THE CITY OF
COLUMBUS
OFFICE OF THE CITY AUDITOR
INCOME TAX DIVISION

Instructions for Form BR-25

Columbus Business Return

We strongly recommend you file with our new online tax portal, Columbus Revenue Information Portal (CRISP) at [crisp.columbus.gov.](crisp.columbus.gov)

Use to prepare returns for tax year **2023**

The Columbus tax rate is **2.5%**

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What's new?

We strongly recommend you file with our new online tax portal, CRISP at crisp.columbus.gov. On CRISP, you can electronically complete your Form BR-25 and upload all documentation. Part C of the BR-25 replaces Form BR-21 Declaration of Estimated Tax. Form BR-PV replaces Form BR-18 and Form BR-42.

Do I Need to File?

You must file an annual net profit return on Form BR-25 and a Declaration of Estimated Tax on Part C if you are engaged in the following business enterprises:

1. **Associations (including Partnerships, Joint Ventures, etc.)** deriving income from work done, services performed or rendered, or business conducted in Columbus.

2. **Corporations (including S-Corporations) and Fiduciaries (Estates and Trusts)** deriving income or losses from work done, services performed or rendered, or business conducted in Columbus.

You must file Form BR-25 even if a net loss is reported by the business.

NOTE

Form BR-25 is NOT appropriate for Schedule C filers. Schedule C filers must file using Form IR-25, Columbus Individual Return.

Nonprofit businesses
Nonprofit businesses (as defined in I.R.C. §501(c)) are not required to file an annual city tax return if a copy of the organization's approved I.R.S. determination letter is on file with the City. However, should such a business have unrelated business income (as defined in I.R.C. §512), the business is required to file and pay city income tax.

Tax Exempt Activities
if the entity is in an exempt status per O.R.C. §715.013 (such as banks, trucking, or insurance companies) please provide documentation designating the exempt status.

NOTE

Associations whose only activity is as an investment club must file a city income tax return, even though profits earned from this kind of enterprise are non-taxable.

How Do I File?

Should I use Form BR-25?
Corporations, including S-corporations, partnerships, joint ventures, and fiduciaries (estates and trusts) must file using Form BR-25.

Sole proprietorships, rental properties, and farms must file using Form IR-25. Residents who are a partner in an association must report their share of the taxable income using Form IR-25.

Can my corporation file a consolidated return?
An affiliated group of corporations may file a consolidated income tax return using Form BR-25 if that affiliated group filed a consolidated return for federal income tax purposes for the same tax reporting period. Form BR-25 is required to be completed based on the common parent federal income tax return of the affiliated group as filed with the Internal Revenue Service.

"Affiliated Group of Corporations" means an affiliated group as defined in section 1504 of the Internal Revenue Code. "Consolidated Federal Income Tax Return" means a consolidated return for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code.

What is the period of the return?
Your business is required to file a BR-25 return covering the same period as the business's federal income tax return.

When is Form BR-25 due?
This return must be filed on or before the 15th day of the fourth month following the close of the tax year. For calendar year taxpayers, this means the return is due April 15, 2024.

What if I need more time?
If your business has requested an extension for filing the business's federal income tax return, you will automatically receive the same extension for filing the Columbus return.

An extension of time to file is not an extension of the time to pay any tax due.

The extended due date of the City income tax return is the 15th day of the eleventh month after the last day of the taxable year to which the return relates.

If your business is not requesting a federal extension but needs to request an extension for the Columbus return, you must file Columbus Form BR-PV with payment, on or before the original due date of Form BR-25. This form may also be filed through the online tax portal, CRISP at crisp.columbus.gov.

If you are unable to pay any taxes owed, you must still file your annual return timely with the Division.

What if I file or pay late?
Columbus charges penalties for failure to file, late filing, and filing a false or fraudulent return.



Corporations, associations, trusts and estates located within or doing business within Columbus will incur a penalty of $25 per month up to a maximum of $150 for failing to file this return in a timely fashion.

