



## Tax Return Instructions for Form DIR-1040

### Income Tax Division

These instructions are applicable to Dublin. If you have any questions about completing any of our forms and/or need tax forms, please call (614) 410-4460. **All forms and instructions are also available at [www.dublintax.com](http://www.dublintax.com).**

On March 9, 2020, Governor DeWine signed Executive Order 2020-01D declaring a state of emergency in the state of Ohio in response to the COVID-19 global pandemic. In response, the Ohio Legislature passed, and Governor DeWine signed, House Bill 197 on March 27, 2020. Section 29 of HB 197 provides that:

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 2020-01D, 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.*

This lawful tax policy determination by the General Assembly provides continuity to employees, employers, and municipalities during the chaos of COVID-19 and the subsequent stay at home and social distancing orders. HB 197 authorizes an employee's regular and ordinary principal place of work municipality to impose municipal income taxes even though the employee does not physically work in the municipality on certain days. **Your work, while done remotely, is still the result of your employment at a company within the City of Dublin and therefore you are subject to municipal taxation.**

Municipal tax is paid first to the city where work is performed or income earned. Taxpayers may also have an additional tax liability to their city of residence based on how much credit the home city allows for taxes paid to where you work or earn your income.

**Do I need to file?** (You only need to file if any of the following apply):

1. You filed and paid the previous tax year. A final return is required to inactivate a tax account if you are no longer required to file.
2. All Dublin residents and part-year residents 18 years of age and older are required to file a tax return. If you are exempt because you only received pension income or military pay, you should file a Declaration of Exemption Form (Form DIX-16) in the year in which the event occurs (a form is not required for multiple years). The form can be found on our website [www.dublintax.com](http://www.dublintax.com).
3. All nonresidents of Dublin who earned income in Dublin, and Dublin city income tax was not fully and/or correctly withheld. (Multiply the largest wage figure shown on your W-2 in Box 5 or 18 by 2.0%. If the withholding is correct, your result should equal the withholding shown in Box 19 of your W-2). If your W-2 is not correctly withheld, you will need to file a return. If your W-2 statement is correctly withheld, then you will not need to file with Dublin.
4. You were a resident of Dublin and engaged in a business or profession, including rental real estate, whether the business showed a profit or a loss.
5. You were not a resident of Dublin, but you engaged in a business (including rental real estate) or profession in Dublin, whether the business showed a profit or loss.

### Can we file a joint return?

A married couple may file a joint return regardless of the filing method used on their federal or state return. Joint returns must be signed by both spouses and include both social security numbers.

### Can I use Form DIR-1040?

You can use Form DIR-1040 if you had income taxable to Dublin. *Corporations (including S-corporations), partnerships, joint ventures, and fiduciaries (estates and trusts) must file using Form DBR-38.*

### When and where do I file?

This return must be filed on or before the fifteenth day of the fourth month following the close of the tax year. For calendar year taxpayers, this means the return is due April 15, 2020. Any taxpayer who has requested an extension for filing their Federal income tax return shall **automatically** receive the same extension for the filing of the City tax return (attach a copy). Taxpayers who have not received or requested a Federal extension may request an extension from the Income Tax Division provided the request is received before the original due date of the return. An extension of time to file is **not** an extension of the time to pay any tax due.

If you are unable to pay any taxes owed, you should still file your annual return timely with the Income Tax Division.

### Payment Enclosed:

**Mail to:** City of Dublin Tax Division  
PO Box 9062  
Dublin, Ohio 43017-0962

Make payable to: CITY OF DUBLIN

### No Payment Enclosed/Refund Request:

**Mail to:** City of Dublin Tax Division  
PO Box 4480  
Dublin, Ohio 43016-4480

## What if I file or pay late?

Dublin imposes penalties and interest on taxes remaining unpaid after the due date. Thus, if you are unable to pay the full amount of tax owed, you should still file your return along with payment of as much of the tax due as possible.

## Are there any special rules for refunds?

Refunds and credit carryforwards resulting from an overpayment of estimated tax may be requested using Form DIR-1040.

