most recent LES.
- Other (Indicate Reason).** Attach W-2 Form and other applicable documentation. Your employer must complete and sign the Employer Certification Parts 1 and/or 2 on page 2. **Do Not Use for COVID-19.**
- Refund of overpayment on account** if you have already filed Form 37 or are not required to file. Employer certification is not required.

Claim

1 Employer Federal ID # _____	1	Employer Name _____
2 RITA Municipality for which tax was withheld (from W-2, Box 20). RITA cannot refund tax withheld to a Non-RITA municipality _____	2	_____
3 Amount of income not taxable. For reason 2 enter your 2106 expenses less the 2% limitation. Enter -0- for reasons 4 and 5. For all other reasons enter the amount of wages you are claiming _____	3	_____
4 Amount of over withholding claimed (Box A-9 on page 2) _____	4	_____
5 Amount of over withholding you want applied as a payment to your individual or joint account instead of being refunded to you. Enter -0- if you want all of your refund sent to you _____	5	_____
Provide the social security number of the account to which you want the amount on line 5 to be credited _____		SSN of account to be credited _____
6 Net amount to be refunded. Subtract line 5 from line 4. Amounts \$10 or less will not be refunded. _____	6	_____

Form 10A, pg. 2

- If applicable, the Employer Certification section is required to be completed.
- Employer must complete parts 1 and 2, and provide a signature in part 2.
- Taxpayer signs the bottom of the form.
- Mail to the P.O. Box in the lower right corner once complete.

Name of employee shown on page 1	Employee's SSN	Tax Year of Claim
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Employer Certification – Part 1

A. Refund/Credit Calculation

A 1 Total Wages from employee's W-2 Form	A-1	
2 Enter name of municipality for which tax was withheld	A-2	
3 Amount of municipal tax withheld to the municipality indicated on line A-2		A-3
4 List the complete address of the municipality where the employee physically performed the work or services. If the employee did not work within the limits of a municipality, skip lines A-5, A-6 and A-7, and enter -0- on line A-8	A-4	
Work location street address		
City, State, Zip Code		
5 Enter the amount of municipal taxable wages earned in the municipality indicated on line A-4	A-5	
6 Enter the tax rate of the municipality indicated on line A-4	A-6	
7 Tax due to municipality where employee physically worked. Multiply line A-5 by the tax rate on line A-6	A-7	
8 If the municipality indicated on line A-4 is a RITA municipality, enter the amount from line A-7; otherwise enter -0-		A-8
9 Amount of over-withheld tax to be refunded or credited. Subtract line A-8 from line A-3. Amounts \$10 or less will not be refunded or credited. Enter total on Page 1, line 4.		A-9

B. Employee's Home Address

According to our records, this employee's home address for the period covered by this claim was:

Employee's Home Street Address	City	State	Zip
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C. Employee's Employment Dates

If the employee is still employed, enter "n/a" as the date of separation.

Date of Hire	Date of Separation
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Employer Certification – Part 2

D. Employer Representative's Explanation of Reason for Refund and Signature

The undersigned employer representative states that during the year referenced above the employer withheld municipal income tax from the above named employee in excess of the employee's liability as calculated above; that the above referenced employee was employed during the period referenced above; that the employer has examined this claim for refund in its entirety including any accompanying schedules and statements; and that the employer representative can attest that the information reported on this claim is true and accurate.

In addition, the undersigned employer representative verifies that no portion of the over-withheld tax has been or will be refunded directly to the employee by the employer, and that no adjustments to the employer's withholding account related to this claim have been or will be made.

Representative's Signature	Representative's Title	Date	Representative's Phone Number
Print Representative's Name	Print Representative's Title	Explanation of Reason for Refund (example—"taxpayer works from home 4 days")	

Taxpayer's Signature

Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct and complete. I understand that this information may be released to the tax administrator of the resident or workplace municipality and the Internal Revenue Service. I further understand that if this refund changes my RITA residence tax, an amended return must be filed before the refund will be issued. I also understand that if I have an unpaid balance due, this refund will be applied to that balance due.

Taxpayer's Signature	Date	Taxpayer's Daytime Phone	Taxpayer's Evening Phone
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To avoid delays:

- Mail this form along with the required documents indicated under your "Reason for Claim" on page 1 to the address shown at right; and
- If filing Form 37, attach the 10A to the completed return and mail them together.

Mail with required documentation to:

Regional Income Tax Agency
 PO Box 470638
 Broadview Hts. OH 44147-0638

Form 10A, pg. 3

- If applying for a refund for days worked out of the municipality, the days out calculation should be completed.
 - Ensures accurate accounting for days both in and out of the municipality.
 - Days out log is required for all days out requests. If additional space is needed, or the information is contained in a different format, please to attach to the 10A.

Name of employee shown on page 1	Employee's SSN	Tax Year of Claim
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Calculation of Days Worked Outside of RITA Municipality

1	Total workdays available. If you normally work a 5 day workweek and you worked for your employer for the entire year, enter 260 (52 weeks times 5 days). Otherwise, enter the number of days you normally worked in a week times the number of weeks worked (cannot exceed 260).	1	
2	Days not worked. Enter total number of days included on line 1 that you did not work due to holidays, personal days, sick days, and vacation days	2	
3	Total days actually worked. Subtract line 2 from line 1	3	
4	Days worked out of town. A log of days out, destination and reason for travel must be included (see below). For purposes of this refund claim, if you worked in another municipality that has an income tax, the wages earned in that municipality are subject to tax in that municipality.	4	
5	Days worked in the municipality for which tax was withheld. Subtract line 4 from line 3	5	
6	Percentage of wages earned in the municipality. Divide line 5 by line 3	6	
7	Total municipal taxable wages. Enter the larger of Box 5 or 18 from your W-2	7	
8	Wages taxable to municipality for which tax was withheld. Multiply line 6 by line 7	8	
9	Wages not taxable to municipality for which tax was withheld. Subtract line 8 from line 7. Enter here and on Page 1, line 3	9	
10	Amount of over withholding claimed. Multiply line 9 by the tax rate of the municipality for which tax was withheld. Enter here and on Page 1, line 4	10	Tax Rate

Log of Days Out

List the names of the municipalities/locations where you worked while traveling, the reason for your travel, and the number of days worked at your travel destination. Your own worksheet is acceptable. Use additional paper if necessary.

Work Location	Reason	# Days	Work Location	Reason	# Days
1.			21.		
2.			22.		
3.			23.		
4.			24.		
5.			25.		
6.			26.		
7.			27.		
8.			28.		
9.			29.		
10.			30.		
11.			31.		
12.			32.		
13.			33.		
14.			34.		
15.			35.		
16.			36.		
17.			37.		
18.			38.		
19.			39.		
20.			40.		
			Total number of days worked out of town		

COVID -19 specific 10A changes for TY 2020

- Litigation pending to determine whether or not Refunds for days out due to COVID will be allowed.
- Refunds will be held pending resolution of this litigation.




Important Changes to the Tax Year 2020 Form 10A Application for Municipal Income Tax Refund Related to COVID-19

You must check the box at the top of Form 10A if any portion of your application for refund is related to your working from home, or another location away from your regular place of work, because of COVID-19.

A refund of the tax withheld for your pre-COVID-19 work municipality, while you worked from home or another location, may not be available until litigation over this issue is completed. See *Buckeye Institute, et al., v. Columbus City Auditor, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301.

RITA will hold your request for refund in a suspended status until this litigation is concluded. Should the conclusion of this litigation determine that a refund is allowed, your request for refund will be processed at that time. Should the conclusion of the litigation determine that a refund is not allowed, you will receive a notice that a refund is not available to you.

COVID -19 specific 10A changes for TY 2020.

Form 10A		Regional Income Tax Agency Application for Municipal Income Tax Refund PO Box 470638 Broadview Heights, OH 44147-0638		 RITA REGIONAL INCOME TAX AGENCY		800.860.7482 TDD 440.526.5332 ritaohio.com		
Your first name and middle initial		Last name		Your social security number		Tax year of claim		
Current home address (number and street)			Apt #		Daytime phone number		Evening phone number	
City, state, and ZIP code								
Reason for Claim								
<input type="checkbox"/> Check here if you worked outside of your normal place of work in 2020 due to COVID-19. See Checkbox No. 2 below.								