Columbus also charges penalty and interest on taxes that are unpaid to the city after they are due. This penalty is 15% of the amount of unpaid tax, and the annual interest rate on unpaid taxes is 10%.

Payments and Refunds

Paying tax due
If the full amount of the business tax liability as reported on Form BR-25 has not been paid by quarterly estimated payments, the unpaid balance must be filed and paid by the due date unless the balance due is $10 or less.

Requesting a refund
Your business may request a refund due to an overpayment of estimated tax. To request a refund, check the refund box in the upper right section of Form BR-25 and record the refund amount properly on Line 6B. Refunds cannot be less than $10.

No refund or carryforwards of overpayment to subsequent years shall be allowed unless a written request is presented to the Administrator of the Columbus Income Tax Division within three (3) years after the tax was due or paid, whichever is later, as defined in C.C.C. §362.096(B)(1).

Mailing addresses
Mail to: CITY TREASURER
Columbus Income Tax Division
PO Box 182158
Columbus, Ohio 43218-2158

General Information

How are local taxes determined?
Businesses conducting activities within Columbus are liable for the income tax. These instructions are applicable to Columbus only.

If you have any questions about completing any of our forms, please call (614) 645-7370. All forms, instructions, and applicable tax codes for Columbus are available for download at:
http://www.columbus.gov/incometaxdivision.

What is taxable income?
Columbus only taxes the portion of the allocated net profits from business or professional activities conducted within the city's boundaries. Net operating loss carrybacks are not permitted.

Requirements for associations
Columbus requires that the partnership (or LLC) pay all tax due on behalf of all affected partners. Guaranteed payments to partners must be included in net profits.

This requirement applies to all resident and non-resident associations (including partnerships, limited partnerships, and limited liability corporations (LLCs) treated as partnerships for federal income tax purposes).

Requirements for corporations
Columbus requires that the corporation or fiduciary pay all tax due on their taxable income. Sub-Chapter S corporations are taxed as regular C corporations for City tax purposes, and must adjust their income accordingly.

This requirement applies to all corporations (including S-corporations and limited liability companies (LLCs) treated as corporations for federal income tax purposes), and fiduciaries (estates and trusts).

Required Attachments

Partnerships and associations
You must attach pages 1 through 5 of the business's Federal Form 1065.

Corporations
You must attach copies of Pages 1 through 6 of the business's Federal Form 1120 or Pages 1 through 5 of the business's Federal Form 1120S.

Fiduciaries, trusts, and estates
You must attach a copy of Page 1 of the business's Federal Form 1041.

Federal Forms
Attach complete copies of the following if attached to the business's federal tax return:

a. Schedule of other income
b. Schedule of other deductions
c. Federal Form 1125-A other costs
d. Federal Form 8825
e. Federal Form 4797
f. Federal Schedule E
g. Federal Schedule D
h. Federal Form1125-A
i. Federal Schedule M-3
j. Federal Form 8949
k. Copies of all 1099-MISC forms issued to central Ohio residents.

Other attachments
Additionally, in order to avoid delay in processing or disallowance of undocumented credits or losses by the Tax Administrator, your business should attach any other documentation, including:

a. a list of disregarded entities covered by the return,
b. schedules,
c. other municipal income tax returns.
d. supporting documentation necessary to verify credits, income, losses, or other pertinent factors on the return.

Completing Form BR 25

Enter year of tax return and beginning and ending dates in top right corner of return. Fiscal year taxpayers, use the beginning year of the fiscal period as the tax year reported on the businesses attached Federal return.

1. Enter the information for business name, current mailing address and EIN/FID or account number in the spaces provided.

2. Check the appropriate box that corresponds to the filing status of the business. This form is NOT appropriate for Schedule C filers. Schedule C filers must file using Form IR-25, Columbus Individual Return.

3. If your business is amending an already-submitted return, place an "X" in the box marked **AMENDED** located in the upper right section. If your business is amending the City return based upon an amended return filed with the I.R.S., you must include a copy of the Amended Federal Return, including any applicable schedules that pertain to the amendment. If your business is amending the City return based upon an audit that the I.R.S. conducted, you must include documentation identifying when the I.R.S. audit was concluded. Note any changes that were made by the I.R.S. to reduce or increase taxable income.

