DIVISION OF TAXATION – CITY OF BEDFORD, OHIO 44146
NOT A FEDERAL RETURN

MUNICIPAL NET PROFIT RETURN

FOR THE CALENDAR YEAR, OR THE FISCAL YEAR BEGINNING _____ , ENDING _____ (File within 4 months after year ending).
NOTE 1. FEDERAL RETURN AND APPLICABLE SCHEDULES MUST BE ATTACHED.
NOTE 2. OVERPAYMENT CLAIMS WILL RECEIVE CREDIT ONLY ON RETURNS FULLY COMPLETED. HOWEVER, SEE NOTE 1 ABOVE.
HAS YOUR FEDERAL TAX LIABILITY FOR ANY PRIOR YEAR BEEN CHANGED IN THE YEAR COVERED BY THIS RETURN AS A RESULT OF AN EXAMINATION BY THE INTERNAL REVENUE SERVICE? ❑ YES ❑ NO
IF YES, HAS AN AMENDED MUNICIPAL RETURN BEEN FILED FOR SUCH YEAR OR YEARS? ❑ YES ❑ NO
CURRENT PAYMENTS AND CREDITS ARE AVAILABLE AT WWW.BEDFORDOH.GOV

MAILING ADDRESS
IF DIFFERENT

IF NAME OR ADDRESS IS INCORRECT, MAKE NECESSARY CHANGES.

FEDERAL I.D. NUMBER

TELEPHONE NUMBER

PRINCIPAL BUSINESS ACTIVITY:

_____

ARE YOU A BUSINESS LOCATED IN BEDFORD?
❑ YES ❑ NO
IF YOU MOVED – PLEASE ANSWER
MOVED INTO BEDFORD ON _____
FROM _____
MOVED FROM BEDFORD ON _____
TO _____

PHONES: (440) 735-6505
(888) 232-1600
WWW.BEDFORDOH.GOV

FILE RETURNS AT: CITY OF BEDFORD – DIVISION OF TAXATION
P.O. BOX 72450
CLEVELAND, OH 44192-0002

SEE INSTRUCTIONS ON BACK OF RETURN

CREDITS

1. **TOTAL TAXABLE INCOME** (Per Copy Federal Form 1120, 1120S, 1065, 1041, Schedule C, or Schedule E attached) ..... (1) $ _____
2. A. ITEMS NOT DEDUCTIBLE (From Line F, Schedule X Below) ..... Add (2A) $ _____
   B. ITEMS NOT TAXABLE (From Line K, Schedule X Below) ..... Deduct (2B) $ _____
   C. ENTER EXCESS OF LINE 2A OR 2B ..... (2C) $ _____
3. A. **ADJUSTED NET INCOME** (Line 1 plus or minus Line 2C) IF SCHEDULE X IS USED ..... (3A) $ _____
   B. AMOUNT ALLOCABLE TO BEDFORD IF SCHEDULE Y, PAGE 2 IS USED _____ % of Line 3A ..... (3B) $ _____
4. **AMOUNT SUBJECT TO MUNICIPAL INCOME TAX** (Line 3A or 3B) ..... (4) $ _____

INCOME

5. **MUNICIPAL TAX DUE** 2.25% of Line 4 ..... (5) $ _____
6. A. PAYMENTS ON DECLARATION OF ESTIMATED MUNICIPAL TAX ON NET PROFITS (Payments as of _____) ..... (6A) $ _____
   B. AMOUNT OF PREVIOUS YEARS CREDITS ..... (6B) $ _____
   C. TOTAL CREDITS ALLOWABLE ..... (6C) $ _____
7. A. **BALANCE DUE** (Line 6C less Line 5) REMITTANCE PAYABLE TO CITY OF BEDFORD MUST ACCOMPANY THIS FORM ..... (7A) $ _____
   B. **OVERPAYMENT CLAIMED** (If Line 6C exceeds Line 5 enter difference here.) And check desired block (7B) $ _____
   ❑ REFUND ❑ CREDIT
8. **ESTIMATED TAX**
   A. ESTIMATED TAX LIABILITY FOR NEXT TAX YEAR ..... (8A) $ _____
   B. QUARTERLY ESTIMATED TAX DUE 1/4 OF 8A LESS CREDIT FROM 7B ..... (8B) $ _____
9. **TOTAL DUE** CITY OF BEDFORD (Add Lines 7A and 8B) ..... (9) $ _____