- Check box at the top of the form to indicate COVID days out refund.
- Reason 2 is specific to COVID days out.
- Employer certification will be required.
- For RITA residents, Form 37 should be completed taking credit for withholding. Once the refund issue has been settled, any adjustments will be made at that time.

2. Due to COVID-19, days worked outside of municipality for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. The availability of a refund is dependent upon the outcome of pending litigation. Requests will be held until this litigation is resolved.

Form 10A - Application for Refund

Helpful Hints:

- Send in all required information with the form on submission including, W-2 forms, employer certification, days out logs and any other documents required for your specific request.
- If you are a resident of RITA, a refund will not be issued until the 2020 form 37 is filed and processed.
- Mail form 37 and 10A in together, it will help in processing both.
- Electronically filed returns should send the paper W-2 form with the 10A.

INDIVIDUAL MEF 2020

MeF statistics for Individuals

- Started in CY 2015 (TY2014) with 4 partners.
- Growth year over year.
- 9 partners for 2020 Tax year

• Accepted MeF filings by Tax Year

- 2014 42,948
- 2015 133,703
- 2016 161,548
- 2017 162,360
- 2018 192,445
- 2019 212,239

MeF partners for Individuals for TY 2020

- 9 partners for 2020 Tax year

• 2020 MeF Partners

- ATX
- BlockWorks
- Drake Software
- GoSystem/OneSource
- Lacerte
- 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

INDIVIDUAL TAX ISSUES

Questions from the Viewer Mail Bag

Extensions

- Can you please clarify the extension requirements for individuals?
- Are taxpayers required to submit a separate extension form for Rita when they file a federal extension?
- Is attaching the federal extension to the tax return a new requirement for RITA?
- I thought you said you don't want us to send in a pile of extensions with the form 37. However, the form asks the taxpayer to attach the extension. Can you go over that again?
- If you file electronically after 4/15 using professional software, how do you attach an extension? Or do all extended returns need to be paper filed so that an extension can be attached? Several of my clients were billed penalties even though I marked extension filed on the electronically filed tax return.
- Do we need to attach a federal extension? Penalties are being assessed for late filing until we call and fax over the extension.

Extensions

What the law says-

- (a) Any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's federal income tax return shall automatically receive an extension for the filing of a municipal income tax return. The extended due date of the municipal income tax return shall be the fifteenth day of the tenth month after the last day of the taxable year to which the return relates.
- (b) A taxpayer that has not requested or received a six-month extension for filing the taxpayer's federal income tax return may request that the tax administrator grant the taxpayer a six-month extension of the date for filing the taxpayer's municipal income tax return. If the request is received by the tax administrator on or before the date the municipal income tax return is due, the tax administrator shall grant the taxpayer's requested extension.
- (c) An extension of time to file under division (G)(2) of this section is not an extension of the time to pay any tax due unless the tax administrator grants an extension of that date.

Electronic Filing

- What does MeF stand for?
- Is Intuit Proseries one of the partners? (Most asked MeF question)
- If the return gets rejected would it be better to file on line with RITA?
- Do any documents need to be mailed if you Mef?
- Our Office doesn't efile them anymore because they get rejected all the time, why?
- Can returns that have schedules c e and f be efiled?
- Are there limitations in those software packages that you have approved?
 - The companies you listed for the MeF are they all compatible without limitations?

Loss Carry Forward

- So when do NOLs expire?
- So you are always limited to the lesser of 50% of your New Loss or 50% of your income?
- For 2018 tax year, we were told that we can determine the order of the NOL. Meaning we can take the old loss first or the new loss first. Taking the new loss first can sometimes reduce taxable income to \$0. Is this still the case for tax years after 2018?
- Last year, I believe you said there was an option to use New Losses prior to Old Losses. Has that changed for tax year 2020?
- So the new loss that is leftover from 2019, Can it ALL be used in 2020 or is it 50%?
- If you use the old loss first, you could end up not being able to use it at all given the limit of 5 years?



BUSINESS RETURNS

Business Updates

- MyAccount updates
- Form Highlights
- MeF Updates
- Technical Tax Issues
- ODT/OPT-IN
- Q&A



MyAccount Updates



- MyAccount
 - Summary
- Tax Filings
 - View Filing History
 - File a Form 11
 - File a Form 17
 - Submit W-2s
- Account Changes
 - Add Municipality
 - Add Subcontractor
- Refund
 - View Refund Status
- Payments / Balance
 - View Payment History
 - Make a Payment / View Account Balance
- 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

- ▶ Add Municipality
- ▶ Add Subcontractor
- ▶ Form 20 Estimate
Coming Soon!



Add Municipality

- Net Profit and Withholding Accounts
- Indicate when business activity begins in a new municipality
- Establish a new municipality that has residence withholding

MyAccount

- Summary
- Tax Filings
 - View Filing History
 - File a Form 11
 - File a Form 17
 - Submit W-2s
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 - Add Municipality**
 - Add Subcontractor
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- Payments / Balance
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- Contact Us
 - Send Us a Message
 - Messages
 - Manage Alerts
- Account Profile
 - Change Address
 - Change Email
 - Change My Password
 - Two Step Authentication

Add a Municipality:

Municipality [?] Courtesy Residence Tax Withholding [?]

Begin Date [?] Monthly Payroll [?] Employee Count [?]

Does this municipality have a temporary location? [?] Yes No

Location Address:

Street Number: Apt Number:

Street Name:

State/Province (Code): City: Zip:

Confirmation:

Name of Responsible Person: Title:

Email Address: Contact Phone Number: International

I declare that the information provided is accurate and complete to the best of my knowledge.

Clicking on the Complete button submits your municipality and location information.

Warning! If you do not check the box and click Complete, all of your information will be lost.

[Complete](#)

Add Subcontractor

- Net Profit and Withholding Accounts
- Electronically report subcontractors used

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

Add Subcontractor Work Location

Municipality Begin Date Number of Days:

Street Number: Apt Number:

Street Name:

State/Province (Code): City: Zip:

Add Subcontractor

EIN/SSN	Name	Address	Phone	Email
<input type="text" value="EIN"/>	<input type="text" value="NAME"/>	<input type="text" value="ADDRESS"/>	<input type="text" value="() - -"/>	<input type="text" value="EMAIL"/>
	Contract Amt	Trade	Start Date	
	<input type="text" value="REQUIRED"/>	<input type="text" value="TRADE"/>	<input type="text" value="MM/DD/YYYY"/>	<input type="button" value="REMOVE ENTRY"/>

Confirmation:

Name of Responsible Person: Title:

Email Address: Contact Phone Number: International

I declare that the information provided is accurate and complete to the best of my knowledge.

Send Us a Message

- Send messages online just by logging into MyAccount



- 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

Send Us a Message

Date:

First Name:

Last Name:

Contact Phone Number: International

Select a message category:

Message (Limit to 500 characters):

Form 20

- Ability to electronically file and pay Net Profit Estimates is coming
- Stay tuned for updates



Form Highlights



Form 27

- No major changes for 2020
- Highlights:
 - Checkboxes
 - NOL

Form **27** Regional Income Tax Agency **2020** **RITA** REGIONAL INCOME TAX AGENCY 800.860.7482 TDD 440.526.5332 ritaohio.com

RITA Net Profit Tax Return

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-NEC 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. ► 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 2020 ► 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(ii) 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 CREDIT 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

Form 27

Checkboxes

- Initial Return
- No Longer in Rita
- Extension
- Amended Return
- Out of Business
- Consolidated Return
- Alternate Method
- Small Employer

Form **27** Regional Income Tax Agency **2020** RITA REGIONAL INCOME TAX AGENCY 800.860.7482 TDD 440.526.5332 ritaohio.com

RITA Net Profit Tax Return

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-NEC 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 2020 ► 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(ii) 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 CREDIT 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

Form 27

Checkboxes

- Initial Return
- No Longer in Rita
- Extension
- Amended Return
- Out of Business
- Consolidated Return
- Alternate Method
- Small Employer


Form **27** Regional Income Tax Agency **2020** **RITA** REGIONAL INCOME TAX AGENCY 800.860.7482 TDD 440.526.5332 ritaohio.com

RITA Net Profit Tax Return

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-NEC to avoid delays.