4. Complete the box that pertains to the filing of a city return in the previous year, whether or not the return is a consolidated corporation return, and whether or not the account should be inactivated.

   If you are requesting that the business's account be inactivated, provide an explanation, in the space provided or on a separate form. If this is a final return, give the reason why. If the business has been sold, provide the name, address, and phone number of the purchaser on a separate attachment. Finally, indicate if the sale was a sale of assets or of stock.

5. If the address of the business operation is different from the mailing address, provide the complete local business address.

NOTE

Mailing addresses, used for postal purposes, cannot be used to determine taxing jurisdictions. Mailing addresses of Columbus, Ohio can fall in another taxing jurisdiction as well as in non-taxing areas (townships). If you are unsure where a local address is actually located, please use CRISP at crisp.columbus.gov to verify addresses.

Part A: Tax Calculation

Complete Schedules X, Y, and E (if applicable) before completing this section.

Line 1: Enter total net taxable income from net profits of corporations, associations (partnerships, joint ventures, etc.) and fiduciaries (from Schedule X and/or Schedule Y). Entry in Column B cannot be less than zero.

NOTE

Unincorporated losses cannot offset corporate income. Corporate losses cannot offset unincorporated income.

Line 2: Multiply the figure in Column B by 2.5%.

Line 3: Enter applicable City of Columbus Jobs Tax Credit. Entry in this column cannot reduce Column E to less than zero.

Line 4: Subtract Column D from Column C.

Line 5: Enter all declaration and extension payments made for this tax year and any overpayment carried forward from the prior year's return.

Line 6: Enter total amount due - Line 4 less Line 5. If tax due is $10 or less, no payment is necessary.

Line 7: Enter overpayment, if applicable, from Line 6 as a positive number (do not use parentheses).

a. Line 7A: Enter amount of the overpayment from Line 6 to be credited to next year's tax estimate.
b. Line 7B: Enter the amount of the overpayment from Line 7 to be refunded. Refunds must be greater than $10.

Part B: Required Questions

All questions in this section regarding the business entity must be answered.

Signature

Form BR-25 is not considered a complete return unless the corporation's officer signs it and attaches all required documents (see attachments required above).

Anyone the corporation pays to prepare Form BR-25 must sign and date it in the space provided and provide their Paid Preparer Tax Identification Number (PTIN).

Paid Preparer Authorization
If your business wants to allow the City of Columbus to discuss its tax return with the paid preparer who signed it, check the "YES" box in the signature area of the return.

This authorization applies only to the individual whose signature appears in the "Paid Preparer's Use Only" section of the return. It does not apply to the firm, if any, shown in that section.

By checking "YES", your business authorizes the City of Columbus to call the paid preparer to answer any questions that may arise during the processing of its return.

The corporation also authorizes the paid preparer to:

a. Give the City of Columbus any information that is missing from the return,
b. Call the City of Columbus for information about the processing of the return or the status of any refund or payment(s), and
c. Respond to certain City of Columbus notices about math errors, offsets, and return preparation.

Your business is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including any additional tax liability), or otherwise represent the corporation before the City of Columbus.

Schedule X: Reconciliation with Federal Income Tax Return

Complete this section to reconcile the city return with the business's federal return as required in C.C.C. §362. Enter all items shown on the business entity's federal tax return (Forms 990T, 1041, 1065, 1120, 1120REIT or 1120S) which are non-taxable or non-deductible for city tax purposes.

Associations reconciling from Line 1 of the "Analysis of Net Income (Loss)" section of Schedule K of Federal Form 1065 must complete all lines as applicable except Line 4D. Taxes paid by associations on this return are considered to be paid on behalf of the members of the association and should not be deducted on Line 14 of Federal Form 1065 or Line 11 of Federal Form 8825.

Line 1: Income per attached Federal tax return per C.C.C. §362.03(A).