(Make Check or money order payable to **City of Bedford**) (Credit Card and Eletronic Payments can be made on-line at www.bedfordoh.gov)

SCHEDULE X Reconciliation with Federal Income Tax Return

ITEMS NOT DEDUCTIBLE

A. CAPITAL LOSSES (Excluding ordinary losses) ..... $ _____
B. EXPENSES APPLICABLE TO NON-TAXABLE INCOME ..... $ _____
C. TAXES BASED ON INCOME ..... $ _____
D. PAYMENTS TO PARTNERS ..... $ _____
E. OTHER EXPENSES NOT DEDUCTIBLE (Explain) ..... $ _____
..... $ _____
F. TOTAL ADDITIONS (Enter on Line 2A Above) ..... $ _____

ITEMS NOT TAXABLE

G. CAPITAL GAINS (Excluding ordinary gains – see instructions) ..... $ _____
H. INTEREST INCOME ..... $ _____
I. DIVIDENDS ..... $ _____
J. OTHER (Explain) SEE INSTRUCTIONS ..... $ _____
..... $ _____
..... $ _____
..... $ _____
..... $ _____
K. TOTAL DEDUCTIONS (Enter on Line 2B Above) ..... $ _____

I CERTIFY I HAVE EXAMINED THIS RETURN, INCLUDING ACCOMPANYING SCHEDULES AND STATEMENTS, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT IS TRUE, CORRECT AND COMPLETE, AND THAT THE FIGURES USED HEREIN ARE THE SAME AS USED FOR FEDERAL INCOME TAX PURPOSES.
CHECK BOX TO ALLOW THE CITY TO CONTACT YOUR TAX PREPARER. q

Signature of Officer or Partner (Date)

Signature of Person or Firm Preparing the Return (Date)

Title

Address (and Zip Code) Phone #

PLEASE SIGN AND RETURN ORIGINAL COPY WITH YOUR PAYMENT, KEEP DUPLICATE FOR YOUR RECORDS

CITY OF BEDFORD

INSTRUCTIONS FOR PREPARING MUNICIPAL NET PROFIT RETURN

GENERAL INSTRUCTIONS

FILING REQUIREMENT: Every corporation, rental property, partnership, trust or estate, whether a resident or non-resident that conducts a business in Bedford must file a return and pay tax on the net profit.

WHAT CONSTITUTES NET PROFITS: Net profits shall be determined on the basis of the information used for federal income tax purposes, adjusted to the requirements of the Ordinance of Bedford. Expenses attributable to non-taxable income are not deductible. Gains and losses from the sale or exchange of capital assets to the extent recognized as capital gains or losses for federal income tax purposes, are not to be considered in arriving at net profits.

HOW TO TREAT A NET LOSS: Effective January 1, 2009, the City will not allow Net Operating Carry forwards. No portion of a net operating loss shall be carried back against net profits of any prior year. The portion of a net operating loss sustained shall be allocated to Bedford in the same manner as provided herein for allocating net profits.

WHEN TO FILE: On or before April 15th following the close of the calendar year. If the return is made for a fiscal year or any period less than a year, file within four (4) months from the end of the fiscal year or other period.

WHERE TO FILE: Forms must be filed at the tax department. The City of Bedford, P.O. Box 92636, Cleveland, Ohio 44190.

EXTENSIONS OF TIME TO FILE: for good cause may be granted by the Administrator. Make written request on or before the due date, stating reason.

ROUNDING OFF TO WHOLE DOLLARS is permitted. Eliminate any amount less than fifty cents and increase any amount from fifty cents through ninety-nine cents to the next higher dollar.

PENALTIES AND INTEREST are imposed for failure to file a return or pay the tax due. Failure to pay your tax due by filing deadline is considered to be past due and your account is subject to Collection at your expense. Penalty – $25.00 and interest – 1 1/2% per month.

SPECIFIC INSTRUCTIONS

HEADING – Print your company name, address, federal identification number plainly, or make needed corrections if already imprinted.

LINE 1 – Place your taxable income as shown on your federal form or schedule attached, 1065 Filers use amount shown as ordinary Income.

