VILLAGE OF GRANVILLE
2014 BUSINESS INCOME TAX RETURN AND DECLARATION

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GENERAL INSTRUCTIONS FOR CORPORATIONS, PARTNERSHIPS, FIDUCIARIES, ESTATES, AND TRUST

1. **WHEN AND WHERE TO FILE:** Taxpayers who end their year on December 31 must file on or before April 15 of the following year. Taxpayers on a fiscal or partial year basis must file by the 15th day of the fourth month after the fiscal year end. If the filing deadline cannot be met, a copy of your federal extension must be filed with this office by the due date of the return. Extensions are an extension of time to file the return only and not an extension to pay. If a request for an extension is not filed, a late filing penalty will be assessed.
2. **TAXABLE INCOME:** The Village of Granville levies an income tax at the rate of 1.5% (.015) on the following:
   - **A.** Net profits earned of all corporations derived from work done or services performed or rendered and other business activities conducted in the Village of Granville. S-Corporation income is not taxable at the individual level. S-Corporations doing business within the Village of Granville must file this form.
   - **B.** Net profits attributable to the Village of Granville earnings of non-resident unincorporated businesses, professions, or other activities, derived from work done or services performed or rendered and business or other activities conducted in the Village of Granville. Partnerships, see Line 11 below. Sole proprietorships must file an individual return rather than this form.
   - **C.** The following should be reported on the Village of Granville individual income tax return and NOT this business form:
     1. Net profits attributable to earned Granville income of all resident unincorporated business professions and other activities derived from work done or services performed and business or other activities in the Village of Granville.
     2. The portion of the distributive share of net profit earned of a resident individual, partner, or owner of a resident unincorporated business entity attributable to Granville and not levied against such unincorporated business entity.
     3. The portion of the distributive share of the net profits earned of a resident individual, partner or owner of a non-resident unincorporated business entity not attributable to Granville and not levied against such incorporated business entity.
3. **NET PROFIT:** For taxable years beginning on or after 1/1/04, "net profits" for a taxpayer other than an individual means adjusted federal taxable income, as defined in Section 718.01(A) of the Ohio Revised Code.
4. **ALLOCATION OF PROFITS:** The business allocation percentage formula is to be used by corporations or non-resident business entities doing business within and outside of the Village of Granville if actual records of their profits are not maintained.
   - **Step 1.** Average original cost of the real and tangible property owned or used by the taxpayer in the business or profession in the Village of Granville during the taxable period to the average original cost of all of the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated. NOTE: Real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight.
   - **Step 2.** Gross receipts of the business or profession from sales made and services performed in the Village of Granville during the taxable period to gross receipts of the business or profession during the same period from sales made and services performed, wherever made or performed.
   - **Step 3.** Wages, salaries and other compensation paid during the taxable period to persons employed in the business or profession for services performed in the Village of Granville to the wages, salaries and other compensation paid during the taxable period to persons employed in the business or profession wherever their services are performed, excluding compensation exempt from taxation under Section 718.011 of the Ohio Revised Code.
5. **UNINCORPORATED BUSINESS ACTIVITY:** The net loss of an unincorporated business activity may be used to offset other unincorporated business income in Granville only if it meets one of the two following conditions: 1) The unincorporated business activity must be located in the Village of Granville or 2) the unincorporated business activity must be located in a municipality that does NOT have a local income tax.
6. **PAYMENTS:** Payments of less than five dollars ($5.00) of the net tax due are not required nor will refunds of less than five dollars ($5.00) be issued or credited.
7. **ESTIMATED TAX PAYMENTS:** Any entity anticipating a Village of Granville tax liability of $50.00 or more shall file and pay estimated tax payments. For calendar year taxpayers, such payments are due in four quarterly installments on April 15th, July 15th, October 15th, and January 15th. For fiscal year taxpayers, the declaration and first payment are due by the 15th day of the forth month after the fiscal year end.
8. **PENALTIES AND INTEREST:** All returns received after the due date will be subject to penalty and interest charges if an extension has not been filed with this office by the original due date of the return. Interest on unpaid tax is assessed at 1% per month. Penalties on unpaid taxes are assessed at the greater of $5.00 or 1% per month if paid between the 1st and 6th month after the original due date, 2% per month if paid between the 7th and 12th months, and 4% if paid more than 12 months after the original due date. The highest applicable rate is applied from the original date of delinquency. A penalty for failure to file a timely return will also be assessed on any return received after the due date if a timely extension has not been filed with this office as follows: $25.00 if filed not more than 30 days late; $50.00 if filed more than 30 days but not more than 120 days late, and $100.00 if filed more than 120 days after the due date. An extension will considered voided if the return is not received by the extension filing date.
9. **AFFILIATED LOSSES:** Affiliated corporations can NOT deduct a loss from any other corporation having a taxable profit and operations of any affiliated corporation having a loss may not be taken into consideration in computing net profits or business allocation percentage formula.
10. **AMENDED RETURNS:** To file an amended return, complete a new tax form with the correct information. Indicate in red ink across the top of the form "Amended Return".
11. **PARTNERSHIPS:** Partnerships may pay any tax due and eliminate the filing requirement for each partner. If the partnership files an information return only, the partners will be required to file on their distributive share. This is an irrevocable election by the partnership and future returns and tax payment will be required by the partnership.