- Refunds due you must be greater than \$10.00 or they will not be issued.
- There is a three (3) year statute of limitations for claiming a refund or credit of any overpayment of city tax.
- **Situations related to COVID-19: Your work, while done remotely, is still the result of your employment at a company within the City of Dublin and therefore subject to Dublin municipal tax. As those wages are taxable, no refund will be granted for any period of time working remotely due to COVID-19.**
- **Mail refunds to:** Dublin Tax Division  
PO Box 4480  
Dublin, OH 43016-4480

## What is taxable income?

For **RESIDENTS**, taxable income includes all salaries, wages, commissions and other compensation, before any deduction for such things like 401(k) deferrals, regardless of where it was earned. The income is taxable whether paid in cash, property or other consideration, including the reasonable value of meals, lodging and the like. Also, taxable income includes the net profits of all unincorporated businesses such as real estate and equipment rentals, sole proprietorships, trusts and a resident's share of partnership income (whether distributed or not) net of your net operating loss carry forward from tax year 2017. Net operating loss carry backs are not permitted for city tax purposes.

These unincorporated business profits are taxable regardless of where the business was conducted. You may be entitled to a credit for taxes paid to the city where your income was earned. If you are a partner in a partnership, you may be entitled to a credit for city taxes paid by the partnership. Such credits shall be allowed only to the extent of the tax assessed per Dublin City Code Section 38.081. Report in Part B Column F, Page 1 of DIR-1040.

## Can I reduce my taxable wages with unincorporated business losses?

**No.** Dublin does not allow the net loss from an unincorporated business to be used to offset wages, salaries, commissions or other compensation.

For **NON-RESIDENTS**, taxable income includes all salaries, wages, commissions and other compensation, before any deduction for such things like 401(k) deferrals, earned in Dublin. Taxable income also includes the net profits of all unincorporated businesses such as real estate and equipment rentals, sole proprietorships, and trusts if the business was conducted in Dublin.

Determine net profits from unincorporated business in accordance with the accounting method used for Federal income tax purposes.

Any expenses claimed must be ordinary and necessary. **Passive activity losses (PAL) are only deductible in the year allowed for Federal purposes. PAL are not allowed to be part of net operating loss carry-forwards for municipal taxation.**

If you are engaged in two or more unincorporated businesses in the same city, the net loss of one unincorporated business may be used to offset the profits of another for purposes of arriving at overall net profits from unincorporated businesses for that city. **Income from pass-through entities shall not be reflected on your individual non-resident return for tax Year 2018 per Ohio Revised Code Section 718.01(B)(1)(d).**

City taxable income does not include proceeds of insurance policies if the employee paid all the premiums. City taxable income also does not include compensation for personal injury and property damages. Expenses, costs, and losses incurred in connection with income not subject to city income tax may not be used to reduce your city taxable income.

## TAXABLE INCOME

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| <ul style="list-style-type: none"> <li>• Adoption assistance payments (unless part of a cafeteria plan)</li> <li>• Bonuses</li> <li>• Compensation paid in property or the use thereof at fair market value to the same extent as taxable for federal tax purposes and so indicated on the W-2 form</li> <li>• Contributions made by or on behalf of employees to a qualified deferral plan (401K and the like) - taxed in year earned, deferral not permitted. Exception: Employer-matching contributions offered under a cafeteria plan are not taxable. Deferrals even under a cafeteria plan are always taxable</li> <li>• Contributions made by or on behalf of employees to a tax-deferred annuity or stock purchase plan (includes any plan where employee has the option to defer)</li> <li>• Contributions made by or on behalf of employees to a non-qualified deferred compensation plan</li> <li>• Cost of group term life insurance over \$50,000.00 (unless part of a cafeteria plan)</li> </ul> | <ul style="list-style-type: none"> <li>• Director's fees</li> <li>• Excess employee discounts</li> <li>• Golden parachute payments</li> <li>• Income from guaranteed annual wage contracts</li> <li>• Income from jury duty</li> <li>• Income from wage continuation plans (includes retirement incentive plans and buy-outs)</li> <li>• Income received as a result of a covenant or agreement not to compete, which relates to employee wages</li> <li>• Interest on below market loans</li> <li>• Moving expense reimbursements (follow Federal rules but non-reimbursed expenses are not deductible)</li> <li>• Pre-retirement distributions from retirement plans (except previously taxed income from deferred plans)</li> <li>• Prizes, awards and gifts - if connected with employment</li> <li>• Profit Sharing</li> <li>• Royalties (unless derived from registered copyrights, patents or trademarks)</li> </ul> | <ul style="list-style-type: none"> <li>• Severance pay</li> <li>• Sick and/or vacation pay</li> <li>• Stipends - if work required (vow of poverty not recognized)</li> <li>• Stock bonus incentive plans</li> <li>• Stock options</li> <li>• Strike benefits paid by employer</li> <li>• Supplemental unemployment paid by employer</li> <li>• Taxes paid by employer on employee's behalf</li> <li>• Tips</li> <li>• Union steward fees</li> <li>• Clergy income per Ohio Revised Code §718.01(R)(2)(e)</li> <li>• Gambling Winnings. Losses may not offset winnings</li> <li>• Prizes and winnings from sweepstakes</li> </ul> |
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## NON-TAXABLE INCOME

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|---|---|--|
| <ul style="list-style-type: none"> <li>• Alimony</li> <li>• Annuities - at time of distribution</li> <li>• Capital gains</li> <li>• Dividends</li> <li>• Government allotments</li> <li>• Exempt rental allowance for clergy per IRS</li> <li>• Income earned while under 18 years of age</li> <li>• Income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property or tax-exempt activities</li> </ul> | <ul style="list-style-type: none"> <li>• Insurance benefits - unless your employer paid the premiums. (Pro-rating is allowed if you paid a portion of the premiums)</li> <li>• Interest</li> <li>• Long-term disability payments paid after 1/1/04</li> <li>• Meals and lodging required on premises</li> <li>• Military pay including reserve pay</li> <li>• Nonresident subchapter S corporation income to a resident shareholder (effective 1/1/03) is no longer subject to the tax</li> <li>• Patent and copyright income</li> <li>• Pension income - includes lump sum distributions</li> <li>• Prizes - unless connected with employment</li> </ul> | <ul style="list-style-type: none"> <li>• Royalties - if derived from intangible property</li> <li>• Short-term disability payments paid after 7/1/07</li> <li>• Social Security benefits</li> <li>• State unemployment benefits</li> <li>• Welfare payments</li> <li>• Worker's Compensation</li> <li>• Income from serving as a precinct election official less than \$1,000</li> </ul> |
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### Completing Form DIR-1040 (Page 1)

1. Please enter the information in the spaces provided for your name, current address and Social Security Number. If you are filing a joint return, you must provide your spouse's name and social security number also.
2. If you are anticipating a refund for the year in which you are filing, place an "X" in the box marked **REFUND** located in the upper right section. The requested amount of the refund should appear on Line 18B. If you are amending a tax year, place an "X" in the box marked **AMENDED**. If you are amending the City return based upon an amended return that you filed with the I.R.S., you **must** include a copy of the amended Federal return, including any applicable schedules that pertain to the amendment. If you are filing an amended City return based upon an audit that the I.R.S. conducted, you must include documentation pertaining to the audit and note any changes that were made by the I.R.S. to reduce or increase your taxable income.
3. Indicate your filing status.
4. If you moved, enter the date of your move. Provide your former address. If you are allocating your income as a result of your move, you will need to attach documentation to your return explaining the allocation (such as a copy of a paystub dated close to your move date).
5. If you are requesting that your account be inactivated, indicate the reason (Ex. taxes fully withheld by employer (nonresidents only)), sold business or rental property, etc.) and attach supporting documentation such as Federal Form 1040, W-2P or Statement of Social Security Earnings. Additionally, if you are requesting that your return be inactivated due to your moving from the jurisdiction with no intent to return, although maintaining a mailing address within the jurisdiction as your address of record, please enter the date of your move and the reason and attach supporting documentation with regard to your relocation.
6. Complete the "Enter Taxable Qualifying Wages" section of the return. You should include the name(s) of each employer, the cities in which you worked, enter "qualifying wages" and tax withheld. Deduct any adjustments to income and then determine your net taxable income by subtracting any adjustments to income from qualifying wages.
7. For refund requests or adjustments to taxable income, please complete "Adjustments to Taxable Income" on Page 2.

**NOTE:** Wages for city tax purposes may differ from the Federal Medicare wages reported in Box 5 of your W-2 as adjusted under §718.03 of the Ohio Revised Code. City taxable wages include all wages that may be deferred or excluded from Federal and State taxable wages under §401 of the Internal Revenue Code. These deferrals appear in Box 12 of your W-2 with codes D, E, F, G and S. You may be subject to additional tax due to residency if your employer does not collect and remit courtesy withholding or your employer has incorrectly reported taxable income.

