



# FORM NP 1222 Instructions

## **Line 1 Federal taxable income (loss)**

Enter the adjusted federal taxable income per the following attached forms and schedules:

- Form 1120, Line 28;
- Form 1120S, Schedule K, Line 18;
- Form 1120A, Line 24;
- Form 1065, "Analysis of Net Income (Loss)", Line 1;
- Form 1041, Line 17; and
- Form 990 T, Line 30.

## **Line 2 Items not deductible**

- Capital losses – related to the sale, exchange, or other disposition of an asset described under Section 1221 or 1231;
- Taxes based on income;
- 5% of the intangible income that is not directly related to the sale, exchange or other disposition of property described in Section 1221 or 1231;
- Charitable contributions (over 10% of net profits);
- Guaranteed payments to partners; and
- Amounts paid or accrued to qualified self-employed retirement, health and life insurance plans for owners or owner-employees of non – C Corporation employees, or self employment tax.

## **Line 3 Items not taxable**

- Capital gains - related to the sale, exchange, or other disposition of an asset under Section 1221 or 1231. This does not apply to the recapture of depreciation under Section 1245 or 1250;
- Intangible income such as interest, dividends, patent and copyright income; and
- Other exempt income, please attach documentation and/or explanation.

## **Line 4 Adjusted taxable income**

Add lines 1 and 2 and subtract line 3.

## **Lines 5, (5a through 5f) Business allocation formula**

A business allocation formula consisting of the average of property, gross receipts and wages paid, may be used by business entities not required to pay tax on entire net profits, by reason of doing business both within and outside of Walton Hills. However, if the books and records of the taxpayer shall disclose with reasonable accuracy the net profit attributable to Walton Hills, then only this portion shall be considered as having a taxable situs in Walton Hills.

Sales and gross receipts in Walton Hills means:

- 1) All sales of tangible personal property which is shipped from Walton Hills to purchasers outside of Walton Hills regardless of where title passes if the taxpayer is not, through its employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.
- 2) All sales of tangible personal property which is delivered within Walton Hills regardless of where title passes, even though transported from a point outside Walton Hills, if the taxpayer is regularly engaged through its employees in the solicitation and the sales result from such solicitation or promotion.
- 3) All sales of tangible personal property which is delivered within Walton Hills regardless of where title passes, if shipped or delivered from a stock of goods within Walton Hills.

## **Line 6 Amount allocable to Walton Hills**

Multiply line 4 by the average percentage (line 5f).

## **Line 7 Loss carry forward**

Net operating losses may be carried forward for five (5) years. No portion of a net operating loss can be carried against net profits of a prior year. Please provide a schedule of the loss carry forward calculation.

## **Line 8 Walton Hills taxable income**

Subtract line 7 from line 6

## **Line 9 Walton Hills tax due**

Multiply line 8 by 2.50%.

## **Line 10 Estimated taxes paid to Walton Hills**

Enter estimated taxes paid to the Village for the tax year.

## **Line 11 Tax credits carried forward from prior years**

Enter prior year tax credits.

## **Line 12 Total credits**

Add lines 10 and 11.

## **Line 13 Difference between tax due and tax credits**

If difference between line 9 and line 12 is \$10.00 or less, enter zero and proceed to line 19.

## **Line 14 Tax credits exceed taxes due**

If line 12 is greater than line 9, subtract line 9 from line 12 and enter the overpayment amount.

## **Line 15 Tax credits applied to next year**

Enter the amount of the calculated overpayment (line 14) to apply to next year's annual return. Also enter this amount on Line 21.

## **Line 16 Amount of refund** Subtract line 15 from line 14.

Amounts \$10.00 or less will not be refunded.

## **Line 17 Tax amount exceed tax credits**

If line 9 is greater than line 12, subtract line 12 from line 9 and enter the tax amount due.

## **Line 18 Penalty and interest**

All unpaid taxes shall bear interest based on state law

## **Line 19 Estimated tax liability for tax year 201**

Enter your 201 estimated tax liability.

If this amount is less than \$200.00, estimated payments are not required.

## **Line 20 First quarter of estimated taxes due**

Multiply line 19 by 25%. Current law requires a minimum of 22.5%.

## **Line 21 Tax credits applied to estimated taxes**

Enter amount from line 15.

## **Line 22 Net amount due for initial quarterly payment** Subtract

line 21 from line 20.

## **Line 23 Total amount due**

Add lines 17, 18 and 22. This is the amount due the Village of Walton Hills. Please make your check payable to the **Village of Walton Hills**.