

EXTENSION DUE BY 4/18/2011

Please be advised, the City of Brook Park will continue to mail pre-printed income tax forms to businesses and individuals that submit 2010 income data to the Tax Department utilizing the pre-printed forms. The Tax department does not accept or process E-FILE submissions from commercial tax software packages.

INFORMATION LINE: 216-433-4115

TAX OFFICE: 216-433-1533

ADDRESS: City Hall, 6161 Engle Rd., Brook Park, OH 44142

Businesses and individuals that file utilizing the pre-printed Tax Department form, will continue to receive City of Brook Park forms in the future. Generic forms will be accepted, however, please ensure your assigned account number is recorded on the upper left hand corner of the form. Brook Park Tax Returns are available on our website www.cityofbrookpark.com.

Individual taxpayers with income reported on IRS Forms W-2, 1099-M, or W-2G are eligible to E-FILE the 2010 City of Brook Park Tax Return. All income documents must be mailed to the Department of Taxation after electronic submission. Taxpayers with IRS Schedule C (self-employment) or Schedule E (rental income) cannot E-FILE.

These tax forms have been designed to make your filing as easy as possible. Since we have attempted to make the form self-explanatory, most line-by-line instructions have been omitted. However, the following should be noted:

- **IN THE DESIGNATED BOX ENTER SOCIAL SECURITY NUMBER(S), BUSINESS ENTER FEDERAL IDENTIFICATION NUMBER**
- If you are filing for other than a calendar tax year (businesses only) please complete the fiscal year information.
- Please fill in move in, or move out dates for proper tax calculation. If move out, provide new address information. If no move in date entered, 1/1/10 will be used.
- If you are filing Federal Form 2106 for Business Expenses, you must also submit a copy of your Federal Schedule A. Expenses shown on 2106, must follow Federal Guidelines and are subject to City audit. 2106 submissions consisting solely of line 4 expenses are not accepted unless filing as a qualified performing artist, fee-basis state or local government official or an individual with disability. 2106 expenses must be reduced by Federal Schedule A line 27. In addition, reduce any tax paid to other cities appropriately.

In addition to qualifying wages, other taxable incomes include, but are not limited to tips, bonuses, lottery, profit sharing, stock options, gifts of any type for services rendered, directors fees, dismissal or severance pay, vacation and sick pay, supplemental unemployment benefits (sub pay) and other compensation paid by an employer before deductions of any kind, and the net profits from the operation of a business, profession or other enterprise, including rental income. Any amount received on a sale of tangible personal property or real property used in business, in excess of book value, shall be treated as taxable income under the ordinance to the extent of depreciation allowable after January 1, 1967. (Business entities that are not C corporations, but required to file as a C corporation, are subject to Section 291 depreciation recovery on Section 1250 property) Definitions of qualifying wages can be found in ORC CHAPTER 718.03 and CHAPTER 1703 of the Brook Park codified Ordinances.

Important information for estimated taxpayers. No penalty shall be assessed if the aggregate installment payments of estimated taxes received shall be no less than ninety percent (90%) of the actual taxes due or one hundred percent of the actual prior year's tax provided that the return for the prior year's tax reflected a twelve month period and a return was filed for the preceding year. Effective for the tax year 2004 and beyond.

Do not compute Brook Park tax on interest, dividends, pensions, Social Security, welfare insurance benefits, active military pay, alimony received, and earnings for those age 17. If you turned 18 during the tax year, you are considered 18 for the full year. Do not include compensation attributable to a Section 125 plan as outlined in the IRS Code.

Losses from rental or business activity cannot be deducted against W-2 or 1099 wage income, or other business income.

Gross Income: Income you defer is taxable to the City of Brook Park **IN THE YEAR YOU DEFER IT.** (Includes deferred income described in Section 3121 (v)(2)(c) of the Internal Revenue Code as well as Section 401(k) or 457 wages.

Refunds requested for under 18 years of age must be submitted with a copy of birth certificate or drivers license. Refund requests without proper documentation will not be processed. If you turned 18 during the tax year, you're considered 18 for the full year. Residents claim must be made within three years from the date of payment thereof. Taxpayers not required to file a return other than a Request for a Refund, use January 31st of the following year as the due date of the return.

Note: Line 11a must indicate the refund amount anticipated.