#### INSTRUCTIONS FOR PREPARING CITY OF DUBLIN INCOME TAX RETURN

<b>Line 1</b>	Enter total amount of wages, salaries and other employee compensation.
<b>Line 2</b>	<b>Select reason for adjustment and complete Page 2</b>
<b>Line 3</b>	Enter the amount from Schedule C and attach a copy of ALL Schedule C's from your federal return
<b>Line 4</b>	Enter the amount from Schedule E and attach a copy of ALL Schedule E's from your federal return
<b>Line 5</b>	Enter the amount of any other taxable income and attach a copy of ALL applicable Federal Schedules from your federal return
<b>Line 6</b>	Enter your prior year loss carry-forward along with calculation documentation (See below for limitations)
<b>Line 7</b>	Add lines 3, 4, and 5 and then subtract line 6 if applicable
<b>Line 8</b>	<b>TAXABLE INCOME:</b> Add Lines 1 and 7
<b>Line 9</b>	Multiply line 8 by 2% (.02)
<b>Line 10</b>	Enter tax withheld for Dublin from W-2's
<b>Line 11</b>	Enter all tax withheld or paid to other cities
<b>Line 12</b>	Enter estimated taxes paid
<b>Line 13</b>	Enter prior year credits and/or any extension payments
<b>Line 14</b>	Add lines 10 through 13
<b>Line 15</b>	Subtract line 14 from 9. If line 14 is less than line 9, enter balance due. If line 14 is greater than line 9, skip line 17 and enter the overpayment as a negative number on line 17
<b>Line 16</b>	Enter penalty and interest, if applicable. All taxes unpaid after April 15 <sup>th</sup> are subject to a 15% penalty. Taxes due that are paid after April 15 <sup>th</sup> are subject to interest at a rate of .50% per month. The annual interest rate is 7%.
<b>Line 17</b>	Add lines 15 and 16 if there is a balance due; however, if line 15 is a negative number enter the overpayment as a negative number on line 17
<b>Line 18a, b</b>	Indicate disposition of overpayment either by requesting a refund or credit of the overpayment
<b>Lines 19 through 25</b>	Complete <b>only</b> if you are required to make estimated payments. Estimated payments are required for those individuals who anticipate any taxable income which is not subject to withholding of income tax or where the income tax is not fully paid to another city. If Line 24 is less than \$200, no estimated payment is required
<b>Line 26</b>	Add lines 17 and 25. Make check payable to the City of Dublin

#### Declaration of Estimated Tax and Quarterly Payment Vouchers

Taxpayers who anticipate owing greater than \$200.00 city tax to Dublin must complete this form. Nonresidents who have taxable income in Dublin must also complete this section.

The declaration should be filed by April 15th. Your first quarter payment should be submitted with the declaration. No extensions of time to file or pay will be granted. Each subsequent quarterly payment should be filed using the Quarterly Installment of Estimated Tax Vouchers (Form DIQV-17; available at [www.dublintonline.com](http://www.dublintonline.com)). Your second, third and fourth payments are due on the 15<sup>th</sup> day of June, September and January. Each estimated tax payment must show a credit carryforward and/or be accompanied by a payment of at least one-fourth (1/4) of the total estimated tax shown on your declaration. To be considered as filed in good faith and not subject to penalty and interest, your timely paid estimated tax must not be less than **90%** of the total tax liability shown on your tax return. We will also consider your estimated taxes as filed in good faith if your timely payments equal or exceed 100% of the tax shown on your prior year return. Failure to make timely estimated tax payments will result in penalty and interest assessments.

#### Sign Your Return

Form DIR-1040 is not considered a complete return unless you sign it and attach all W-2 statements and applicable federal tax documents. If you are filing a joint return, your spouse must also sign.

#### Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your tax return with the City of Dublin, check the "YES" box in the "Third Party Designee" area of your return. Also, enter the designee's name and phone number. If you want to allow the paid preparer who signed your return to discuss it with the City of Dublin, just enter "Preparer" in the space for the designee's name. You do not have to provide the other information requested.

