

**City of Orrville, Ohio
Income Tax
General Information – Business**

FORMS AND CONTACT:

Tax return forms are available at the Orrville tax office in city hall, or can be mailed at taxpayers request. Forms, instructions and the city tax ordinance are available on the internet at www.orrville.com. All internet forms are in 'Adobe Acrobat' PDF format. The Orrville tax department is located on the first floor of the city hall building at 207 North Main St. Mailings to the Income Tax Department should be mailed to: P.O. Box 61, Orrville, OH 44667. Tax Department office hours are Monday through Friday 8Am to 5Pm. Telephone No.# (330) 684 5008 or Fax No.# (330) 684 5023. When remitting tax payments, make checks payable to: **City of Orrville – Income Tax**

WHO SHOULD FILE:

All C Corporations, S Corporations, Partnerships or other business entities, whether or not such organization has an office or place of business inside the City of Orrville, that has income as a result of work done, services performed or sales made in the City of Orrville. Non-resident businesses which have branches, offices, stores, warehouses or other places in which business is transacted, that are located within the City of Orrville are considered to be transacting business in Orrville.

TAXABLE INCOME:

The Ohio Department of Taxation has adopted a uniform definition of taxable income for net profit tax returns. Begin with Federal Taxable Income (FTI), before net operating loss or special deduction, (currently line 28 of the federal 1120) then making the following adjustments:

1. Deduct tangible income to the extent it is included in FTI.
2. Add any losses allowed in the computation of FTI if the losses relate to the sale, exchange, or disposition of property described in section 1221 or 1231 of IRC.
3. Add taxes on or measured by net income allowed as a deduction in the computation of FTI.
4. In the case of a taxpayer that is not a C Corporation and is not an individual, the taxpayer shall compute FTI as if the taxpayer were a C Corporation and, in addition to the above adjustment, shall not be allowed a deduction for guaranteed payments, 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.

NET OPERATING LOSSES:

Orrville does not allow net operating loss carry forward. Current year loss only.

CONTRIBUTIONS:

Orrville does not allow a deduction for contributions from taxable income.

GUARANTEED PAYMENTS:

Orrville does not allow as a deductible expense, payments to partners, former partners, members of former members.

FEDERAL SELF-EMPLOYMENT TAX

No portion of the amount paid for Federal self-employment tax is deductible.

BUSINESS ALLOCATION FORMULA:

Non-resident businesses conducting business both inside and outside the City of Orrville shall compute the amount of net profit subject to Orrville tax by using the "Business Allocation Formula" which factors 'Original cost of real and tangible personal property', Gross receipts' and 'Wages and salaries', used by the taxpayer in business. See section 181.03(b) of the Orrville Income Tax Ordinance.

EXTENSIONS:

Extensions are granted for both calendar and fiscal year end businesses by filing a copy of their Federal extension with the Orrville Tax Department. Requests should be received by the original due date of the return. Businesses may also use the Ohio Business Gateway to file for a city extension.

PENALTY AND INTEREST:

Except in those cases where an extension was filed, a late fee of \$50.00 shall be due on returns filed after the due date, even when no tax is due. Interest at the rate of .5% per month will be charged from the original due date of the return until date of actual payment.

REFUNDS:

Taxes erroneously paid shall not be refunded unless a claim for refund is made within the time specified in ORC 718.12. Amounts of less than five dollars (\$5.00) shall not be refunded.