

What is Taxable Income?

Ohio law provides a uniform definition of taxable income for net profit tax returns, "Adjusted Federal Taxable Income" (AFTI). This definition can be found under ORC §718.01. Dublin imposes a tax only on the portion of the allocated net profits from business or professional activities conducted within our boundaries. Net operating loss carryforwards are allowed in accordance with ORC §718.01; however, net operating loss carrybacks are not permitted. In addition, the following applies:

A. In the case of RESIDENT and NONRESIDENT ASSOCIATIONS

{PARTNERSHIPS, LIMITED PARTNERSHIPS, AND LIMITED LIABILITY CORPORATIONS (LLCs) treated as partnerships for Federal income tax purposes}: Dublin requires that the partnership (or LLC) pay all tax due on behalf of all affected partners. Guaranteed payments to partners must be included in net profits.

B. In the case of CORPORATIONS {including S-CORPORATIONS and LIMITED LIABILITY COMPANIES (LLCs) treated as corporations for Federal income tax purposes} AND FIDUCIARIES (ESTATES AND TRUSTS, including GRANTOR TRUSTS): Dublin requires that the corporation or fiduciary pay all tax due on their taxable income. Sub Chapter S-Corporations are taxed as regular C-Corporations for city tax purposes, and must adjust their income accordingly.

Consolidated Returns (Corporations Only)

An affiliated group of corporations may file a consolidated income tax return if that affiliated group for the same tax reporting period filed a consolidated return for federal income tax purposes. The city return is required to be completed based on the common parent federal income tax return of the affiliated group as filed with the Internal Revenue Service. "Affiliated Group of Corporations" means an affiliated group as defined in the IRC §1504. "Consolidated Federal Income Tax Return" means a consolidated return for federal income tax purposes pursuant to IRC §1501.

Alternate Method

If you are requesting a method other than the prescribed three factor formula for apportioning net profits, your request must be in writing, attached to your return and contain an explanation as to why an alternate method is being requested.

Ohio Revised Code (ORC) §718.021 Election

Attach a statement if you are electing to apportion income based on the guidelines in ORC §718.021 and will be situsing any payroll, property or sales from a qualifying remote employee or owner at the individual's qualifying remote work location to that individual's qualifying reporting location.

Completing the Form

Name and Address

Print your company name, address and federal identification number. Please include your business activity type and code. If you are a fiscal filer, indicate your begin and end date of the return year. Check your entity type. Indicate your physical Dublin location and note if your account should be inactivated.

Line 1. Federal Taxable Income

Indicate your FEDERAL TAXABLE INCOME (Federal Form 1120, Line 28; 1120S, Schedule K, Line 18; Form 1065, Analysis of Net Income (Loss), Page 5, Line 1; Form 1041, line 17 or the equivalent). A taxpayer that is not a C-Corporation and is not an individual must compute federal taxable income as if they were a C-Corporation.

Move to Page 2 and 3 before completing Line2A-C

Schedule X – Reconciliation with Federal Income Tax Return

This schedule is used to make adjustments when total income (Line 1) includes income not taxable and/or items not deductible for municipal purposes. Enter the amounts of any such items in Schedule X and carry totals from Line I and Line Q respectively, to Lines (2A) and (2B).

Items not deductible are added to taxable income. They should be entered as follows:

Line A. Internal Revenue Code (IRC) §1221 and §1231 Losses

Report all losses (ordinary and capital) directly related to the sale, exchange or other disposition of an asset described in IRC §1221 or §1231. Losses related to §1221 assets are usually reported on Federal Schedule D while losses related to §1231 assets are usually reported on Federal Form 4797.

Line B. Taxes Based on Income

Include foreign, state, local and other taxes based on income.

Line C. 5% of Certain Intangible Income

Add lines M+N+O from the Schedule X and then multiply the total by 5%.

Line D. Guaranteed payments to partners

Guaranteed payments to partners – applies only if guaranteed payments to partners/members has not been included within net profits under Dublin Tax Ordinance §38.03(W)(1).