If you check the "YES" box, you and your spouse, if filing a joint return, are authorizing the City of Dublin to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Provide the City of Dublin any information that is missing from your return,
- Call the City of Dublin for information about the processing of your return or the status of your refund or payment(s),

- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain City of Dublin notices about math errors, offsets, and return preparation.

You are **not** authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the City of Dublin. The authorization will remain in effect for the specific return and tax year on which it appears, unless rescinded on a subsequent return for the same tax year or in writing by the taxpayer.

### Adjustments to Taxable Wages (Page 2)

**Lines 1-3 (Under Age 18).** You may reduce your taxable wages by the amount of wages you earned while under the age of 18. To do so, you must enter your date of birth on Line 2, and attach a copy of your driver's license or birth certificate. **Do not send originals** — they will not be returned. A notarized statement from either parent stating your birthday may be substituted for the copy of your driver's license or birth certificate.

**Lines 4-6 (Improperly Withheld Taxes).** Complete these lines only if your employer withheld tax in error to Dublin. For example, non-residents who:

- 1) are air carrier, motor carrier, or railroad employees;
- 2) are regularly assigned duties in two or more states; and
- 3) had tax withheld to a city other than the city where they live.

You **MUST** attach W-2s and supporting documentation. We will not process your refund unless Part 2 (Certification by Employer) is completed.

**Lines 7-9 (Part-Year Residents).** Complete these lines only if you were a part-year resident. If you moved, enter your total wages for the years on line 7, enter the wages while not a resident on line 8. Subtract line 7 from 8; and then transfer the figure to Item 1; page 1.

**Lines 10-19 (Nonresident Days Worked Out).** Lines 10-19 guide you through a formula based on a work year consisting of 260 days (representing five (5) days per week times 52 weeks). Sick, vacation and holiday pay are prorated by the formula associated with this job. Be sure to attach a copy of the 2019 Days Out of Dublin Calendar for a listing of your various other locations worked, time off for vacation, holidays and sick leave. This form is located on our website. Also, you **must** complete your "Certification by Employer Regarding Adjustments to Taxable Wages" portion shown on Page 2 of Form DIR-1040.

### Schedule Y – Business Allocation Formula

Provide a completed DIR-1040, Schedule Y, to properly allocate your city taxable income. 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 Ohio Revised Code §718.02. Commencing with tax year 2004, the use of Separate Accounting in the calculation of Net Profits is no longer an available option.

**Column A, Line a-** List the average original cost of all real and tangible personal property owned or used by the taxpayer that was situated within the city limits. Include on each line the

**Paid Preparers Must Sign Your Return.** Anyone you pay to prepare your return must sign and date it in the space provided, and provide their Paid Preparer Tax Identification Number (PTIN).

annual rental on rented and leased real property situated within the city limits multiplied by 8.

**Column A, Line b-** Divide Column A, Line a, by the amount of Line 3. If the amount of Line 3 is zero, enter "n/a" on this line.

**Column B, Line a-** List the wages, salaries and other compensation paid to W-2 employees for services performed within the city limits except compensation exempt from municipal taxation under O.R.C. §718.11.

**Column B, Line b-** Divide Column A, Line a, by the amount of Line 4. If the amount of Line 4 is zero, enter "n/a" on this line.

**Column C, Line a-** List the gross receipts from sales made or services performed within the city limits.

**Column C, Line b-** Divide Column C, Line a, by the amount of Line 5. If the amount of Line 5 is zero, enter "n/a" on this line.

**Column D-** Divide the sum of line b for Columns A-C by the number of factors used.

**Example 1:** Line 5 shows no wages companywide. If Line b for Dublin shows 30%, 60%, and n/a for Columns A-C respectively, you would divide 90% (30% + 60%) by 2 (since only two columns had numbers).

**Example 2:** Line 5 reports wages companywide. None of those wages are earned in Dublin. Thus, if Line b for Dublin shows 30%, 60%, and 0% for columns A-C respectively, you would divide 90% (30% + 60% + 0%) by 3 (since all three columns had numbers... even though Column C's number was zero).

**Column E-** Multiply the amount shown on the taxable form (Example Schedule C, Schedule E, etc.) by the percentage shown in Column D. If the amount is zero or less, enter zero on Form DIR-38, Page 1, Column H or I. If Column D is more than zero, enter the amount on Form DIR-38, Columns H or I.