Check if:

<input type="checkbox"/> Initial RITA Return	<input type="checkbox"/> No longer in RITA []	<input type="checkbox"/> Extension 
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Out of Business []	
<input type="checkbox"/> Consolidated Return (Attach Form 851)	<input type="checkbox"/> Alternate Method []	Federal Business Activity Code # []
<input type="checkbox"/> Consolidated filer with 80% ownership of a Pass-Through Entity (see Instructions, Page 3)	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 2020 ► 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(ii)) 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 CREDIT 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

Form 27

Extension

- Attach a copy of the federal extension when filing and check the box.
- Not required to file a copy of the federal extension with RITA by the annual filing due date

Form **27** Regional Income Tax Agency
RITA Net Profit Tax Return

2020  **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-NEC 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

Form **7004** Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns
(Rev. December 2018)
Department of the Treasury
Internal Revenue Service

OMB No. 1545-0233

File a separate application for each return.
Go to www.irs.gov/Form7004 for instructions and the latest information.

Name Identifying number

Number, street, and room or suite no. (if P.O. box, see instructions.)

City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).)

Note: File request for extension by the due date of the return. See instructions before completing this form.

Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns. See instructions.

1 Enter the form code for the return listed below that this application is for

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

Part II All Filers Must Complete This Part

2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here

3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20___, or tax year beginning ____, 20___, and ending ____, 20___.

b **Short tax year.** If this tax year is less than 12 months, check the reason: Initial return Final return
 Change in accounting period Consolidated return to be filed Other (See instructions—attach explanation.)

6 Tentative total tax **6**

7 **Total payments and credits.** See instructions **7**

8 **Balance due.** Subtract line 7 from line 6. See instructions **8**


For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 13804A Form **7004** (Rev. 12-2018)

Form 27

Alternate Method

- If using a method other than the standard 3 factor formula check the box
- Include request and explanation as to why the alternate method is requested

Form 27 Regional Income Tax Agency
RITA Net Profit Tax Return

2020  **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-NEC 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

Form 27

NOL

- Form 27 has been designed to allow taxpayers to determine which order to use their NOLs.

Form **27** Regional Income Tax Agency **2020** **RITA** REGIONAL INCOME TAX AGENCY 800.860.7482 TDD 440.526.5332 ritaohio.com

RITA Net Profit Tax Return

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-NEC 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. ► 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 2020 ► 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(ii) 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 CREDIT 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) (Cannot be split between refund and credit) Refund Credit 7B [] 00

Form 27

NOL Worksheet

Required when Old Losses are used first

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%

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

Form 27

NOL Reminders

- Any loss generated in 2017 and later, is taken on a pre-apportioned basis and may be subject to the 50% phase in
- When the Post-2017 NOL CF is greater than the current year taxable income less Pre-2017 NOL CF, 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)



Form 17

- No changes for 2020
- Highlights:
 - 1099-NEC
 - W2s
 - Schedule R-17

① Tax Year: ③ Total number of W-2's enclosed:

Due on or before the last day of February of the following year.

Total number of 1099-NEC enclosed:

Fed. ID #:

Total number of employees working in a RITA member municipality(ies) at year end:

Name:

IF THIS IS AN AMENDED RETURN CHECK HERE

Address #: Suite:

OUT OF BUSINESS

Street Name:

MOVED OUT OF RITA

City:

State: Zip Code:

Period ② Workplace Wages Workplace Tax Withheld Residence Tax Withheld

January \$ \$ \$

February \$ \$ \$

March \$ \$ \$

April \$ \$ \$

May \$ \$ \$

June \$ \$ \$

July \$ \$ \$

August \$ \$ \$

September \$ \$ \$

October \$ \$ \$

November \$ \$ \$

December \$ \$ \$

Total ④ \$ 0.00 \$ 0.00 \$ 0.00

Totals must be distributed by municipality on Page 2 in Section 5.

(if additional space is needed, attach a separate schedule)

1099-NEC

- Nonemployee Compensation
- Include with Form 17 (Annual Reconciliation)

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 2021 Form 1099-NEC	Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$	
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	Copy 1 For State Tax Department
Street address (including apt. no.)		3	
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$	
Account number (see instructions)		5 State tax withheld \$	
		6 State/Payer's state no.	7 State income \$

Form **1099-NEC**
www.irs.gov/Form1099NEC
Department of the Treasury - Internal Revenue Service

Form 17

W2s

Form 17	Regional Income Tax Agency
	Reconciliation of Income Tax
	Withheld and W-2/1099-NEC Transmittal



800.860.7482
TDD 440.526.5332
ritaohio.com

① Tax Year:

Due on or before the last day of February of the following year.

Fed. ID #:

③ Total number of W-2's enclosed:

Total number of 1099-NEC enclosed:

Total number of employees working in a RITA member municipality(ies) at year end:

Form 17

Schedule R-17

Schedule R-17 REGIONAL INCOME TAX AGENCY Allocation Schedule for Professional Employer Organizations

Professional employer organizations (PEO), common pay masters, or other agents providing payroll services to clients, subsidiaries, or other companies may use Schedule R-17 to allocate the total information reported on Form 17 to each client, subsidiary, or other company. Schedule R-17 will reconcile the aggregate information reported on Form 17 to each client, subsidiary or other company. Use Section B below to report workplace wages, workplace tax withheld and residence tax withheld for each RITA Municipality. The totals must equal Form 17, Page 2, Section 6.

Company EIN of Professional Employer Organization:

Company Name of Professional Employer Organization:

Tax Year:

Company Address of Professional Employer Organization:

Submitter Name:

Contact Phone Number or Address:

City: State: Zip:

Submitter Signature: I have examined this report and to the best of my knowledge it is correct.

Client/Subsidiary/Company Name	Client/Subsidiary/Company EIN	Workplace Wages	Workplace Tax Withheld	Residence Tax Withheld	RITA Municipality
		1			
		2			
		3			
		4			
		5			
		6			
		7			
		8			
		9			
		10			
		11			
Subtotals for sub/client/company. Add all amounts on Lines 1 through 11 (if additional lines are needed, go to page 2)		12	\$ 0.00	\$ 0.00	\$ 0.00
Enter the combined subtotals from Page 2 of Schedule R-17 continuation sheet, Line 30		13	\$ 0.00	\$ 0.00	\$ 0.00
Totals (Must Equal Form 17, Page 2, Section 6)		14	\$ 0.00	\$ 0.00	\$ 0.00

← If you are reporting your own company with your client/subsidiary/company Form 17 totals, then list your company first.

Separate lines are necessary for each RITA Municipality. DO NOT list Multiple or RITA.

Total Must Equal Form 17, Page 2, Section 6 Total Must Equal Form 17, Page 2, Section 6 Total Must Equal Form 17, Page 2, Section 6

6 TOTAL: Must equal totals on Page 1 from Section 4.

Total Workplace Wages: \$

Total Workplace Tax: \$

Total Residence Tax: \$

7 Total number of employees at year end:

8 **Note:** If you file a Form 17 as a professional employer organization (PEO), common pay master, co-employer, or other agent providing payroll services to unrelated third party employers, including, but not limited to, clients, subsidiaries, other companies, etc., you must also provide specific information on each of these employers. Use **Schedule R-17** to report for each employer EIN and Name and to allocate the Workplace Wages, Workplace Tax Withheld, Residence Tax Withheld and RITA Municipality.

I have examined this return and to the best of my knowledge it is correct.