Line E. Charitable Contribution Adjustment

Charitable contributions – All business entities should report any contributions over the 10% corporate limitations in accordance with Dublin Tax Ordinance §38.03(A)(11). Non C-Corporate businesses may carry forward any unused contributions as if they were C-Corporations. A schedule should be provided to show how your deduction was calculated and identify any portion that was carried forward from prior years. **(Deduction is limited to 10% of city taxable income before consideration for any charitable contribution deduction).**

Line F. Certain Owner Compensation

For use by taxpayers that are not C-Corporations and are not individuals. Ohio law prohibits taxpayers that are not C-Corporations and not individuals from claiming a deduction for payments to a qualified self-employed retirement plan, payments for health or life insurance for an owner or owner-employee or federal self-employment tax. Report all such payments here.

Line G. Pass-Through Entities

Add any deduction for a pass-through entity not allowed as a deduction for a C-Corporation under the Internal Revenue Code (e.g. specially allocated expense items from 1065 line 13d - applies to associations only).

Line H. Other Items Not Deductible

Other expenses not deductible (with explanation). Do not include expenses on income earned in other taxing districts.

Line I. Total Additions

Add columns A through H – carry result to Page 1, Line 2A.

Items not taxable are deducted from taxable income. They should be entered as follows:

Line J. Certain Internal Revenue Code (IRC) §1221 and §1231 Gains

Report all income and gains directly related to the sale, exchange, or other disposition of an asset described in Internal Revenue Code (IRC) §1221 or §1231. (**Note:** Do not include income or gain(s) described in Internal Revenue Code (IRC) §1245 or §1250. Ohio Revised Code (ORC) §718.01 (E) requires all S-Corporations and partnerships to increase their §1250 gains by the adjustment all C-Corporations must make under Internal Revenue Code (IRC) §291.)

Line K. Pass-through income/(loss)

Use this line to report pass-through income/(loss) from another entity. Do not include or take credit for tax paid by the business that generated the pass-through income.

Line L. Internal Revenue Code (IRC) §179 Adjustment

Add Internal Revenue Code (IRC) §179 depreciation in excess of what would be allowed for federal tax purposes if the taxpayer were a C-Corporation. Excess §179 expenses should be carried forward to subsequent years. Subtract §179 depreciation carried over from prior years to the same extent as would be allowed if a C-Corporation. Estates and trusts can claim the Internal Revenue Code (IRC) §179 deduction to the extent the deduction would be allowed if the estate or trust were a C-corporation. Attach a schedule showing your carryforwards for municipal tax purposes.

Line M. Interest earned or accrued

Enter Interest Income

Line N. Dividend

Enter Dividend Income

Line O. Patents, trademarks, copyrights and royalties related to intangible sources.

Income from patents, trademarks, copyrights and royalties related to intangible sources. Do not include royalty income derived from land (timber rights, grazing rights, etc.) which is fully taxable for city tax purposes.

Line P. Other Items Not Taxable

Other expenses not taxable (with explanation).

Line I. Total Deductions

Add columns J through P – carry result to Page 1, Line 2B.

Schedule Y – Business Apportionment Formula

A Business Apportionment Formula consisting of the average original cost of real and tangible personal property, gross receipts and wages paid must be used by business entities doing business not solely in the City of Dublin. In order to promote uniformity and consistency in the calculation of net profits, it is the City of Dublin's policy to strictly interpret the changes in the Ohio Revised Code (ORC) §718.02. Commencing with tax year 2004, the use of Separate Accounting in the calculation of Net Profits is no longer an available option.

Step 1. Property

Average original cost of all real and tangible personal property owned or used by the taxpayer in the business or profession wherever situated except leased or rented real property.

1A. Average original cost of real property and tangible personal property everywhere. Annual rental on rented or leased real and tangible personal property situated everywhere multiplied by 8. Property at a qualifying remote employee or owner's qualifying remote work location may be sitused to a qualifying reporting location under Ohio Revised Code (ORC) §718.021.

1B. Average original cost of real property and tangible personal property within Dublin. Annual rental on rented or leased real and tangible personal property situated within the City of Dublin multiplied by 8. Property at a qualifying remote employee or owner's qualifying remote work location may be sitused to a qualifying reporting location under Ohio Revised Code (ORC) §718.021.

Combine Step 1, column A and B and then divide column 1B by 2A to determine your property percentage factor.

