



**SCHEDULE X RECONCILIATION WITH FEDERAL INCOME TAX RETURN**

<b>1. FEDERAL TAXABLE INCOME</b> below net operating losses and special deductions per attached Federal return (Form 1120, Line 28; Form 1120S, Schedule K, Line 17e; Form 1120A, Line 24; Form 1120-REIT, Line 20; Form 1065 "Analysis of Net Income (Loss)", Line 1; Form 1041, Line 17; Form 990 T, Line 30)		<b>1</b>	\$	-
2. Items not deductible (from Line 7I below)	<b>2</b>	\$	-	-
3. Items not taxable (from Line 8F below)	<b>3</b>	\$	-	-
4. Subtract Line 3 from Line 2 and enter the result here	<b>4</b>	\$	-	-
5. Other City taxable income that is not shown on Federal return	<b>5</b>	\$	-	-
6. Adjusted net income (total Lines 1, 4 and 5)	<b>6</b>	\$	-	-

**ITEMS NOT DEDUCTIBLE**

7.A. Capital/IRS Section 1231 losses deducted on Federal return	<b>7A</b>	\$	-	<b>STMT 51</b>
B. 5% of expenses not attributable to sale, exchange or other disposition of Sec 1221 property	<b>7B</b>	\$	-	
C. Taxes based on income	<b>7C</b>	\$	-	
D. Guaranteed payments to partners (not included in net profits)	<b>7D</b>	\$	-	
E. Charitable contributions deducted above corp limitations including O.R.C. 718.01(A)(1)(g)	<b>7E</b>	\$	-	
F. IRS Section 179 expense deducted above corp limitations including O.R.C. 718.01(A)(1)(g)	<b>7F</b>	\$	-	
G. Qualified retirement, health insurance and life insurance plans on behalf of owners/owner empl	<b>7G</b>	\$	-	
I. Other expenses not deductible (attach documentation and/or explanation)	<b>7H</b>	\$	-	
<b>J. TOTAL ADDITIONS</b> (enter here and on Line 2 above)	<b>7I</b>	\$	-	-

**ITEMS NOT TAXABLE**

8.A. Capital / IRS Section 1231 losses gains	<b>8A</b>	\$	-	<b>STMT 51</b>
B. Interest earned	<b>8B</b>	\$	-	
C. Dividends earned	<b>8C</b>	\$	-	
D. Certain royalty income (see instructions)	<b>8D</b>	\$	-	
E. Other exempt income (attach documentation and/or explanation)	<b>8E</b>	\$	-	
<b>F. TOTAL DEDUCTIONS</b> (enter here and on Line 3 above)	<b>8F</b>	\$	-	-

**SCHEDULE Y BUSINESS ALLOCATION FORMULA**

	a. LOCATED EVERYWHERE	b. LOCATED IN LEXINGTON, OH	c. PERCENTAGE (b/a)
<b>STEP 1</b> Average value of real & tangible personal property	\$ -	\$ -	
Gross annual rental paid multiplied by 8	\$ -	\$ -	
<b>TOTAL STEP 1</b>	\$ -	\$ -	%
<b>STEP 2</b> Wages, salaries, etc. paid employees	\$ -	\$ -	%
<b>STEP 3</b> Gross receipts from sales made and/or work services performed	\$ -	\$ -	%
<b>STEP 4 TOTAL PERCENTAGES</b>			%
<b>STEP 5 AVERAGE PERCENTAGE</b> (Divide total percentages by number of percentages used)			%

**CARRY TO LINE 2 OF YOUR RETURN**

## **BUSINESS GENERAL INSTRUCTIONS**

**WHO MUST FILE:** Any resident or non-resident that conducts a business in the municipality must file a return and pay tax or any net profit. Any company located or doing business in the Village of Lexington.

**WHEN AND WHERE TO FILE:** Calendar year taxpayers must file by April 15 or the IRS due date. Fiscal year taxpayers must file within 3.5 months of the fiscal year-end. All returns must be submitted to

**VILLAGE OF LEXINGTON**

**44 W MAIN STREET LEXINGTON, OH 44904.**

**FILING EXTENSIONS:** A copy of the IRS extension MUST accompany the return filed. Any return submitted without will be subject to a late filing fee up to \$150.00.

**PENALTY AND INTEREST:** Tax due must be paid by the due date. An extension to file is NOT an extension to pay. Penalty is 15% of the tax due and interest is 5% + the Federal Short Term Rate, per annum. Late filing fee is \$25.00 **PER MONTH LATE**, up to \$150.00.

**PAGE 1:** Complete business name, address, and Federal Identification Number. If this is a new or final return, indicate the date activity began or ceased. Attach copies of all applicable Federal Schedules. The return must be signed and dated.

**PAGE 2:** Schedule X is used to adjust your federal net income to your Lexington taxable income. Schedule Y is used to determine the amount of income allocable to Lexington for business that is conducted within and out of the municipality. Schedule Z is used to indicate the partners distributive share of the net income.

**NET LOSS:** A return must be filed even if there is a loss. Beginning 1-1-2017, loss carryovers will be permitted and will be based on losses in taxable years on or after 1-1-2017. 2017-2022, 50% of the loss can be carried forward. Any pre-2017 losses will not be allowed.

Please contact the Income Tax Department at 419-884-7267 M-F 8:30 AM-5:00 PM with any questions and to confirm any credits/estimated payments made.

*\*Chapters 171 and 173 of the Lexington Codified Ordinance supersedes any interpretation presented.*