

Line 6 - If you have other income that is taxable to the JEDD, enter it here.

Line 7 - Add Line 1 or 2 to Lines 5 & 6 to find your taxable JEDD Net Profit or Loss.

**N
O
T
E** If you have income that must be allocated between multiple taxing jurisdictions, complete WORKSHEET Y. If your income is allocated 100% to the JEDD and Line 7 is greater than zero, enter this figure on Page 1, Line 1 of the return. If Line 7 is a negative number, enter it in the "TAX YR OF FILING" column of WORKSHEET F on Page 1. If allocation is required, complete Worksheet Y.

Line 8 - ITEMS NOT DEDUCTIBLE - these are amounts that must be *added* to the BASE INCOME.

A - Enter your capital losses, including losses directly related to the sale, exchange or other disposition of an asset described in Section 1221 or 1231 of the IRC. [ORC 718.01(E)(3)]

B - Add 5% of the amount deducted as intangible income (9B), but not the portion related to the sale, exchange or disposition of property described in IRC Section 1221. [ORC 718.01(E)(2)]

C - Enter Guaranteed payments to partners, retired or former partners, members or other owners, if not included in "net profits." [ORC 718.01(E)(10)]

D - Add back all taxes that are based on income, such as state and local income taxes. [ORC 718.01(E)(5)]

(~~E~~) Except for a C Corporation, with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer: amounts paid or accrued to a qualified self-employed retirement plan, paid to or accrued to or for health insurance, and paid to or accrued to or for life insurance, shall not be allowed as a deduction. [ORC 718.01(E)(10)]

F - As with C corporations, the deduction for charitable contributions is limited to 10%. Enter any amount claimed that exceeds this limit.

G - If business or rental property is sold, exchanged or otherwise disposed, you must calculate the JEDD's "Recovery of Depreciation" as if the business were a C corporation. [ORC 718.01(E)(4)(b)]

H - For real estate investment trusts and regulated investment companies, all dividends, distributions or amounts set aside or credited to the benefit of investors must be entered on this line. [ORC 718.01 (E)(6)]

I - Enter other non-deductible expenses and attach documentation and/or explanation for this entry.

J - Total entries 8A thru 8I and enter this figure on Line 3 of Worksheet X.

Line 9 - ITEMS NOT TAXABLE - amounts that will be *deducted* from the BASE INCOME.

A - Enter the capital gains that directly relate to the sale, exchange or other disposition of Section 1221 and 1231 assets. [ORC 718.01(E)(4)(a)]

B - Include intangible income such as interest, dividends, patents, etc. [ORC 718.01(E)(1)]

C - Enter other exempt income and attach documentation and/or explanation for this entry.

D - Total entries 9A thru 9C and enter this figure on Line 4 of Worksheet X. (Do not include Schedule K-1 income.)

WORKSHEET Y: Business Allocation

All businesses that derive income from locations both inside and outside the JEDD, must allocate their total net income (or loss) as to the portion attributable to the JEDD and to the portion attributable elsewhere. [ORC 718.02(A)] WORKSHEET Y must be used to arrive at these figures.

Line 1 - Under column A, enter the figure that represents the total original cost of the real and tangible property that your company held during the current taxable year at all locations. Under column B, enter a similar figure representing only the original cost of properties located in the JEDD. On the second part of Line 1, multiply the gross annual rents paid by your company by 8 and enter the results under the appropriate columns. Finally, total Line 1, columns A and B.

Line 2 - Under column A, enter the company's total wages, commissions and other compensation paid to all employees located everywhere. Under column B, enter only those wages, commissions and other compensation paid to employees working in the JEDD.

Line 3 - Under column A, enter the company's gross receipts received from all sales and services performed everywhere. Under column B, enter the amount as identified under "Sales" on Page 4 of the instructions.

Column C – Calculate the allocation percentage of each of the three categories from Lines 1, 2 and 3 by dividing the JEDD figures (column B) by those from everywhere (column A). Since this is represented as a percentage, be sure to multiply the result by 100 before entering the figure in column C.

Line 4 – Total the percentages from Lines 1, 2 and 3 of column C.

Line 5 – Calculate the average percentage, dividing Line 4 by the number of percentages used. In determining the average percentage, a factor is not excluded from the computation merely because it is found to be allocable entirely outside the JEDD. A factor is excluded only when it does not exist anywhere. Enter the resulting allocation percentage figure between the brackets on Line 2, Page 1.

Line 6 - If the result is greater than zero, enter it on Page 1, Line 2. If the result is a negative number, enter the negative on Worksheet F, Page 1, in the "TAX YR OF FILING" column and enter zero on Page 1, Line 2.

"Municipal corporation" includes a joint economic development district (JEDD). [ORC718.01(AA)]

SALES For the purposes of this section, receipts from sales and rentals made and services performed shall be situated to a municipal corporation as follows: [ORC718.02(D)]

1. Gross receipts from the sale of tangible personal property shall be situated 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 situated 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 situated 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 situated to the municipal corporation.
5. Gross receipts from rents and royalties from tangible personal property shall be situated to the municipal corporation based upon the extent to which the tangible personal property is used in the municipal corporation.

The net profit received by an individual taxpayer from the rental of real estate owned directly by the individual or by a disregarded entity owned by the individual shall be subject to tax only by the municipal corporation in which the property generating the net profit is located and the municipal corporation in which the individual taxpayer that receives the net profit resides.

WORKSHEET W: Reconciling Wages, Salaries & Other Compensation

If you are a calendar year filer and if you had employees who worked in the JEDD or if you leased employees who worked in the JEDD, you must complete WORKSHEET W.

Line 1 - Enter the total wage figure from your attached federal return or from Line 2, column B of WORKSHEET Y.

Line 2 - Enter the total JEDD wages that you reported on your 2019 JEDD Withholding Reconciliation (Form JW-3). Also enter your JEDD withholding tax account number, which starts with # **2** - _____ - ____

Please explain any differences between Lines 1 and 2 in this Worksheet.

Next, complete the employer information section concerning any leased employees you had during 2019 along with the leasing company name, address, Fed EIN, and approximate number of employees leased.

WORKSHEET F: Loss Carryforward Calculation (3-year limit for losses used on 2019 return)

If you have unused qualified loss carryforward amounts from the last three tax years, enter these in the first row of WORKSHEET F. Write the amount being used from each year, subject to the provisions in ORC 718. See website for additional details. Attach a schedule to show the detail of your calculations and enter the result on Line 3 of Form JR, Page 1. You will be required to substantiate losses claimed.