Step 2. Wages and Salaries

Wages, salaries and other compensation paid during the taxable period to W-2 employees for services performed, excluding compensation from which taxes are not required to be withheld under Ohio Revised Code (ORC) §718.011. If your business is considered a "Small Employer" (sales of less than \$500,000 in the previous year) or your business is impacted by the 20 day rule, allocate wages and salaries in the same manner in which they were withheld. Wages, salaries and other compensation earned at a qualifying remote employee or owner's qualifying remote work location may be sitused to a qualifying reporting location under Ohio Revised Code (ORC) §718.021.

2A. Wages as previously defined located everywhere

2B. Wages as previously defined located within the City of Dublin

Divide column 2B by 2A to determine your Wage percentage factor.

Step 3. Gross Receipts

Sales and gross receipts in Dublin means:

(1) Gross receipts from the sale of tangible personal property shall be sitused to the municipal corporation only if, regardless of where title passes, the property meets either of the following criteria:

- a) The property is shipped to or delivered within the municipal corporation from a stock of goods located within the municipal corporation.
- b) The property is delivered within the municipal corporation from a location outside the municipal corporation, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion.

(2) Gross receipts from the sale of services shall be sitused to the municipal corporation to the extent that such services are performed in the municipal corporation.

(3) To the extent included in income, gross receipts from the sale of real property located in the municipal corporation shall be sitused to the municipal corporation.

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the municipal corporation shall be sitused to the municipal corporation.

(5) Gross receipts from rents and royalties from tangible personal property shall be sitused to the municipal corporation based upon the extent to which the tangible personal property is used in the municipal corporation.

Sales or services at a qualifying remote employee or owner's qualifying remote work location may be sitused to a qualifying reporting location under Ohio Revised Code (ORC) §718.021.

Divide column 3B by 3A to determine your gross receipt percentage factor.

Step 4. Total of Percentages

Add all the percentages from Steps 1-3

Step 5. Average Percentages

Divide total percentages by the number of percentages used. Transfer this percentage to Page 1, Line 3A

- Example 1: If the wage percentage from Step 3 shows no wages companywide nor in Dublin, but the property percentage factor is 30% and gross receipts is 60%, then you would add the property and gross receipt (30% + 60%) percentages and divide the 90% by 2.
- Example 2: If the wage percentage from Step 3 shows wages companywide but none in Dublin, but the property percentage factor is 30% and gross receipts is 60%, then you would add the property and gross receipt (30% + 60%) percentages and divide the 90% by 3 (since all three columns had numbers).

Schedule Y-1. Reconciliation of Schedule Y

Wages to Withholding Returns

Use this schedule to reconcile workplace wages, salaries, etc. allocated to the City of Dublin on Schedule Y with the amounts reported on your withholding returns filed for the tax year covered by this return.

Line 1. Withholding Return Wages

A calendar year taxpayer must use the workplace wages reported on their annual Reconciliation of Income Tax Withheld (Form DW-3). A fiscal year taxpayer must use the sum of the wages reported on Schedule Y, Step 2B that correspond to the fiscal year.

Line 2. Explanation of Discrepancy

Attach an explanation of and wage discrepancy.

Line 3. Other Company Information

Provide the Company Name and Federal Identification Number under which the withholding tax was remitted if different than the FEIN reported on page 1.

Net Operating Loss Carryforward Worksheet

If there was a prior year Net Operating Loss (NOL) you will need to complete a net operating loss carryforward worksheet. Please note, a net operating loss means a loss incurred in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity limitations. Net operating loss carryforwards are permitted beginning in tax year 2025 at 100% of the current year's income. If the current year figure is an overall loss than this amount will be allowed as a NOL carryforward to the next tax year to be offset against future year income from net profits. Any unutilized NOL may be taken as a carryforward based upon the allowable limitations. Losses may be carried forward a maximum of 5 years to offset future profit(s) on the same business activity of prior NOL or current reported profit.

Column 1: Enter your Net Operating Loss (NOL), for each prior year in which you incurred a loss.

Column 2: Enter the portion of NOL from column 1 that was already utilized in a taxable year prior to the current taxable year.

Column 3: Carryforward available for current tax year; Column 1 minus Column 2.