## **Net Operating Losses for Individuals**

As part of the municipal income tax reform bill the 130th General Assembly passed House Bill 5 (H.B. 5) to establish uniformity in the administration and calculation of all municipal income tax. As such, all municipal corporations are required to allow a Net Operating Loss (NOL) deduction with a five-year carryforward period. The H.B. 5 provision requiring the NOL deduction is effective for losses incurred in taxable years beginning on or after January 1, 2017. Tax year 2018 is the first year in which the loss can be utilized. To lessen the revenue impact for those municipal corporations that had not previously allowed an NOL deduction, H.B. 5 included a five-year phase-in period wherein the amount of newly permitted NOLs claimed in taxable years 2018 through 2022 **may not exceed "more than [50%] of the amount of the deduction otherwise allowed[.]"** R.C. 718.01(D)(3).

### **RESIDENT INDIVIDUAL TAXPAYERS:**

**Federal Schedule C:** Taxable income has to start with the income reported for Federal purpose on line 31.

#### **Federal Schedule E:**

**Part I:** Taxable income has to start with the income reported for Federal purpose on line 26. This line shall be utilized in calculating taxable income because of the passive activity loss limitation rules.

**Part II:** Taxable income has to start with the income reported for Federal purpose on line 32, excluding distributions from S-Corporations unless you municipality years ago passed taxation of this source of income by ordinance or vote.

**Part III:** Taxable income has to start with the income reported for Federal purpose on line 37.

**Federal Schedule F (Very Rare):** Taxable income has to start with the income reported for Federal purpose on line 26.

For resident individual taxpayers you combine the gains and losses reported on Federal Schedules C, E, & F on the above referenced lines. If the figure is positive then the allowable credit to be given to the taxpayer is limited to the amount that they are subject to tax (Net). If there was a prior year NOL then this amount is to be limited to 50% of the current year taxable income or 50% of the NOL, whichever is less per the Ohio Revised Code phase-in rules for tax years 2018, 2019, 2020, 2021, and 2022. If the current year figure is an overall loss then this amount will be allowed as a NOL carry-forward to the next tax year to be offset against future year income from net profits. Any unutilized NOL may be taken as a carry-forward based upon the allowable limitations.

### **NON-RESIDENT INDIVIDUAL TAXPAYERS:**

**Federal Schedule C:** Taxable income has to start with the income reported for Federal purpose on line 31. Per Ohio Revised Code Section 718.02 the individual taxpayer is required to allocate income based upon the ratio of property, sales, & payroll within and without the taxing jurisdiction on Schedule Y. Only the apportioned income/loss may be utilized in calculating taxable income/loss.

#### **Federal Schedule E:**

**Part I:** Taxable income has to start with the income reported for Federal purpose on line 22. This line shall be utilized in calculating taxable income because of the passive activity loss limitation rules. Taxation of a non-resident taxpayer's income from rental properties has to be tracked by each property located in each taxing jurisdiction. Only rental properties located within your municipal taxing jurisdiction shall be used in the calculation of taxable income/loss.

**Part II:** Per Ohio Revised Code Section 718.01(B)(2) the net profit or loss of pass-through entities shall not be reported on a municipal return when reporting other sources of income/loss.

**Part III:** Per Ohio Revised Code Section 718.01(B)(2) the net profit or loss of pass-through entities shall not be reported on a municipal return when reporting other sources of income/loss.

**Federal Schedule F (Very Rare):** Taxable income has to start with the income reported for Federal purpose on line 26. Per Ohio Revised Code Section 718.02 the individual taxpayer is required to allocate income based upon the ratio of property, sales, & payroll within and without the taxing jurisdiction on Schedule Y. Only the apportioned income/loss may be utilized in calculating taxable income/loss.

For non-resident individual taxpayers you combine the applicable gains and losses reported on Federal Schedules C, E, & F on the above referenced lines. If there was a prior year NOL for this taxpayer then this amount is to be limited to 50% of the current year taxable income or 50% of the NOL, whichever is less per the Ohio Revised Code phase-in rules for tax years 2018, 2019, 2020, 2021, and 2022. If the current year figure is an overall loss then this amount will be allowed as a NOL carry-forward to the next tax year to be offset against future year income from net profits. Any unutilized NOL may be taken as a carry-forward based upon the allowable limitations.