9 Signature Title Date

Print Name

Phone:

Mail to: Attn RITA
P.O. BOX 715170
CINCINNATI, OH 45271-5170

Fax: 440.922.3536

For OVERNIGHT mail: Attn RITA
P.O. BOX 715170
895 CENTRAL AVENUE SUITE 600
CINCINNATI, OH 45202-5703



2020 FORM 27 MEF

SHYLO CARMODY
FORM 27 MEF COORDINATOR

Fast File

MyAccount



Forms



Individuals



Businesses



Tax Professionals



News And Important Updates



Tax Law Updates



RITA Municipalities



Resources



Tax Rates



About



Contact



FAQs

How Does COVID-19 Affect RITA? See [Resources/News and Updates](#) For the Latest Information.

Contact Us >

Feedback >



How Does COVID-19 Affect RITA? See [Resources/News and Updates](#) For the Latest Information.

Contact Us >

Feedback >



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 2020 Tax Year 2019 Tax Year 2018 Tax Year 2017 Tax Year 2016 Tax Year 2015 Tax Year 2014

Official Company Name: CCH INCORPORATED

Product Name: CCH PROSYSTEM FX

Mailing Address: 9111 EAST DOUGLAS AVE, Suite 300, WICHITA, KS 67207

Support: (800) 739-9998

Forms Accepted: Net Profit Tax Return (RITA Form 27)

Web Address: www.cch.com

Official Company Name: DRAKE ENTERPRISES

Product Name: DRAKE SOFTWARE

Mailing Address: 235 EAST PALMER STREET, FRANKLIN, NC 28734

Support: 1-828-524-8020

Forms Accepted: Net Profit Tax Return (RITA Form 27)

Fast File

MyAccount



Forms



Individuals



Businesses



Tax Professionals

Tax Resources And News

Tax Seminar Presentations

Individual Forms And Instructions

Business Forms And Instructions

EFile Options For Tax Software Vendors

[MeF \(MODERNIZED EFILE\) Software Vendors](#)

Municipal Income Tax Changes



News And Important Updates



Tax Law Updates



RITA Municipalities

2020 Form 27 MeF

We currently have three active partners:

- CCH
- Drake
- UltraTax

2020 Form 27 MeF

- Returns are easy to file
- No need to mail federal returns
- Receipt confirmation



2020 Form 27 MeF Updates

- There were no major changes to the form 27 or the electronic acceptance criteria.
- However, we continue to see common issues with business MeF returns that can be prevented.



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.



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

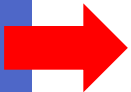
	A. LOCATED EVERYWHERE	B. RITA MUNICIPALITY Brecksville	C. PERCENTAGE (B / A)
STEP 1. AVERAGE ORIGINAL COST OF REAL & TANGIBLE PERSONAL PROPERTY	\$ 10,000,000	\$ 10,000,000	
GROSS ANNUAL RENTALS MULTIPLIED BY 8.....	\$ 50,000	\$ 50,000	
TOTAL OF STEP 1.....	\$ 10,050,000	\$ 10,050,000	100 %
STEP 2. TOTAL 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



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 the number within a RITA municipality on Schedule Y to a zero in this field, the return will be rejected as the difference is outside the threshold amount. Please make sure you are entering the Withholding amount in Y1-2.

**INFORMATION
NEEDED**

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

- If an actual discrepancy exists, please briefly explain the difference.
- Note: When firing the error, we are not comparing the amounts entered on the return to the amounts in our system. For the purposes of the error, we simply look 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 $3C\% \times 3B(iii)$.



- 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 (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	-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%) Check this box if utilizing a NOL incurred prior to 1/1/17 first. See Instructions.	▶ <input 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)	.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 If Schedule Y, Page 4 is used	▶ 3C	-32,703.00
D. LESS POST APPORTIONED LOSSES FOR TAX YEAR BEGINNING PRIOR 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



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.
 - You will NOT receive any acknowledgement from RITA.



2020 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 difficulty with a Form 27 MeF return, contact the Business Department at:
440-526-0900 option 2.



TECHNICAL TAX FAQs



Technical Tax FAQs

- Paycheck Protection Program (PPP) loans
- 163(J) Limitations
- §291 Adjustments
- §754 Adjustments
- Wage discrepancies
- Reporting Pass Through Income



Paycheck Protection Program (PPP) Loans



- Section 1102 of the CARES Act established the paycheck protection program to help businesses suffering due to the COVID-19 pandemic. It provides small businesses with funds to pay payroll costs including benefits and may also be used to pay interest on mortgages, rent and utilities.
- As long as the funds were spent in accordance with the guidelines of the program, the loan would be eligible to be forgiven. See Section 1106(b) of the CARES Act.

<https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>

Paycheck Protection Program (PPP) Loans

- In general, loan forgiveness or cancellation loan can result in federal taxable income, unless an exception applies.
- The CARES Act created a new exception for PPP loans in section 1106(i).

TAXABILITY.—For purposes of the Internal Revenue Code of 1986, any amount which (but for this subsection) would be includible in gross income of the eligible recipient by reason of forgiveness described in subsection (b) shall be excluded from gross income.

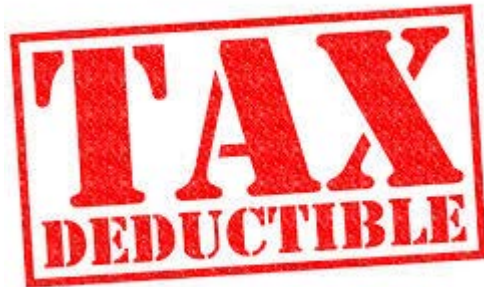
<https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>

<https://www.irs.gov/pub/irs-drop/n-20-32.pdf>



Paycheck Protection Program (PPP) Loans

- Since the loans are forgivable and not treated as income, many borrowers wanted to know if the expenses the funds were used toward would still be deductible. If not, borrowers may be saddled with a tax bill that is larger than expected.



Paycheck Protection Program (PPP) Loans

The IRS quickly shut down the idea of a double benefit of allowing the taxpayer to both exclude the income from the PPP loans AND deduct the expenses that were paid with the loan proceeds.



Paycheck Protection Program (PPP) Loans

IRS guidance issued:

- May 2020 -According to IRS guidance via IRS Notice 2020-32, expenses paid with PPP loan proceeds were not deductible if payment of the expense results in forgiveness of any portion of the loan.

<https://www.irs.gov/pub/irs-drop/n-20-32.pdf>



Paycheck Protection Program (PPP) Loans

IRS guidance issued:

- November 2020- ([Rev. Rul. 2020-27](#) addresses the issue of borrowers who pay expenses in 2020 but whose PPP loan is not forgiven until 2021, and a revenue procedure ([Rev. Proc. 2020-51](#)) that provides a safe harbor for PPP borrowers that have their loan forgiveness denied or who choose not to request loan forgiveness.

<https://www.irs.gov/pub/irs-drop/rr-20-27.pdf>

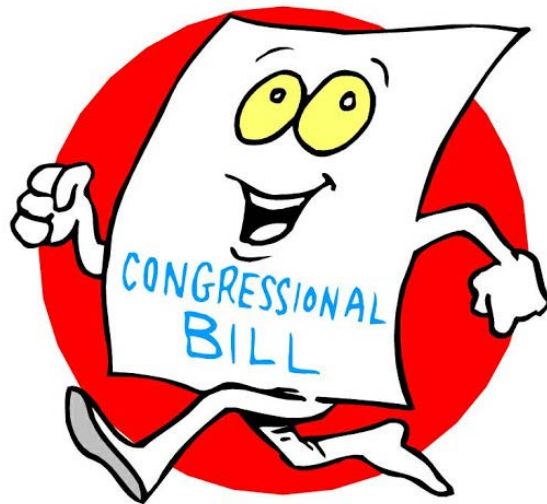
<https://www.irs.gov/pub/irs-drop/rp-20-51.pdf>



Paycheck Protection Program (PPP) Loans

IRS guidance issued:

- This obviously caused a lot of concern on behalf of taxpayers and many felt it was not the intent of congress to subject the very businesses they were trying to help with an unexpected tax bill.