Column 4: Enter available carryforward to be used on your current years return; enter the total from Column 4 on page 1, Line 2C.

Column 5: Carryforward available for future tax years; Column 3 minus Column 4

TOTALS: CARRY COLUMN 4 TOTAL TO PAGE 1, LINE 2C

MOVE BACK TO PAGE 1

Lines 1 through 3 should be completed

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Line 2. Adjustments To Income

Lines 2A – 2C should be completed from Pages 2 and 3. 2D should be the sum of lines 2A, 2B and 2C.

Line 3. Adjusted Federal Taxable Income

Line 1 plus or minus Line 2D.
3A should be completed from Page 2, Step 5 on Schedule Y.

Line 4. Amount Subject to Dublin Tax

Line 3 multiplied by 3A.

Line 5. Dublin Municipal Tax Due

Line 4 multiplied by 2% (.02).

Line 6A. Payments on Declarations of Estimated Municipal Tax

Enter estimated payments made to Dublin for the taxable year.

Line 6B. Amount of Previous Year Credits

Enter credit from prior year(s). (This should be the overpayment you indicated on the prior year return to be credited against this year's tax).

Line 6C. Total Allowable Credits

Enter the total from Line 6A plus Line 6B.

Line 7. Difference

Line 5 less Line 6C. If Line 5 is greater than Line 6C, enter the difference on Line 8. If Line 5 is less than Line 6C, enter the difference on Line 11.

Line 8. Balance Due

If Line 5 is greater than Line 6C, enter the difference here. Remittance in this amount must accompany the return when filed. No payment is due unless the amount is greater than \$10.00.

Line 9. Late Return

If your return is paid after April 15, 2026, you should add 15% penalty and interest at .75% per month. Add penalty and interest and enter the amount on Line 9.

Line 10. Total Tax, Penalty and Interest Due for Tax Year 2025

Add Line 8 plus Line 9. May check payable to City of Dublin.

Line 11. Overpayment

If Line 5 is less than Line 6C, enter the difference here. Please indicate how you would like to allocate your overpayment from Line 11.

Line 11A: Amount you would like credited to tax year 2026.
Line 11B: Only amounts greater than \$10 will be refunded. If requesting a refund, please check the refund box at the top of the form and indicate that amount greater than \$10 that you would like refunded.

DECLARATION OF ESTIMATED TAX

Computation of Estimated Tax

Estimated tax payments are due on the fifteenth (15th) day of the fourth (4th), sixth (6th), ninth (9th) and twelfth (12th) months of each fiscal year.

Enter the estimated taxable income in the estimated income subject to tax field.

Line 12. Estimated Tax Due

Take the estimated taxable income and multiply it by 2% (.02).

Line 13. Overpayment from Prior Year

Enter the credit from your prior-year return (2024) that you did not request be refunded. If you did not claim a credit on your 2024 return, place a zero on this line.

Line 14. Net Estimated Tax Due

Line 12 minus Line 13.

Line 15. Estimate Paid with Return (not less than 25% of line 14)

Enter the amount of estimated tax to be paid with your return. For your convenience, you may pay the full amount of total estimated tax due with your declaration. If the full estimate is not remitted, you must remit at least 1/4 of the estimated tax due, less any credit carryforward.

If your estimated payments are not 90% of the tax due or are not equal to or greater than your prior year's total tax liability, you may be subject to penalty and interest charges. Quarterly payments of estimated tax must be made if the anticipated amount owed is greater than or equal to \$200.

Line 16. Total Due

Add Line 10 plus Line 15. Make check payable to City of Dublin.

WHAT TO ATTACH TO YOUR RETURN:

Attach a complete copy of the Federal Form 1041, 1065, 1120, 1120-A, 1120-REIT, or 1120S as appropriate. **The first 6 pages along with any statement(s) supporting all Schedule X adjustments should be included.** Schedules that support Schedule X may include: copies of Schedule D, Schedule E, Form 4797, Form 8825 and any supporting statements for "other income", "taxes and licenses" and/or "other expenses." If filing a consolidated return, attach copies of your federal consolidation schedules. **Note: The federal return MUST be attached to be considered a complete tax return.**