Line 2 A: Items not deductible (from 4J below).

Line 2 B: Items not taxable (from Line 5F below).

Line 2 C: Record excess of Line 2A or 2B.

Line 2 D: Partnership income or loss adjustment (add back a partnership loss or deduct a gain). Must attach completed form BR-25 schedule E see page 6 for instructions.

Line 2 E: Suspended §179 expense from prior years allowed in this tax year.

Line 2 F: Suspended charitable contributions from prior years allowed in this tax year.

Line 2 G: Other City taxable income not in Line 1 (such as I.R.C. §291 recalculation of §1250 gain for S corporations, partnerships or trusts treated as C corporations per C.C.C. §362.03(A)(12).

Line 2 H: Net operating loss calculated per C.C.C. §362.03(A)(8), per §362.03(A)(8)(e). This figure must be entered as a positive number. You must attach a schedule detailing the calculation and application of the net operating loss carryforward..

Line 3: City net taxable income after applying the net operating loss allowed by C.C.C. §362.03(A)(8).

Items not deductible are added to taxable income. They should be entered as follows:

Line 4A: Non-deductible losses incurred from the sale or exchange of capital or other assets per C.C.C. §362.03(A)(3).

Line 4B: Amount equal to 5% of intangible income not attributable to the sale, exchange or other disposition of I.R.S. §1221 property.

Line 4C: Taxes based on net income - includes any state or municipal tax deducted.

Line 4D: Guaranteed payments to partners - applies only if guaranteed payments to partners/members has not been included within net profits under C.C.C. §362.03(W)(1).

Line 4E: Charitable contributions – All business entities should report any contributions over the 10% corporate limitations in accordance with C.C.C. §362.03(A)(12). Non-C corporate businesses may carry forward any unused contributions as if they were C corporations. A schedule should be provided to show how your deduction was calculated and identify any portion that was carried forward from prior years. **(Deduction is limited to 10% of city taxable income before consideration for any charitable contribution deduction).**

Line 4F: In accordance with C.C.C. §362.03(A)(12) Non-corporate business entities may be limited to the corporate limitations for I.R.S. §179 expense deduction.

Line 4G: Qualified retirement, health insurance and life insurance plans on behalf of owners/owner employees must be added back as non-deductible under C.C.C. §362.03(A)(12).

Line 4H: Add any deduction for a pass-through entity not allowed as a deduction for a C-Corporation under the Internal Revenue Code. i.e. 754 Basis Adjustments and Section 163(J) Interest Expense.

Federal Form 1065 Schedule K1 Line 13d (applies to associations only).

Line 4I: Other expenses not deductible (with explanation). Do not include expenses on income earned in other taxing districts (see Line 5E instructions).

Line 4J: Total Additions - add Lines 4A through 4I - carry result to Line 2A.

Items not taxable are deducted from taxable income. They should be entered as follows:

Line 5A: Non-taxable gains from sale or exchange of capital or other assets per C.C.C. §362.03(A)(4).

Line 5B: Interest Income.

Line 5C: Dividend Income.

Line 5D: Income from patents, trademarks, copyrights, and royalties related to intangible sources. Do not include royalty income derived from land (timber rights, grazing rights, etc.) which is fully taxable for city tax purposes.

Line 5E: Other exempt income (with explanation). The changes in municipal taxation mandated by HB5 do not include any adjustments for Federal credits such as the FICA tip credit, Work Opportunity credit, Welfare to Work credit, Indian Employment Tax credit, Empowerment Zone credit, etc. Therefore, the City of Columbus will no longer allow these deductions against Adjusted Federal Taxable Income on Schedule X.

Line 5F: Total Deductions - add Lines 5A through 5E - carry result to Line 2B.

Distributions from investment partnerships cannot be apportioned. These distributions must be deducted on Line 2D.

Calculate adjusted net income (Line 3) and carry result: 1) to Part A, Page 1; 2) to adjusted net income column of Schedule Y if allocation of net profits is required.