Paycheck Protection Program (PPP) Loans

Congress steps in and creates a new bill, the Covid-related Tax Relief Act of 2020, with additional aid and clarification on the deductibility of the expenses covered by PPP loans. See subtitle B of Title II of Division N of the bill.



<https://www.forbes.com/sites/anthonymitti/2020/12/21/stimulus-payments-paycheck-protection-program-expense-deductibility-headline-tax-changes-in-latest-covid-relief-package/?sh=66c89bcf168c>



Paycheck Protection Program (PPP) Loans

Section 276 of Division N of the latest bill states that “no deduction shall be denied or reduced, no tax attribute shall be reduced, and no basis increase shall be denied, by reason of the exclusion from gross income.”

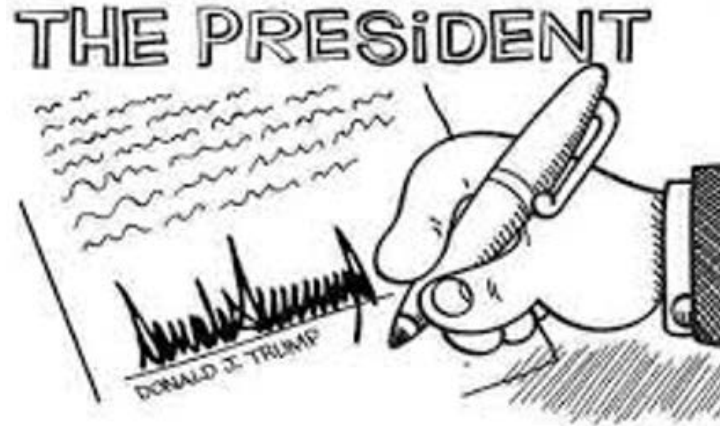


<https://www.forbes.com/sites/anthonymitti/2020/12/21/stimulus-payments-paycheck-protection-program-expense-deductibility-headline-tax-changes-in-latest-covid-relief-package/?sh=66c89bcf168c>



Paycheck Protection Program (PPP) Loans

President Trump ultimately signed the bill and we now have certainty on the exclusion from taxable income AND the deductibility of the expenses.



Paycheck Protection Program (PPP) Loans

How does this affect the RITA return?

We follow the federal return so we will not tax forgiven PPP loans and we will allow expense deductions reflected on the federal return.



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.

* Section 2206 of the CARES act changed this to 50% of ATI for tax years beginning in 2019 and 2020.

<https://www.congress.gov/bill/116th-congress/senate-bill/3548/text?q=product+actualizaci%C3%B3n>

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



<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 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 the 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

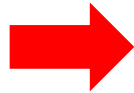
	A. LOCATED EVERYWHERE	B. RITA MUNICIPALITY Brecksville	C. PERCENTAGE (B / A)
STEP 1. AVERAGE ORIGINAL COST OF REAL & TANGIBLE PERSONAL PROPERTY	\$ 10,000,000	\$ 10,000,000	
GROSS ANNUAL RENTALS MULTIPLIED BY 8.....	\$ 50,000	\$ 50,000	
TOTAL OF STEP 1.....	\$ 10,050,000	\$ 10,050,000	100 %
STEP 2. TOTAL 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



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

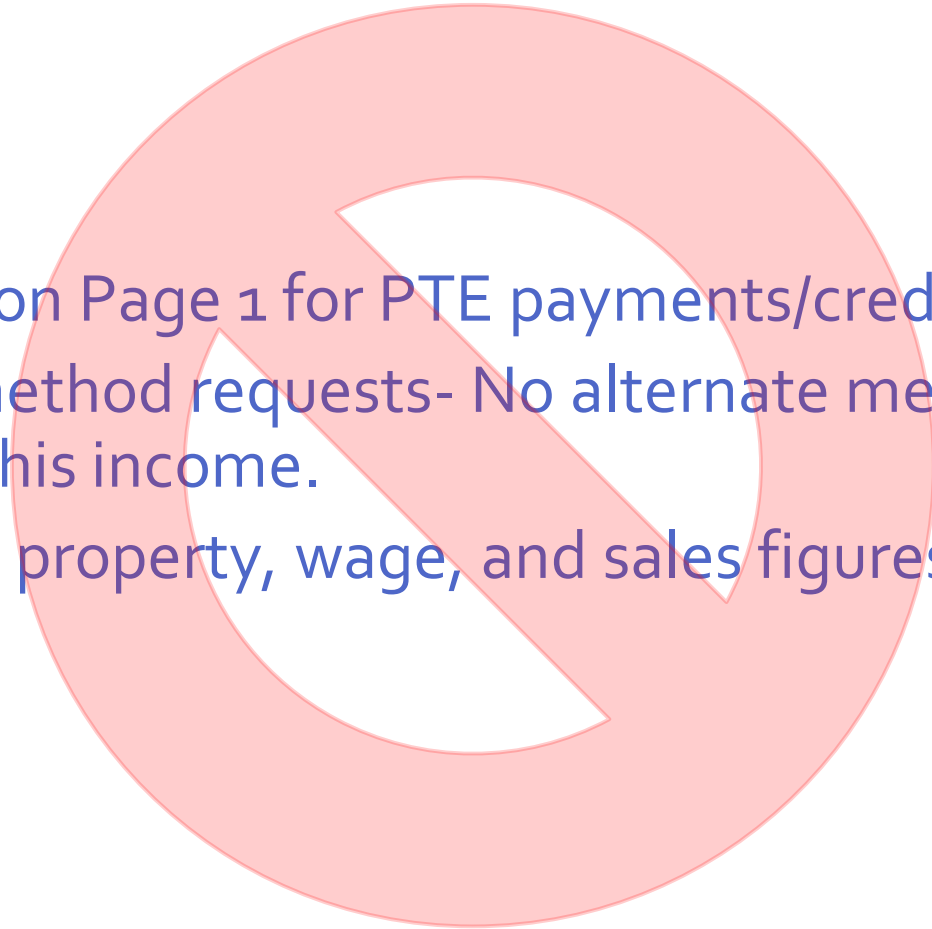
SCHEDULE X – ADJUSTMENT TO FEDERAL INCOME TAX RETURN (attach supporting statement for line items utilized below)

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"/>		



Questions From the Audience





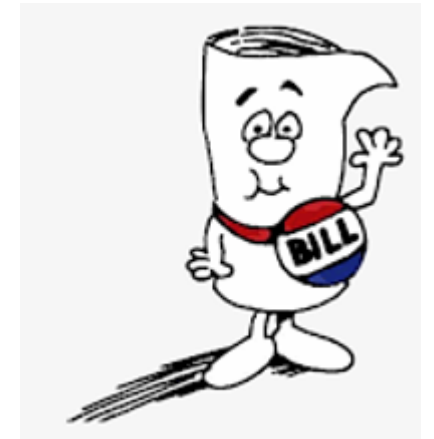
NET PROFIT OPT - INS

ALICIA KLINE
BUSINESS DEPARTMENT MANAGER

Background:



- A quick recap:
 - Summer of 2017 HB 49 passed.
 - Stated the Ohio Department of Taxation could collect and redistribute Net Profit municipal revenue.
 - No substantive improvement to uniformity:
 - New codes specific to Opt in accounts: ORC 718.80 – 718.95
 - No change to centralization collection:
 - OBG as a filing method already existed
 - Registration begins – October 2017 for 2018 tax year



Note:

Sole proprietors ~ Schedule C filers cannot opt-in



Opting In - Dates & Tax Years

- The cut off to file your Net Profit tax return for the current year is the 1st day of the 3rd month after the beginning of that tax year.
- Calendar filers wanting to file 2021 with State have until March 1 to elect to do so.



Choose the Right Link

Ohio Taxation - Municipal Net Profit Tax
Annual Tax Filing
Declaration of Estimated Payments
Cancel Account
Account Maintenance
Annual Tax Filing - Due Date Extension
Refund Request
Municipal Net Profit Tax
Municipal Net Profit Tax



•If you've Opted-In:

- RITA CAN NOT accept your filing or payment
 - We must reject them and refund any dollars back to you
 - A notice will be sent for your records



Converting Data:



Transfer of Taxpayer Information (TTI)

- File Consolidated?
- Have an Alternate Method?
- Have any ORC Credits to track?



