

Do not staple or paper clip.



Rev. 8/17

2017 Ohio Schedule A

Income Adjustments – Additions and Deductions



17000302

Use only black ink.

SSN of primary filer

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3

Additions

(add income items only to the extent not included on Ohio IT 1040, line 1)

1. Non-Ohio state or local government interest and dividends.....	1.									0	0
2. Certain Ohio pass-through entity and financial institutions taxes paid	2.									0	0
3. Reimbursement of college tuition expenses and fees deducted in any previous year(s) and noneducation expenditures from a college savings account.....	3.									0	0
4. Losses from sale or disposition of Ohio public obligations.....	4.									0	0
5. Nonmedical withdrawals from a medical savings account	5.									0	0
6. Reimbursement of expenses previously deducted for Ohio income tax purposes, but only if the reimbursement is not in federal adjusted gross income	6.									0	0

Federal

7. Adjustment for Internal Revenue Code sections 168(k) and 179 depreciation expense.....	7.									0	0
8. Federal interest and dividends subject to state taxation	8.									0	0
9. Miscellaneous federal income tax additions.....	9.									0	0
10. Total additions (add lines 1 through 9 ONLY). Enter here and on Ohio IT 1040, line 2a	10.									0	0

Deductions

(deduct income items only to the extent included on Ohio IT 1040, line 1)

11. Business income deduction – Ohio Schedule IT BUS, line 11	11.									0	0
12. Employee compensation earned in Ohio by residents of neighboring states.....	12.									0	0
13. State or municipal income tax overpayments shown on the federal 1040, line 10.....	13.									0	0
14. Qualifying Social Security benefits and certain railroad retirement benefits	14.									0	0
15. Interest income from Ohio public obligations and from Ohio purchase obligations; gains from the sale or disposition of Ohio public obligations; public service payments received from the state of Ohio; or income from a transfer agreement	15.									0	0
16. Amounts contributed to an individual development account	16.									0	0
17. Amounts contributed to STABLE account: Ohio's ABLE Plan.....	17.									0	0

Federal

18. Federal interest and dividends exempt from state taxation.....	18.									0	0
19. Adjustment for Internal Revenue Code sections 168(k) and 179 depreciation expense.....	19.									0	0
20. