



# SIDNEY - 2010 INDIVIDUAL INCOME TAX RETURN

Due on or before April 18, 2011 & Attach Page 1 of Federal Form 1040  
LATE FILING OF THIS RETURN SUBJECTS YOU TO  
INTEREST AND A MINIMUM \$25.00 PENALTY

www.sidneyoh.com

Mail completed form to:  
City of Sidney  
Revenue Collections – Tax  
201 W. Poplar St.  
Sidney, OH 45365

Last Name	First Name	Initial	Social Security Number
If married filing joint, enter Spouse's Last Name, First Name, Initial			Spouse's Social Security Number
Present Address #	Street	Apt	Sidney Account Number, if known
City	State	Zip Code	

If you moved during 2010, please indicate: Date of move: \_\_\_\_\_ Previous Address: \_\_\_\_\_  
If renting a residence, enter name & address of owner: \_\_\_\_\_

FILING STATUS (check one)	<input type="checkbox"/> Single	<input type="checkbox"/> Married filing joint return (even if only 1 had income)	RESIDENCY STATUS (check one)	<input type="checkbox"/> Resident	<input type="checkbox"/> Non-Resident
	<input type="checkbox"/> Partial Year Resident			DATE OF MOVE:	
	<input type="checkbox"/> Married filing separate return. Enter spouse's social security number & full name here			Old address: _____ New address: _____	

### 1. SALARIES, WAGES, TIPS & OTHER COMPENSATION. Enter information from W-2's or 1099's (not reported on Schedule C)

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
EMPLOYER'S NAME	CITY WHERE EMPLOYED	SIDNEY TAX WITHHELD	OTHER CITY TAX WITHHELD (UP TO 1.5%)	QUALIFYING WAGES
A.				
B.				
C.				
D.				

1. TOTAL FROM W-2's OR 1099's. Attach all W-2's or 1099's.			1.
2. LESS EMPLOYEE BUSINESS EXPENSES FROM <b>WORKSHEET A</b> ON PAGE 2. (Attach required documentation)			2.
3. TOTAL TAXABLE WAGES (Line 1 minus line 2)			3.
4. TAXABLE INCOME OTHER THAN WAGES FROM <b>WORKSHEET B</b> , LINE 10, PAGE 2 (If loss, enter \$0)			4.
5. TOTAL SIDNEY TAXABLE INCOME (Add lines 3 & 4)			5.
6. SIDNEY INCOME TAX AMOUNT (Multiply line 5 by 1.5%)			6.
7. A. SIDNEY INCOME TAX WITHHELD - total from line 1, column 3 above.	7A.		
B. INCOME TAX WITHHELD/PAID TO OTHER CITIES from line 1, column 4 above ( <b>1.5% MAX</b> )	7B.		
C. ESTIMATED PAYMENTS	7C.		
D. PRIOR YEAR OVERPAYMENTS	7D.		
E. TOTAL TAX CREDITS (Add lines 7A through 7D)			7E.
8. <b>TAX AMOUNT DUE</b> , IF Line 6 is greater than line 7E, subtract Line 7E from Line 6 *			8.*
9. Late Filing Penalty \$ _____ Late Pmt Penalty \$ _____ Late Pmt Interest \$ _____ Underestimation Penalty \$ _____			9.
10. <b>BALANCE DUE FOR 2010</b> (Add Lines 8 & 9) (Do not stop here. Complete lines 12-16 below.)			10.
11. <b>OVERPAYMENT</b> , IF Line 6 is less than Line 7E, subtract Line 6 from Line 7E *	11.*		
REFUND amount * \$ _____ CREDIT amount to 2011 * \$ _____			

**\* NOTICE: Taxes of less than \$1 shall not be collected or refunded.**

### DECLARATION OF ESTIMATED TAX FOR YEAR 2011 – See Line-by-Line Instructions

12. TOTAL INCOME SUBJECT TO TAX \$ _____, MULTIPLY BY 1.5%	12.	
13. LESS: ANTICIPATED CREDITS (withholding, taxes paid to other cities & overpayments applied)	13.	
14. NET TAXES OWED (Quarterly statements will not be mailed.)	14.	
15. <b>AMOUNT PAID WITH THIS DECLARATION for 1<sup>ST</sup> Quarter Estimated Tax – See Line-by-Line Instructions</b>	15.	
16. <b>TOTAL AMOUNT PAYABLE TO CITY OF SIDNEY</b> (Add lines 10 and 15) <b>DUE BY APRIL 18, 2011</b>	16.	

I certify I have examined this return, including accompanying Federal 1040 page one, W-2's, schedules and statements, and to the best of my knowledge and belief it is true, correct and that the figures are the same as for Federal Income Tax Purposes. If an audit of Federal returns is made which affects tax liability shown on this return, an amended return will be filed within three months.

Your Signature \_\_\_\_\_ Date \_\_\_\_\_ Spouse's Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature of preparer, if other than taxpayer \_\_\_\_\_ Phone Number \_\_\_\_\_ Date \_\_\_\_\_

May we contact your preparer directly with questions regarding the preparation of this return?  YES  NO

Office Use Only: Date \_\_\_\_\_ Ck # \_\_\_\_\_ \$ \_\_\_\_\_



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**SIDNEY - 2010 INDIVIDUAL INCOME TAX RETURN**

**Due on or before April 18, 2011 – attach page 1 of Federal Form 1040**

**LATE FILING OF THIS RETURN SUBJECTS YOU TO INTEREST AND A MINIMUM \$25.00 PENALTY**

**ALL APPROPRIATE FEDERAL SCHEDULES MUST BE ATTACHED. A RETURN IS NOT COMPLETE UNLESS SUCH SCHEDULES ARE ATTACHED. ANY DEDUCTION NOT PROPERLY SUPPORTED WILL BE DISALLOWED.**

**WORKSHEET A: EMPLOYEE BUSINESS EXPENSES -- FORM 2106 WORKSHEET (page 1 of Federal Form 1040, Federal Schedule A, and Federal Form 2106 must be attached for deduction to be allowed.)**

1. Unreimbursed employee expenses from Form 2106.....\$ \_\_\_\_\_
2. Total from Line 24 on Form 1040, Schedule A.....\$ \_\_\_\_\_
3. Percent of total.....% (Divide line 1 by line 2)
4. Enter amount from line 27 on Schedule A of Form 1040.....\$ \_\_\_\_\_
5. Sidney income tax deduction .....\$ \_\_\_\_\_ (Multiply line 3 by line 4)  
(Enter deduction on Page 1, line 2 of this return)

**WORKSHEET B – OTHER INCOME (As documented by Returns, Attachments, 1099's and Schedules)**

	Net Taxable Gain (Loss)	If applicable, Allocation Pct from Sch Y below	Sidney Taxable Gain (Loss)
1. Proprietorship (Schedule C) – Enter business name(s) below.			
2. Rental Income (Schedule E) – Enter street address and city of each property below. (Losses without street address and city will be disallowed).			
3. Recapture of Depreciation on Sale of Rental Property (Schedule 4797)			
4. Reportable Partnership Income (Schedule E / K-1)			
5. Farm Income (Schedule F)			
6. 1099 Income (not reported on Schedule C)			
7. Other Income			
8. SUBTOTAL (Add lines 1 – 7 above)			
9. LESS: LOSS CARRYFORWARD , IF ANY, FROM PRIOR YEARS (ATTACH SCHEDULE)			
10. GRAND TOTAL (Line 8 minus Line 9) **			
<b>** If the GRAND TOTAL on line 10 is a net gain (positive), enter the amount on page 1, line 4. If the GRAND TOTAL on line 10 is a net loss (negative), enter \$0 on page1, line 4, and include this net loss on your schedule of Net Operating Losses which may be carried forward for up to 5 years.</b>			

**\*\* In no case may business losses be taken against wages or other compensation.** Only the resident partner's share of partnership or S-Corp income or losses not attributable to Sidney should be included on this return.

**SCHEDULE Y – BUSINESS ALLOCATION FORMULA**

The Business Allocation Formula is to be used by non-resident taxpayers who are doing business both inside and outside of Sidney to determine the portion of the net profits attributed to Sidney.