Transfer of Taxpayer Information (TTI) con't

- ★ • Any Credit Carryforwards?
 - If so, for what municipality?
 - how much?
- ★ • Any Net Operating Loss's (NOL's)?
 - if so, for what municipality?
 - how much?
 - pre / post?
 - how many years remaining?

Discrepancies?

- If any discrepancies in Credits or NOL's
 - Contact RITA – Leah Patton x6692



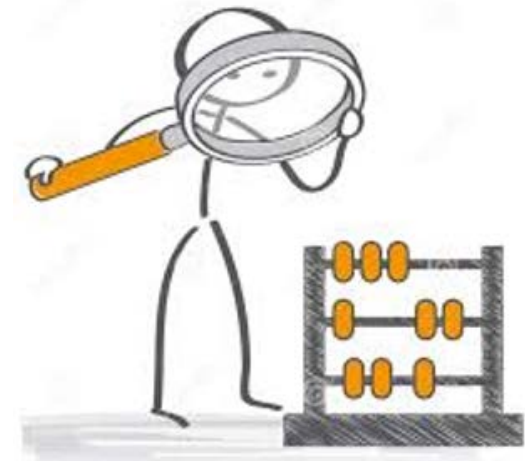
Converted Credit Concerns

- Once a credit always a credit
- So?



RITA Payments & Credits

- Estimates are created from the Net Profit Tax Return, estimate Form 20, or RITA generated during forms processing
- Apply payments and/or reallocate credits as needed to cover tax liabilities



What happens if you have too much credit converted?

Must request a refund



Quick Illustration #1

- Fact Pattern:
 - Opted in
 - \$50,000 paid into City A rolled as a credit carryforward and converted to ODT
 - File return with ODT
 - Request refund or reallocation to pay City B



Quick Illustration #1 con't

- Fact Pattern:
 - Opted in
 - \$50,000 paid into City A rolled as a credit carryforward and converted to ODT
 - File return with ODT with a liability = **\$2,500**
 - Request refund
 - State = \$0, Call RITA for \$47,500 to begin the refund process

Illustration #2

- Fact Pattern:
 - Opted in
 - \$50,000 converted to ODT 2018
 - Yr 1 (TY 2018) File return with ODT with a liability of \$2,500
 - Yr 2 Make estimated extension payment to ODT = \$10,000
 - Yr 2 (TY 2019) File return October 2020 with ODT with a liability of \$4,200
 - Refund requested

How much are you getting...

...and who are you getting
it from?

Taxpayer's perspective:

\$50,000 credit

+\$10,000 payment

\$60,000 Total

\$2,500 2018 Liability

+\$4,200 2019 Liability

\$6,700 Total

Refund = \$53,300

Refund request = \$53,300

ODT Refund check = \$10,000



RITA records:

- \$50,000 credit
- \$50,000 refund? 😊



RITA records:

\$50,000 credit



\$50,000 refund? ☹️

Illustration #2 concluded

Too much of a good thing can be taxing.

-Mae West

- Fact Pattern:
 - Opted in
 - \$50,000 converted to ODT 2018
 - Yr 1 (TY 2018) File return with ODT with a liability of \$2,500
 - Yr 2 Make estimated extension payment to ODT = \$10,000
 - Yr 2 (TY 2019) File return October 2020 with ODT with a liability of \$4,200
 - Refund requested
- State = \$10,000 Call RITA for \$43,300 to begin the refund process

Amending Taxpayer Transfer of Information

- Don't need credit refunded
- Just need it transferred/reallocated to a different municipality
- RITA to RITA transfers
- Must be limited to 2 jurisdictions
- Must balance
- Contact RITA x6692

Payments

- One lump sum payment each month for all payments received in the month before last month
 - For which taxpayers?
 - How much?
 - To which munis?
 - Any payment for penalty and interest?
- Why does RITA care?
- Why do you care?

Payment Illustration – Taxpayer/Preparer

- Fact Pattern:

- Opted In starting in tax year 2018
- Had \$50,000 credit
- 2018 & 2019 good years – used up all credit
- Make quarterly payments to 2019 of \$10,000 each (total \$40,000)
- Decide to Opt Out for 2020
- File return 2020 return with RITA
- Take credit for \$40,000 paid to the State

** The only way we would be able to give you credit is if we kept track of all the payments made by company, by municipality, by amount.

Payment Illustration – Municipality

- Fact Pattern:
 - Opted In starting in tax year 2018
 - Had \$50,000 credit
 - 2018 & 2019 good years – used up all credit
 - Make quarterly payments to 2019 of \$10,000 each (total \$40,000)
 - ~~Decide to Opt Out for 2020~~ Stay Opted In
 - File return 2020 return with ODT
 - Request refund \$40,000 paid to the State
 - State issues \$40,000 refund
 - State bills municipality(ies)

** Prudent accounting principles / business practice requires verification

No



button

Additional Factors - Timing

- Information can't be converted immediately upon notification
 - last return prior to opt in needs filed ...and processed

*Opt in today January 15th 2021 – Opt in year is 2021. Tax Year 2020 return and extension return if applicable still filed with RITA. Return is filed in October. Give us 45 days to process your return; its November 30th.

Additional Factors - Timing

- Information can't be converted immediately upon notification
- last return prior to opt in needs filed ...and processed
 - Verification of information: RITA's records to Taxpayer records
 - Liabilities, credits (New members converting IN to RITA)
 - NOL's
 - By amount, municipality, remaining years

Additional Factors – Cash Flow

- Opt in today January 15th 2021 – Opt in year is 2021.
- Tax Year 2020 return and extension return if applicable still filed with RITA.
- Return is filed in October.
- 45 days to process your return; its November 30th.
- It can take up to 90 days to process a refund request, but lets assume we issue it in 60. It's now December 15th.
- The taxpayer needed to make estimated payments to the State while waiting for the refund they had with RITA.

Errors Happen

- Wrong Municipality
- Confusion between JEDD's, JEDZ's, ENTPZ's
- Mistake Township borders

- Potential implications
 - Refund due
 - Delay of pending refund
 - Jeopardize agreements between the company and the municipality

.

HB 49 Supreme Court Case Decided

The State has the right to administer municipal net profit tax...
...but the court also ruled in that opinion that the State can't charge anything to do it.

So whereas before they were charging a 1/2% fee, they are no longer able to charge the munis for this service.

More on this in the next segment.

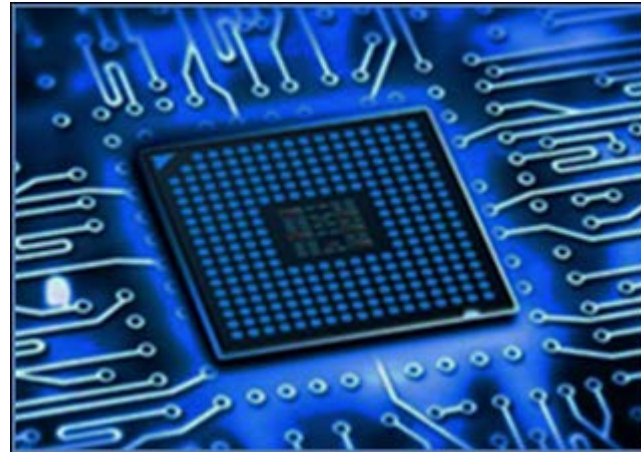


Ohio's Leader in Municipal Tax Collection & Administration, Serving Taxpayers & Local Governments **Since 1971**



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50 Years of Municipal Income Tax Administration



MeF (MODERNIZED EFILE)
Software Vendors

ULTRATAX CS



MyAccount

Fast File

Final Points

- If you decide to Opt Out:
 - Deadline for calendar filers is March 1st
 - Contact us to establish an estimate
- If you decide to Opt In:
 - Notification – confirmation with effective year
 - Indicate on the last return due to be filed with us that NO estimate for the subsequent year needs created
- OBG available for either option
 - MEF is better 😊



Thank you!