***Inquire, File and Pay On-Line via TAX CONNECT
visit www.cityofbrookpark.com***



- **USE THE PRINTED FORM AND CONTINUE TO RECEIVE PRE-PRINTED FORMS:** otherwise be sure to include your Brook Park assigned account number on the generic form used.
- Carefully complete each line of the return.
- Sign and date your return. Initial the box if you do not want the tax department to discuss your return with the preparer noted.
- Have preparer sign return, and supply us with his or her address, social security number, and telephone number.
- Attach copies of your W-2's and 1099's for taxable income and any necessary schedules.
- Include your check made payable to **CITY OF BROOK PARK, OHIO** for the amount of tax due (Line 9 + 12 + 13 + E7).
- A filing indicating an amount of less than five dollars (\$5.00) shall not be collected or refunded. An account with accumulative amounts due or overpayments exceeding the five dollar (\$5.00) limitation shall, pursuant to statutory provisions, become collectable or refundable.
- IF NOT PAID TIMELY AND IN FULL, PENALTY AND INTEREST WILL BE ASSESSED.
- If overpayment is claimed, complete Lines, 10 and 11 to designate CREDIT OR REFUND.

► E-FILE Participants please forward W-2, 1099-M, and/or W-2G's upon Electronic Submission. If paying by check, also include your Confirmation Coupon. If you participated in previous Tax Connect E-File sessions, but did not submit the required documents you are ineligible for the 2010 Tax Connect E-File season.

FORM
BPEXT

City of Brook Park, Ohio Income Tax Return Application for Automatic Extension of Time To File 2010 Tax Return. This is not an extension of time to pay your tax.

Last name, first and initial	Your social security number : : :	Corporate / Company Name	Account Number #
If a joint return, spouse's first name and initial	Spouse's social security number : : :	Contact Person	Federal Identification #
Home address (number, street, and apt. no.)	Account #	Business Address	
City, state, and ZIP code	Phone #	City, State, and Zip Code	Phone #
Extension granted until 10/31/11 unless copy of Federal Extension request is submitted to Brook Park Tax Dept. by 4/18/11. Declarations of Estimated Tax for 2011 are due by 4/18/11. Schedule C, E and F filers are not subject to Uniform Net Profits Base.		For calendar yr 2010; Request extension of time to: _____ For fiscal year end: _____ Request extension time to: _____ If no dates entered, 10/31/11 will be used. Payment of \$ _____ Enclosed for _____ QTR, _____Year	

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Your Signature _____

Date _____

Officer's Signature _____

Date _____

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INSTRUCTIONS FOR PREPARING CITY OF BROOK PARK 2010 INCOME TAX FORM

WHO MUST FILE: The City of Brook Park Tax ordinance requires that all Brook Park residents (18 years and older) whether or not their municipal tax has been fully withheld by their employers, must file. Also, partnerships, corporations and any other entity or person that is resident to Brook Park, or has income taxable by the city of Brook Park must file. **FAILURE TO FILE A RETURN, EVEN IF NO TAX IS DUE, WILL RESULT IN AN AUTOMATIC FINE OF AT LEAST \$25.00, AND ANY LOSS CARRY FORWARD PRIVILEGE WILL BE FORFEITED.**

LOTTERY WINNINGS: As of January 1, 2004 are taxable, and need to be included in income.

WHEN, WHERE TO FILE: File with the Department of Taxation on or before April 18 following the close of the tax year. Fiscal year taxpayers shall file on or before the 15th day of the fourth month following the close of their fiscal year. Extensions must be filed with this office in order to avoid paying a \$25.00 fine. Checks or money orders should be made payable to The City of Brook Park. **If tax is not included, the return is not considered timely filed.**

EXTENSION OF TIME FOR FILING RETURN (NOT PAYMENT OF TAX): An extension request form has been included for your convenience. If you need additional time, submit either the form provided or submit a copy of your federal extension. Requests must be received by April 18, 2011, or by the 15th day of the fourth month following the close of your fiscal year end. If an extension request is not submitted by the due date of the annual return, a minimum penalty of twenty five (\$25.00) dollars will be charged for untimely filing, and any loss carry forward privilege will be forfeited. Extensions may be denied for untimely filing, outstanding delinquencies on account or failure to file required return, report, or other related document for a prior period.

TAX PAID TO OTHER CITIES: Multiply each separate W-2 form by 2% to calculate the tax credit. If the actual tax paid is greater than the calculated tax credit, **you must use** the calculated tax credit. If the actual tax paid is less than the calculated tax credit, **you must use** the actual tax paid. Tax credits will not be given for cities which have over withheld, we suggest you file for a refund from those cities. Tax credits are prorated for those cities which have changed their tax rate during the year. There is no reciprocity between cities. If you are a non-resident filing because you work in Brook Park, **do not** take credit for tax paid to your resident city. **Do not** deduct, or take credit for income tax payments made to schools. If filing 2106 expenses reduce the tax amount paid to other Cities appropriately. Record W-2 information in Box 1 of the City of Brook Park return. Payment is due with the filing of the return.