		A. LOCATED EVERYWHERE	B. LOCATED IN SIDNEY	C. PERCENTAGE (B/A)
Step 1	Average original cost of real & tangible personal property	\$	\$	
	Gross annual rentals multiplied by 8	\$	\$	
	Total Step 1	\$	\$	%
Step 2	Total qualifying wages, salaries, commissions and other compensation for all employees	\$	\$	%
Step 3	Gross receipts from sales and work or services	\$	\$	%
Step 4	TOTAL PERCENTAGES			%
Step 5	AVERAGE PERCENTAGE (Divide total percentages by the number of percentages used.) Enter on Worksheet B above.			%

## GENERAL TAX INFORMATION FOR 2010 INDIVIDUAL RETURNS \*

### IT IS MANDATORY THAT THE FOLLOWING FILE A SIDNEY TAX RETURN, EVEN IF NO TAX IS DUE.

#### Who must file:

- ALL SIDNEY RESIDENTS and partial year residents ages 18 and over
- ALL SIDNEY RESIDENTS ages 16 and 17 *only* if their tax is not completely withheld for SIDNEY at the rate of 1.5%
- RETIRED RESIDENTS if they have rental, business or other income taxable to Sidney
- EVERY BUSINESS ENTITY that conducts business within the City of Sidney
- EVERY NON-RESIDENT WHO ENGAGES IN BUSINESS or other activity within the City of Sidney, including, but not limited to rental of real and personal property. Non-residents who are employed within the City of Sidney, but whose Sidney City income tax is not fully withheld by their employer, must also file a return.
- ALL PASS-THROUGH ENTITIES (any class of entity the income or profits from which are given pass-through treatment under the Internal Revenue Code) (i.e. partnerships, corporations, s-corporations) shall be taxed at the hands of the entity.

*This form is for use by individual taxpayers only. Partnerships, corporations, s-corporations, etc. who are filing on an entity basis must obtain the "Sidney Business Return" from the Income Tax office or from the city's website.*

**If you are either *retired or permanently disabled* AND you have no wages, rental, business or other income taxable to Sidney, you may obtain exemption from filing a Sidney tax return. You must complete a one-time Exemption Form (attaching page 1 of your Federal Form 1040, if applicable) so we can approve the exemption and remove you from our database. This form can be found at [www.sidneyoh.com](http://www.sidneyoh.com) or is available at our office at 201 W. Poplar St, Sidney.**

**WHEN TO FILE:** Individual taxpayers must file their return on or before **April 18, 2011**. **Late filing of this return subjects you to interest and a minimum \$25.00 penalty. MAKE SURE YOU ATTACH PAGE 1 OF YOUR FEDERAL 1040.**

**REQUEST FOR EXTENSION OF TIME TO FILE:** An extension of time to file may be granted upon filing a copy of your Federal extension form with the City of Sidney and paying the anticipated tax owed no later than April 18, 2011. **Sidney does *not* receive copies of federal extensions from the IRS.** Any taxpayer *not* required to file a federal income tax return may request an extension for filing a Sidney income tax return by providing a letter of request that includes the taxpayer's name, address, and social security number. The request **must be mailed by April 18, 2011**. An extension request that is granted is for an extension of time to file but is **NOT** an extension of time to pay. Late payment of tax owed will result in an assessment of penalty and interest.

**TAXABLE INCOME:** Includes, but is not limited to: salaries, wages, commissions and other compensation, bonuses, tips, stock options, incentive payments, directors' fees, property in lieu of cash, tips, dismissal or severance pay, vacation and sick pay, wage continuation plans, employer supplemental unemployment benefits (SUB pay), state or multi-state lottery winnings, employee contributions to retirement plans & tax deferred annuity plans (including sec. 401k, 403b, 457b, etc.), pre-retirement distributions from retirement plans, profit sharing, jury duty, union steward fees, and executor fees.

**NON-TAXABLE INCOME:** includes interest, dividends, capital gains, unemployment compensation, workers' compensation, ADC, child support, retirement pensions, social security benefits, alimony, annuities, active military duty pay, & earnings for individuals under the age of 16.

**NON-DEDUCTIBLE EXPENSES:** The following expenses are non-deductible: ½ self employment tax; self-employed health insurance premiums, greater than 2% S-corporation owner health insurance premiums, the federal non-deductible portion of meals & entertainment.

**BUSINESS ACTIVITY:** The net loss from an unincorporated business activity may not be used to offset salaries, wages, commissions (to the extent that they are reported on form W-2 or 1099 -Misc) or other compensation. If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits or net operating loss.