Schedule Y: Required Calculation of Net Profit for Multi-City Allocation

Complete Schedule Y to properly allocate city taxable income between multiple cities. In order to promote uniformity and consistency in the calculation of net profits, the City of Columbus Division of Income Tax strictly interprets Ohio Revised Code §718.02.

Column A, Line a: List the average original cost of all real and tangible personal property owned or used by the taxpayer that was situated within the city limits. Include the annual rental on rented and leased real property situated within the city limits multiplied by 8.

Column A, Line b: Divide Column A, Line a by the amount of Line 3. If the amount of Line 3 is zero, enter "n/a" on this line.

Column B, Line a: List the gross receipts from sales made, rentals made or services performed within the city limits.

Column B, Line b: Divide Column B, Line a by the amount of Line 4. If the amount of Line 4 is zero, enter "n/a" on this line.

Column C, Line a: List the wages, salaries and other compensation paid to W-2 employees for services performed within the city limits except compensation exempt from municipal taxation under C.C.C. §362.03(K)(17).

Column C, Line b: Divide Column C, Line a by the amount of Line 5. If the amount of Line 5 is zero, enter "n/a" on this line.

Column D: Divide the sum of line b for Columns A-C by the number of factors used.

> **Example 1**: Line 5 shows no wages companywide. If Line b for Columbus shows 30%, 60%, and N/A for Columns A-C respectively, divide 90% (30% + 60%) by 2 (since only two columns had numbers).
>
> **Example 2**: Line 5 reports wages companywide. None of those wages are earned in Columbus. Thus, if Line b for Columbus shows 30%, 60%, and 0% for columns A-C respectively, divide 90% (30% + 60% + 0%) by 3 (since all three columns had numbers, even though Column C's number was zero).

Column E: Multiply the amount shown on Schedule X, Line 3 by the percentage shown in Column D. If the amount is zero or less, enter zero on Form BR-25, Page 1, Part A, Column B. If Column E is more than zero, enter the amount on Form BR-25, Page 1, Part A, Column B.

Schedule E: Pass-Through K-1 Income (or Loss)

Complete this section to determine the income or loss resulting from investments in partnerships. Corporations, associations (partnerships, joint ventures, etc.), and fiduciaries are not permitted to offset local partnership income with local partnership losses.

Column 5: Enter total income/loss incurred by each activity listed in Column 1. Enter the total amount on line 2D of Schedule X.

Completing Part C and Form BR PV

Filing a Declaration of Estimated Tax
All business enterprises must complete Page 1, Declaration of Estimated Tax, on Form BR-25 for the current year.

Making estimated payments
All estimated payments must be made using form BR-PV. Payments can also be made on CRISP at crisp.columbus.gov. No extensions of time to file or pay will be granted.

For calendar year taxpayers, payments are due:

- April 15, 2024
- June 15, 2024
- September 15, 2024
- December 15, 2024

For fiscal year filers, payments are due:

- the 15th day of the fourth month, and
- the 15th day of the sixth month, and
- the 15th day of the ninth month, and
- the 15th day of the twelfth month of the business's year.

Each estimated tax payment made using Form BR-PV must be accompanied by a payment of at least 25% of the total estimated tax shown on Part C of Form BR-25 or include a credit carry-forward. Your business may apply credit for overpayment from a prior year return entirely to the first quarter payment or may divide the credit between each quarterly payment.

All 2024 quarterly estimated payments must total at least 90% of the total tax liability shown on the business's 2024 tax return ***or*** at least 100% of the total tax liability shown on the businesses 2023 tax return. If all estimated payments total an amount less than either of these criteria, or if payments are not made by the due dates listed above, the business will be subject to penalty and interest.

To amend a declaration of estimated city income tax, provide a written statement including the expected new tax liability, the tax year being amended and account number/FEIN. An amended declaration of estimated city income taxes may also be filed by going to CRISP at crisp.columbus.gov and submitting a web-request, which must include the expected new tax liability, tax year, and account number/FEIN.



*For additional payment vouchers, please visit **our website** and download Form BR-PV.*

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