SIGNATURE: Sign and date your return, a return is not “filed” within the meaning of the law until signed by the taxpayer or an agent legally authorized to sign tax returns for such taxpayer. Initial the box if you do not want the tax department to discuss your return with the preparer noted.

PENALTY, INTEREST ASSESSMENTS: Assessments will be issued for failure to file and/or pay taxes when due, refusal to make estimated tax payments and refusal to file extensions. Minimum late file fee is \$25.00, and increases to \$50.00 after six (6) months, a second notice or multiple offenses.

NET PROFITS: Net profits for individuals shall consist of Federal Schedule C, E or F. All others compute municipal adjusted federal income commencing with federal taxable income as determined under the internal revenue code for C corporations before net operating losses and special deductions and adjusted to the requirements of the Brook Park ordinance. (See Chapter 1703 for definition.) In the case of a business taxpayer that is not a C corporation or an individual the business taxpayer shall compute federal taxable income as if they were a C corporation and make the required Schedule X adjustments. Commence calculation with ordinary income (loss) from trade or business activities. One business entity’s profit cannot be reduced by another business entity’s loss. Any amount received on a sale of tangible personal property or real property used in business, in excess of book value shall be treated as taxable income under the ordinance to the extent of depreciation allowable after January 1, 1967.

CONSOLIDATED RETURNS: Filing of consolidated returns may be permitted or rejected in accordance with the ordinance and corresponding Rules and Regulations. Returns must be filed consistently.

APPORTIONMENT OF PROFITS: The business apportionment formula (Schedule Y) is to be used by unincorporated businesses, partnerships, professions, or other entities and corporations doing business inside and outside of the City of Brook Park unless the alternate accounting method is selected. The percentage must be calculated by utilizing all three ratios. The business percentage is to be applied against the total net profits wherever derived to determine the portion taxable under the Brook Park Income Tax Ordinance.

NET LOSS CARRIED FORWARD: All business losses must be reported. Business net losses cannot be deducted from W-2 earnings, or another business entity’s profit. Net losses may be carried forward for a maximum of five (5) years or until exhausted, whichever is earlier, but may not be carried back. Taxpayers doing business both in and out of Brook Park, who are entitled to allocate profits via Schedule Y, must also allocate losses accordingly. Returns must be filed timely to take advantage of the five (5) year loss carry forward.

ATTACHMENTS REQUIRED ON ALL RETURNS: FOR INDIVIDUALS W-2’S, W-2G’S, 1099’S, LOTTERY WINNINGS, AND THE FIRST PAGE OF THE APPROPRIATE FEDERAL 1040 (EZ, A, X, etc.) ORD, 1711.02. IF SUBMITTING FORM 2106, ALSO ATTACH FEDERAL SCHEDULE A AND REDUCE BY THE 2% IRS REQUIREMENT. IF LINE 4 IS THE SOLE ENTRY ON FORM 2106, DO NOT SUBMIT UNLESS ACCOMPANIED BY PROOF OF COMPLIANCE WITH IRS GOVERNING RULES. REGARDING BUSINESSES, INCLUDE ALL APPROPRIATE FEDERAL FORMS ALONG WITH SCHEDULES AND APPLICABLE WORKSHEETS.

DECLARATION OF ESTIMATED TAX: Based on the City Ordinance, any person anticipating owing more than \$40.00 for 2011 must complete this section and quarterly payments must be made. Nonpayment of estimated tax will subject taxpayer to an assessment. To avoid a fine, ninety percent of the tax due must be paid by January 31, 2012 or at least an amount equal to the tax paid on the prior years return, if that return covered a full twelve month period. Accuracy of the declaration is the taxpayer’s responsibility and can be amended at any time. Amendments are recommended if your job situation has changed or you have moved out of the city. You may pay the estimate in full with the return or at any time on or before 1/31/12. Any balance due will be billed over the next three quarters. Payments can be made by cash, check,credit card or via tax connect online payment system.

OVERPAYMENTS:Overpayments of any year’s taxes shall be applied as follows: 1) to tax owed for any previous years in the order in which such tax became due; 2) to tax owed for the current or any previous year on the taxpayers associated account and 3) to the taxpayers current estimated tax liability for the following year when it is evident that the next year’s liability exceeds \$40.00. Refunds must be claimed within three (3) years of the date of payment. Residents use April 15th as the first filing date; non-residents use January 31st as the first filing date. The year following the year for which the refund is requested will be considered the first year in applying the three year limitation. NOTE: Line 11(a) must indicate the refund amount anticipated.