**CREDIT FOR TAXES PAID TO OTHER CITIES:** With proper documentation, credit is allowed for taxes paid to other cities up to a maximum of 1.5%. For example, for a resident working in the City of Dayton (2.25% tax rate), the credit allowed against Sidney taxes is 1.5% of the wages taxed by Dayton. For a resident working in the City of Bellefontaine (1.33%), full credit of 1.33% would be allowed against Sidney taxes since the rate is less than 1.5%. This means that the Sidney resident owes Sidney tax on those wages for the difference between 1.5% and 1.33%. This credit is reduced by refunds from other cities.

**ESTIMATED TAX PAYMENTS:** Every person who anticipates receipt of taxable income not subject to employer withholding or who engages in a business, profession, enterprise or other activity subject to Sidney taxation due shall file a declaration and pay estimated tax. The payments are due on April 18, July 31, October 31 and January 31. Failure to pay estimated taxes may result in an assessment of penalty charges. See Line-by-Line Instructions for more details.

**PENALTIES AND INTEREST:** Filing your return late, paying your taxes late and/or not paying the appropriate estimated tax payments, if required, will subject you to penalties and interest. See Line-by-Line instructions for more details.

**PARTIAL YEAR RESIDENTS:** If you were a Sidney resident for only part of 2010, you must file a tax return covering that time. Report the amount of income you earned while you were a Sidney resident. Pay statements with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Sidney cannot be determined, you may break down your earnings by the number of months employed by that job, arriving at a monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If you pro-rate your income, also pro-rate all city tax that was withheld on this same income. Attach a worksheet explaining your calculations.

**ASSISTANCE** – Sidney Revenue Collections staff will help taxpayers prepare the Sidney Income Tax Return. Taxpayers need to bring in copies of their Federal 1040, all W-2 forms, 1099 Misc. and other Federal Schedules. The Tax Office is located in City Hall at 201 W. Poplar St., Sidney. Phone (937)-498-8111. Fax (937) 498-8149. Email [tax@sidneyoh.com](mailto:tax@sidneyoh.com)

\* This is a basic overview and does not replace or supersede the Sidney City Income Tax Ordinance, rules or regulations which are available at our website – [www.sidneyoh.com](http://www.sidneyoh.com)

## LINE-BY-LINE INSTRUCTIONS FOR 2010 INDIVIDUAL RETURNS \*

**HEADING** – Print your name, address, and social security number. If married filing jointly, print your spouse's name and social security number. If you moved during 2010, complete the date of the relocation and the previous address. If you are renting a residence in the City of Sidney, enter the name and address of the owner. If you do not know the name and address of the owner, enter the name and address where you send your rental payments.

**FILING STATUS** – Check one. If married filing separately, enter your spouse's social security number & full name. Joint or separate returns are permissible for married taxpayers.

**RESIDENCY STATUS** – Check one. See General Tax Instructions for more information on partial year residency.

**LINE 1** – Total qualifying wage and compensation information is reported on this line. Indicate employer's name, the city where the work was performed, amount withheld for Sidney, amount withheld for another city (up to a maximum of 1.5% of qualifying wages), and qualifying wages earned (generally larger of Line 5 or Line 18 on the W-2). Be certain to attach all W-2's and 1099's. **If your W-2's are marked "various" or "all cities" in the Local Tax Withheld Line, you should request an itemized breakdown by city from your employer(s). You must attach this to your return. Do not need to include unemployment, pension distributions, interest or dividend 1099's.**

**LINE 2** – Enter Employee Business Expenses eligible to be deducted from wage income, brought forward from **Worksheet A** on page 2.

**LINE 3** – Total Taxable Wages. Line 1 minus Line 2.

**LINE 4** – Taxable income other than wages, brought forward from **Worksheet B** on page 2. In no case may business losses be subtracted from wages or other compensation.

**LINE 5** – Amount subject to city income tax, Line 3 plus Line 4.

**LINE 6** – Sidney Income Tax. Multiply Line 5 by 1.5% (or .015).

**LINE 7** – Credits against Sidney income tax.

**LINE 7A** - Enter Sidney income tax withheld by your employer(s). Total of column 3 from line 1 above.

**LINE 7B** - Enter tax withheld or paid to other municipalities from column 4 of line 1 above. This credit is limited to Sidney's rate of 1.5%. (See General Tax Information for more details.)