LINE BY LINE FILING INSTRUCTIONS FOR BUSINESS TAX RETURN

HEADING: If this return is made for a period other than the calendar year, insert the beginning and ending date of the period. Enter the business or company name, address and Federal ID number, if not already preprinted on the form.

LINE 1:	Enter Federal taxable income before net operating losses or special deductions from Form 1120 , Form 1120S , Form 1065, or Form 1041. ATTACH COPIES OF ALL APPLICABLE FEDERAL FORMS.
LINE 2:	Adjustments: Combine the items "not deductible" and the items "not taxable" from Schedule X on Page 2. Items not taxable must be included in income to be deductible. Carry Line P (Sch. X) amount to Page 1, Line 2.
LINE 3:	Taxable income to Granville before allocation. Subtract or add Line 2, as applicable from Line 1 to determine taxable income.
LINE 4:	Allocation percentage from Schedule Y. Used to determine the percentage of income generated within and/or outside of the Village of Granville. Enter 100% of income if fully taxable to Granville. (See Line 4 under General Instructions) Multiply percentage by the amount on Line 3.
LINE 5:	Enter allocable net loss per previous Granville income tax return if applicable. (Attach Schedule)
LINE 6:	Granville taxable income: Line 4 less Line 5.
LINE 7:	Granville income tax: Multiply Line 6 by 1.5% (.015) to determine the amount of Granville income tax.
LINE 8:	Enter total estimated payments remitted for current year.
LINE 9:	Other credits (Explain) **Note: Credit will be disallowed if supporting documents are not provided. Credit can not exceed .75% of net business income taxed by Granville.**
LINE 10:	Total credit, Add Lines 8 and 9.
LINE 11:	Total tax balance due after credits. Subtract Line 10 from Line 7.
LINE 12:	If an extension request has not been made and you are filing this form late, enter appropriate late filing penalty and interest.
LINE 13:	Enter the sum of Line 11 and Line 12.
LINE 14:	If you have an overpayment, indicate here if you wish to have the overpayment credited 2015 or if you wish to have the overpayment refunded to you. Note: if tax due/refund amount is under $5.00, payment is not required and no refund/credit carry forward will be issued.

INSTRUCTIONS FOR DECLARATION OF ESTIMATED TAX

LINE 15:	Enter estimated amount of income subject to tax.
LINE 16:	Multiply Line 15 by 1.5% (.015).
LINE 17:	Divide Line 16 by 4 to get your estimated quarterly payment.
LINE 18:	If you have an overpayment from 2014 and chose to credit that amount to 2015, enter the amount here.
LINE 19:	Subtract Line 18 from Line 17 to arrive at your 1st quarter declaration payment due with this return.
LINE 20:	Subtract Line 18 and 19 from Line 16 to arrive at the balance of your estimated tax due. This amount will be billed to you in three quarterly installments.

INSTRUCTIONS FOR SCHEDULE X

This schedule is used to adjust your Federal net income to your Village of Granville taxable income. The left column is for items deductible on the Federal return, but not deductible under Granville's tax ordinance. The right column is for items taxable on the Federal return, but not taxable by the Village of Granville.

INSTRUCTIONS FOR SCHEDULE Y

This schedule is used to determine the amount of income subject to Village of Granville income tax. See item 4 of General Instructions.

INSTRUCTIONS FOR SCHDULE Y-1

Use the schedule to reconcile wages, salaries, etc., allocated to the Village of Granville with total salaries, wages, etc., shown on Granville Withholding Reconciliation.

INSTRUCTIONS FOR SCHEDULE Z

Partners' distributive share of net income. Attach copy(s) of applicable Federal forms. List the information indicated and carry forward to Line 1.