MUNICIPAL INCOME TAX LEGISLATION, LITIGATION & MISCELLANY

AMY ARRIGHI
CHIEF LEGAL COUNSEL

BOB MEAKER
CHIEF OF TAX OPERATIONS

Battling In Court –An Update

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 to be charged a .5% fee by the Tax Commissioner, with the fee being withheld by the State from the municipalities’ income tax collections.

Battling In Court – An Update

Nearly **200** Ohio municipalities, in two Ohio Supreme Court cases, challenged 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 – An Update

On November 5, 2020, the Ohio Supreme Court ruled that the opt-in provision is not unconstitutional and that providing for such a structure is within the General Assembly's constitutional authority to limit or restrict municipal taxation; BUT



Battling In Court – An Update

The court also found that the State had no authority to impose the .5% fee,

“We conclude that whether the .5 percent retention is viewed as a fee or as a tax, the General Assembly had no authority to impose it.”

Since the Opt-In provisions first went into place the State has collected nearly \$700,000 in these fees that it “had no authority to impose”.

Battling In Court – An Update



"Your check is in the mail."

Legislative Update

Ohio Amended Substitute House Bill No. 197

- Effective March 27, 2020
- Contained Various COVID-19 relief provisions
 - Extended state and municipal tax filing deadline, and due date of first quarter estimated payments, to July 15, 2020.
 - Extended/tolled statutes of limitations and court filing deadlines;
 - Permitted public meetings to be held electronically;
- Our Focus Will Be on Section 29 – Municipal Income Tax Withholding.

H.B. 197, Section 29

- *Notwithstanding section 718.011 of the Revised Code, and for the purposes of Chapter 718. of the Revised Code, during the period of the emergency declared by Executive Order 2020-01-D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration, shall be deemed to be a day performing personal services at the employee's principal place of work.*

DETOUR – The Occasional Entrant Rule

- **The Basic Occasional Entrant Rule:**

- 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.
- For the first 20 days that the employee is in the “occasional entrant” municipality, the employer withholds *only for the principal place of work* municipality.
- Once the 20 threshold is exceeded, the employer *must begin* withholding for the employee on the 21st day for the “occasional entrant” municipality.

H.B. 197, Section 29

- *Notwithstanding section 718.011 of the Revised Code, and for the purposes of Chapter 718. of the Revised Code, during the period of the emergency declared by Executive Order 2020-01-D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration, shall be deemed to be a day performing personal services at the employee's principal place of work.*

H.B. 197, Section 29

- **Why was this language important?** Acted to stabilize things for municipalities and employers
- **What did it do?** Allowed employers to continue withholding for the PPofW municipality if employees were working at home because of the State of Emergency and kept municipal revenue stable.
- **Unanswered questions** as we move forward:
 - After almost ten months of working at home, or working a hybrid of at home and onsite, have employees' principal places of work changed? Can the PPofW change or does it remain fixed at the location it was on March 9, 2020?
 - Who is still "required" to work at home due to the State of Emergency? And "required" by whom/what – Health Orders, employer, an employee's medical providers?
 - One of the biggest unanswered questions: whether employees can get refunds from the PPofW municipalities to which their withholding has continued to be paid while they've worked from home.

May an Employee Working from Home Apply for a Refund from the PPofW City?

- Absent Section 29, under the 20-day rule, while the EMPLOYER may withhold for the PPofW city only until the employee has worked at least 20 days from home, the EMPLOYEE still had the option of applying for a refund from the PPofW city and paying tax in the home city.
- Does Sec. 29 change this, so that an employee cannot apply for a refund from a PPofW city?
 - Argument that refund is permitted: Sec. 29 effectively extends the 20 day rule during the declaration of emergency, so that it simplifies the employer's withholding but still gives the employee the choice of whether to be subject to tax at the PPofW or the home jurisdiction
 - Argument that refund is not permitted: Sec.. 29 says not only "notwithstanding section 718.011" (the employer withholding section, but also "and for purposes of chapter 718." (the entire municipal income tax statute), the employer working from home during the declaration is "deemed" to be working at the PPofW

Section 29 Litigation May Answer Many of These Questions



- *The Buckeye Institute, et al v. Megan Kilgore, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301
 - The Buckeye Institute and three of its employees filed suit on July 2, 2020 against the City of Columbus City Auditor and the State of Ohio.
 - The Buckeye Institute is an employer with an office in the City of Columbus. The Columbus office is (or was?) the principal place of work of the three employees.
 - In response to the State of Emergency and the Ohio Director of Health's Stay at Home Order, Buckeye Institute sent all employees to work from home beginning on March 18, 2020. The three plaintiff employees all live outside of the City of Columbus.
 - Pursuant to Section 29 of H.B. 197, Buckeye Institute continued to withhold Columbus income tax from the wages of the three employees while they worked from home.

Section 29 Litigation *(Continued)*



- *The Buckeye Institute, et al v. Megan Kilgore, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301
 - **On June 7, 2020:**

Two of the plaintiff employees returned to the Columbus office to work, while one of the employees continues to work from home.
 - **On June 12, 2020:**

The employees, by letter to the Columbus City Auditor, objected to the withholding for the City of Columbus for work performed from their homes, and requested a refund of the tax paid to Columbus.
 - Plaintiffs allege the City Auditor did not respond to the request, causing them to file the litigation on July 2, 2020.
 - Comment: *How many of us approve or deny non-routine refund requests within 3 weeks?*

Section 29 Litigation (Continued)



- *The Buckeye Institute, et al v. Megan Kilgore, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301

The Plaintiffs:

- Seek a declaration that Section 29 of H.B. 197 is an unconstitutional violation of their Due Process rights under the United States and Ohio Constitutions because the income taxed by Columbus under Section 29 of H.B. 197 was not earned in Columbus.
- Have asked the Court to enjoin the collection of what they characterize as an “illegal tax”.

The employee plaintiffs seek for themselves a refund from Columbus of the tax paid to Columbus on wages they earned outside of Columbus while working from home.

Section 29 Litigation (Continued)



- *The Buckeye Institute, et al v. Megan Kilgore, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301

The Defendants:

- Have asked the Court to dismiss the case.
- Argue that Section 29 is not unconstitutional because the General Assembly has the authority to provide for the allocation of municipal income tax amongst Ohio municipalities, and that is what Section 29 does.
- Further argue that the plaintiffs' constitutional Due Process claims have no merit as the matter at hand is an *intrastate* matter, not an *interstate* matter and the state is permitted to provide for a tax on its residents.
- Also point to tax structures in other states, including the State of New York's "convenience of the employer" rule, which has been found to be constitutional.

Section 29 Litigation (Continued)




- *The Buckeye Institute, et al v. Megan Kilgore, et al*, Franklin County Common Pleas Court Case No. 20-CV-004301
 - All briefing on the Motion to Dismiss was complete as of October 7, 2020.
 - Due to the retirement of the originally assigned judge – a new judge has taken over.
 - Court will issue a decision on the Motion to Dismiss.
 - If the case is dismissed the plaintiffs may appeal to the Tenth District Court of Appeals.
 - If the case is not dismissed, it will proceed on the case schedule set by the court, which anticipates a trial on July 7, 2021, if not disposed of earlier by other motions.
 - In other words, it could be quite some time before we know the answer to the refund question and the other questions raised in the case.

Refund Requests – RITA Approach

- “Days out” refund requests related to COVID-19 remote work/work from home will be held until litigation is resolved.
- Updates have been made to the RITA Form 10A to identify and segregate these requests, and to notify taxpayers that the requests will be held in a suspended status until litigation is resolved.
- MyAccount updated to advise taxpayers checking refund status that requests related to remote work/work from home due to COVID-19 are suspended until litigation resolved.