**LINE 7C** - Enter estimated payments made to Sidney for the 2010 tax year.

**LINE 7D** - Enter prior year overpayments that were carried forward to the 2010 tax year.

**LINE 7E** - Total of Lines 7A, 7B, 7C and 7D.

**LINE 8** – Tax Amount Due -- If Line 6 is greater than Line 7E, the difference should be entered here.

**LINE 9** – Penalty & Interest – **LATE FILING FEE** - Any return filed after its due date (or extended due date, if applicable) will be subject to a \$25 late filing fee if filed within 60 days after the due date. If filed more than 60 days late, the fee is \$50. **LATE PAYMENT** - Taxes owed and unpaid after the due date is subject to a 1.5% penalty per month or fraction thereof (up to a maximum of 50% of the tax amount due) and 1.5% interest per month or fraction thereof. **UNDERESTIMATION** – You will be subject to underestimation penalty, if line 7E is less than 90% of Line 6 **UNLESS** line 7E is equal to or greater than 100% of your 2009 Sidney income tax amount. The underestimation penalty is 10% of the difference between 90% of the 2010 actual tax (line 6) and the amount credited for the year (line 7E).

**LINE 10** – Balance Due for 2010 is the total of Line 8 and Line 9.

**LINE 11** – Overpayment -- If Line 6 is less than Line 7E, the difference should be entered here. This amount will be transferred as a credit toward next year's tax unless you request a refund. No refund shall be made to any taxpayer until he or she has complied with all the provisions of the Ordinance and has furnished all information required by the Tax Administrator. Refunds are processed in order of receipt of the complete return. Typically, refund checks are mailed 90 days after April 18<sup>th</sup> or 90 days after the complete return is filed, *whichever is later*. Per Federal law, a Form 1099-G will be mailed to all recipients of refunds of \$10.00 or more. Refunds are allowed only when Sidney income tax has actually been paid or withheld for Sidney.

### DECLARATION OF ESTIMATED TAX FOR 2011:

#### Who must file & pay estimated income tax for the current year?

- You are a Sidney resident & work in either a municipality that is not subject to municipal income tax withholding (including townships) or a municipality with a municipal income tax rate of less than 1.5%;
- You are a Sidney resident and are self employed (filing a Schedule C on your Federal tax return);
- You are a NOT a Sidney resident but had self-employment income earned in Sidney;
- You have any similar type of situation where your income is not fully withheld upon (at 1.5%) & you would have a tax balance due to Sidney.

#### Methods of calculating estimated tax due:

- A. You may pay an amount equal to Sidney Income Tax for 2010 (line 6) (less any anticipated Sidney tax credits). By paying 100% of the 2010 Sidney Income Tax via credits or estimated payments in quarterly estimated tax payments, you will not be penalized for underpayment should your income be greater in 2011. (Known as "safe harbor").
- B. If you know what your anticipated income will be for 2011, you can base your estimate on 90% of that anticipated income amount. Using that figure, you can determine an equal quarterly amount for remittance for each period.

\* This is a basic overview and does not replace or supersede the Sidney City Income Tax Ordinance, rules or regulations which are available at our website – [www.sidneyoh.com](http://www.sidneyoh.com)

### **Penalty for underestimation**

If you have not paid in the lower of (1) 90% of the current tax year's tax liability (through withholdings, estimated payments, or prior year overpayments) or (2) 100% of the prior year's tax liability, then the penalty for underestimation is 10% of the difference between 90% of the current year's actual tax (line 6) and the amount credited for the year (line 7E).

**LINE 12** – Enter *either* the total estimated taxable income for 2011 *or* the actual tax liability for 2010 (if using the “safe harbor” method). Include all income subject to Sidney tax, such as salaries, wages, commissions, etc. before any payroll deductions, net income from business, profession, rental and other sources. This amount is then multiplied by 1.5% and entered on Line 12.

**LINE 13** – Enter the total of all anticipated credits, such as anticipated Sidney tax withheld and/or tax paid to another municipality, overpayment of previous year returns, or amended return credits.