LINES (2A), (2B), AND (2C) – are used to make adjustments when Line 1 includes income not taxable and/or items not deductible for municipal tax purposes. Schedule X is used to reconcile income as used for federal purposes by subtracting such income items that are not taxable for municipal purposes and adding back deductions used for federal purposes which are not allowable for city purposes. Enter the amounts of any such items in Schedule X, and carry the totals of Schedule X, Lines (G) and (R) respectively to Lines (2A) and (2B). The difference between Lines (2A) and (2B) is to be entered on Line (2C). Also see instructions for Schedule X.

LINE (3A) – is the result of Line 1 plus Line (2A) less Line (2B).

LINE (3B) – The income tax ordinance recites a formula (Schedule Y) to determine the percentage of income attributable to Bedford by business entities conducting business activity both within and outside Bedford. If Schedule Y is used, bring the average percentage from Line 5 of Schedule Y to the % line of Line (3B). Multiply Line (3A) by this percentage and enter the result on Line (3B).

LINE 4 – is the amount on Line (3A) or (3B).

LINE 5 – Enter here tax liability for income shown on Line 4.

LINE (6A) – Enter here estimate payments made to Bedford for this taxable year.

LINE (6B) Enter credit from prior year(s) (overpayment you indicated on the prior return to be credited against this year's tax).

LINE (6C) – is the total of Lines (6A) and (6B).

LINE (7A) – If Line 5 is greater than Line (6C) the difference should be entered here.

Remittance in this amount must accompany the return when filed. If this amount is less than $5, you do not have to pay.

LINE (7B) – If Line (6C) is greater than Line 5 the difference should be entered here. This amount will be transferred as a credit towards next year's tax unless you request a refund. Refunds of less than $5 are not made.

SCHEDULE INSTRUCTIONS

Reconciliation with Federal Income Tax Return

SCHEDULE X Is used for the purpose of making 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 (Line F and Line K) respectively to Lines (2A) and (2B). Line A – Capital losses from the sale, exchange or other disposition of property shall not be taken into consideration in arriving at net profits earned. Line B – if you have deducted non-taxable (Line R); expenses attributable to this non-taxable income shall not be allowed as a deduction from the remaining taxable income. Line C – would include federal, state, local and other taxes based on income.

Based on equity. The difference between the equity method and income method should be recorded on Line C.

LINE N – Capital gains from the sale, exchange or other disposition of property shall not be taken into consideration in arriving at net profits earned. However, refer to Schedule D instructions, Line J – would include items listed in the general instructions as Federal Income Not Taxable, as well as compensation or like reimbursement for damages (except for loss of profits). Involuntary conversion, cancellation of indebtedness, income of a decedent's income already taxable by the State of Ohio, from which Bedford specifically prohibited from taxing.

Business Allocation Formula

SCHEDULE Y A business allocation formula consisting of the average of property, gross receipts and wages paid, may be used by business entities not required to pay tax on entire net profits, by reason of doing business both within and outside Bedford. However, if the books and records of the taxpayers shall disclose with reasonable accuracy the net profits and attributable to Bedford, then only that portion shall be considered as having a taxable status in Bedford. The total allocation to all entites must equal 100%.

SPECIAL NOTE: Sales and gross receipts in Bedford (Step 3) mean;

1. All sales of tangible personal property which is shipped from Bedford to purchasers outside of Bedford regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.

2. All sales of tangible personal property which is delivered within Bedford regardless of where title passes even though transported from a point outside Bedford, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.

3. All sales of tangible personal property which is delivered within Bedford regardless of where title passes, if shipped or delivered form a stock of goods with Bedford.

Current estimated Payments and Credits regarding Net Profits Tax are available on our web site – www.bedfordoh.gov

SCHEDULE Y **BUSINESS ALLOCATION FORMULA (See Instruction)**

		A. Located Everywhere	B. Located in Bedford	C. Percentage (B/A)
Step 1	Average value of real and tangible personal property	$_____	$_____	
	Gross annual rentals multiplied by 8	$_____	$_____	
	Total step 1	$_____	$_____	_____
Step 2	Total wages, salaries, commissions and other compensation of all employees	$_____	$_____	_____%
Step 3	Gross receipts from sales and work or services performed (See Instructions)	$_____	$_____	_____%
Step 4	Total percentages			_____%
Step 5	Average percentage (Divide total percentages by number of percentages used – enter on line 3B, Page 1)			_____%