Refund Requests – RITA Form 10A

Form 10A	Regional Income Tax Agency Application for Municipal Income Tax Refund PO Box 470638 Broadview Heights, OH 44147-0638	 REGIONAL INCOME TAX AGENCY	800.860.7482 TDD 440.526.5332 ritaohio.com								
	<table border="1"> <tr> <td>Your first name and middle initial</td> <td>Last name</td> </tr> <tr> <td>Current home address (number and street)</td> <td>Apt #</td> </tr> <tr> <td colspan="2">City, state, and ZIP code</td> </tr> </table>		Your first name and middle initial	Last name	Current home address (number and street)	Apt #	City, state, and ZIP code		<table border="1"> <tr> <td>Your social security number</td> <td>Tax year of claim</td> </tr> <tr> <td>Daytime phone number</td> <td>Evening phone number</td> </tr> </table>	Your social security number	Tax year of claim
Your first name and middle initial	Last name										
Current home address (number and street)	Apt #										
City, state, and ZIP code											
Your social security number	Tax year of claim										
Daytime phone number	Evening phone number										

Check here if you worked outside of your normal place of work in 2020 due to COVID-19. See Checkbox No. 2 below.

Reason for Claim

Check the Box below that applies.

- A separate 10a is required if you have multiple W-2 forms, or for each municipality from which a refund is requested.
- No refunds will be issued without the proper documentation indicated by reason for claim.

- Age Exemption.** Date of Birth (MM/DD/YYYY) Attach a copy of your W-2 form and proof of birthdate (birth certificate, driver's license, etc.). If you were under 18 for only part of the year, you must either: (1) have your employer sign the completed Employer Certification on page 2; or (2) attach a copy of your pay stub for the pay period in which your birthday fell. Exceptions to the 18 years of age or older exemption exist. For more information, visit ritaohio.com, select the RITA municipality in which you worked and review the Special Notes section that relates to the appropriate tax year.
- Due to COVID-19, days worked outside of municipality** for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **The availability of a refund is dependent upon the outcome of pending litigation. Requests will be held until this litigation is resolved.**
- Days worked outside of municipality** for which the employer withheld tax. Attach a copy of your W-2 Form, a completed Log of Days Out Worksheet on page 3, and a completed Calculation for Days Worked Out of RITA on page 3. In addition, your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld at a rate higher than the municipality's tax rate.** Attach a copy of your W-2 Form. Your employer must complete and sign the Employer Certification Parts 1 and 2 on page 2. **Do Not Use for COVID-19.**
- Employer withheld too much (over-withheld) resident municipality tax.** Attach a copy of your W-2 Form. Your employer must sign the Employer Certification Part 2 on page 2.
- Withheld by mistake** for the municipality of when I actually worked in the municipality of . Attach a copy of your W-2 Form. Your employer must sign the Employer Certification Part 2 on page 2. Indicate the address where you actually worked. **Do Not Use for COVID-19.**

Work Location Street Address	City	State	Zip
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- Over-the-road truck driver.** The wages of an interstate trucker regularly assigned to drive in more than one state are only taxable by the trucker's municipality of residence. Truck drivers assigned to drive in multiple Ohio municipalities only may be eligible to receive a 90% refund from their principal place of work. Your employer must complete and sign the Employer Certification Part 2 on page 2.
- Military Spouse Residency Relief Act.** Attach copies of W-2 Form, Form DD 2058, valid military spouse ID card and service member's most recent LES.
- Other (Indicate Reason).** Attach W-2 Form and other applicable documentation. Your employer must complete and sign the Employer Certification Parts 1 and/or 2 on page 2. **Do Not Use for COVID-19.**
- Refund of overpayment on account** if you have already filed Form 37 or are not required to file. Employer certification is not required.

Claim

1 Employer Federal ID #	1	Employer Name
2 RITA Municipality for which tax was withheld (from W-2, Box 20). RITA cannot refund tax withheld to a Non-RITA municipality	2	
3 Amount of income not taxable. For reason 2 enter your 2106 expenses less the 2% limitation. Enter -0- for reasons 4 and 5. For all other reasons enter the amount of wages you are claiming	3	
4 Amount of over withholding claimed (Box A-9 on page 2)	4	
5 Amount of over withholding you want applied as a payment to your individual or joint account instead of being refunded to you. Enter -0- if you want all of your refund sent to you	5	
Provide the social security number of the account to which you want the amount on line 5 to be credited		SSN of account to be credited
6 Net amount to be refunded. Subtract line 5 from line 4. Amounts \$10 or less will not be refunded.	6	

Refund Requests – RITA Form 10A



Important Changes to the Tax Year 2020 Form 10A Application for Municipal Income Tax Refund Related to COVID-19

You must check the box at the top of Form 10A if any portion of your application for refund is related to your working from home, or another location away from your regular place of work, because of COVID-19.

A refund of the tax withheld for your pre-COVID-19 work municipality, while you worked from home or another location, may not be available until litigation over this issue is completed. See *Buckeye Institute, et al., v. Columbus City Auditor, et al.*, Franklin County Common Pleas Court Case No. 20-CV-004301.

RITA will hold your request for refund in a suspended status until this litigation is concluded. Should the conclusion of this litigation determine that a refund is allowed, your request for refund will be processed at that time. Should the conclusion of the litigation determine that a refund is not allowed, you will receive a notice that a refund is not available to you.

Refund Requests – RITA Form 10A

MyAccount Refund Status Display

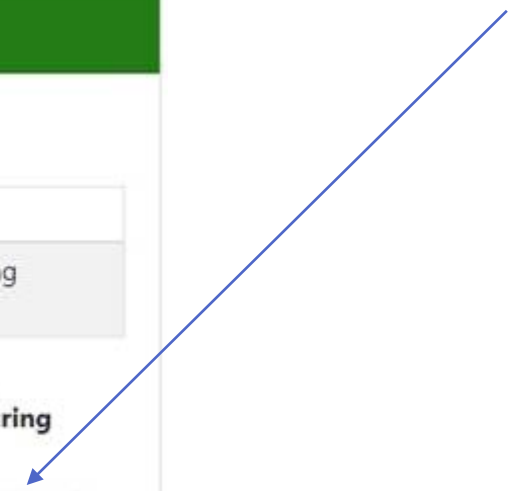
Refund Status

Refunds requested within the last 12 months are displayed.

Requested Date	Tax Year	Status
12/07/2020	2018	Your refund in the amount of \$483.18 for Tax Year 2018 is currently being reviewed.

If the information displayed does not agree with your records, please call Customer Service during normal business hours at 800.860.7482, Ext. 5002.

If you requested a refund because you worked from home or another location, due to COVID-19, your refund request will not be processed until pending litigation related to this issue is resolved. The refund status will appear as **SUSPENDED** until resolved.



Refund Requests – RITA Form 10A

Refund FAQs For Individuals

10. COVID-19 Work From Home Refund Requests

COVID-19 Work From Home Refund Requests

Am I able to receive a refund of the tax my employer took out for my work city/village while I worked at home due to the COVID-19 pandemic?

This question is being decided in the courts. You can fill out and file a **Form 10A** to request the refund, and RITA will hold the refund request until a final court decision is made. Make sure to complete the entire form, including checking the box at the top to indicate the request is related to COVID-19, and use Claim Reason Number 2.

How long will it be before the courts make a final decision?

It's not clear right now when a final ruling will be made. The court case was filed in July 2020 and is still in its early stages. (*The Buckeye Institute v. City of Columbus Auditor*, 20 CV 004301, Franklin County Common Pleas Court)

How will I know when a final court decision has been made?

When a final ruling is made RITA will either issue the refund (if that's the decision) or notify you that you are not eligible to receive the refund due to the court ruling. You can also check the status of the refund request yourself by setting up an account in MyAccount at ritaohio.com. While we are waiting for the final court ruling the status of your refund in MyAccount will be "SUSPENDED".

A. Remember that even if you are able to receive a refund of the tax withheld for your workplace city/village, you will likely owe that tax, or some portion of it to your residence community if that community has a tax. If your residence community is also a RITA member we will transfer the refund to the residence community and only refund to you any difference.



THANK YOU!