**LINE 14** – Balance of estimated Sidney Income Tax due. Line 12 minus Line 13.

**LINE 15** – If using Method A “safe harbor” on line 12 above, then a minimum of 25% of Line 14 is due by April 18, 2011. If using Method B on Line 12, then a minimum of 22.5% of Line 14 is due by April 18, 2011. The estimated tax may be paid in full with this Declaration or in equal quarterly payments. Quarterly payments will not be billed. The estimate may be amended at the time of making any quarterly payment. For individuals, quarterly payments are due on or before April 18, July 31, October 31 and January 31. If the due date falls on a weekend or a City holiday, the due date will be the following business day. Any prior year credit carry-over will be included as current year estimated payment. Interest is assessed for failure to pay the tax when due. Interest at the rate of 1.5 % per month is assessed on any tax remaining unpaid after the due date. To avoid an underestimation penalty assessment, the amount paid (via estimates, withholdings, or prior year overpayments) must be within 90% of the actual amount owed for 2011 or 100% of the 2010 tax due.

**LINE 16** – TOTAL AMOUNT PAYABLE TO THE CITY OF SIDNEY. The total of Line 10 and Line 15. This amount is due and payable to the City of Sidney prior to April 18, 2011. All check or money orders are to be made payable to the City of Sidney.

### **WORKSHEET A – EMPLOYEE BUSINESS EXPENSES – FORM 2106 WORKSHEET**

Form 2106 is the Federal Form for reporting Employee Business Expenses. Employee Business Expenses are for employees only (not self-employed individuals) who pay business-related expenses from their wages. W-2 income is required to deduct 2106 expenses. For city taxation purposes, 2106 expenses are reduced proportionally to the amount deductible for federal income tax purposes. If income is allocated between cities, 2106 expenses should be allocated accordingly. There is no carry forward or backward of expenses to another year.

### **WORKSHEET B – OTHER INCOME**

**Line 1. Proprietorship (Schedule C)** – For Sidney residents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture is taxable to Sidney regardless of where that income is earned. A credit for taxes paid to other cities may be permitted against such income if you include copies of tax returns filed and paid in other cities. Attach a copy of your Federal 1040 Schedule C.

For nonresidents, income derived from a profession, sole proprietorship, joint venture, partnership or other business venture doing business in Sidney is taxable without regard to their place of residence. If you are doing business both in and out of Sidney, you may use Schedule Y to allocate income.

An annual return is required even though a loss may have been incurred. If you had more than one business, a separate Schedule C must be attached for each business. Rent expense will not be allowed unless name(s) of landlord(s) are furnished.

**Line 2. Rental income (Schedule E)** – Information on this schedule must correspond to schedule E as filed with the Internal Revenue Service, using the same method of depreciation. Attach a schedule if you need more space. Net rental income from all types of real estate or other property is taxable for Sidney residents regardless of where the rental is located. Net rental income derived within the city limits is taxable to the property owners regardless of their place of residence. Where a rental property is jointly owned by 2 or more persons but no partnership, association or other business entity exists, each co-owner shall declare and pay the tax on his own share of the net income. An annual return is required even though a loss may have been incurred.

**Line 3. Recapture of Depreciation on Sale of Rental Property (Schedule 4797)** – Gain on the disposition of certain depreciable property results in ordinary income subject to the municipal income tax. Federal Form 4797 sets out these items and depreciation recaptured which is treated as ordinary income. A copy of Federal Form 4797 must be attached.

**Lines 4 – 6.** Enter reportable partnership income (from Schedule K-1), farm income (from Schedule F) and any other income reported on a 1099 (and not reported on Schedule C).

**Line 7. Other Income** – Enter all other taxable income not reported elsewhere on this return. Types of income to be reported here are estates, trusts, fees, prizes, state or multi-state lottery winnings, awards, property in lieu of cash, excess business expense reimbursement, taxable income from all other sources.

The net loss from unincorporated business activity may not be used to offset salaries, wages, commissions (to the extent that they are reported on form W-2 or 1099 -Misc) or other compensation. If a taxpayer is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity (except any portion of a loss reportable for municipal income tax purposes to another municipality) may be used to offset the profits of another for purposes of arriving at overall net profits or net operating loss.

### **SCHEDULE Y – BUSINESS ALLOCATION FORMULA**

For nonresidents, a business allocation formula consisting of the average of property, gross receipts and wages paid, may be used to determine the amount of net profits attributable to Sidney. However, if the books and records of the tax payer disclose with reasonable accuracy the net profit attributable to Sidney, then only this portion shall be considered as having a taxable status in Sidney. Refer to ORC 718.02 for a more detailed explanation on how you must arrive at this calculation. You may not choose to eliminate calculating a factor when that factor has bearing on the return (for example, sales both inside and outside must be used when there are indeed sales both inside and outside of Sidney).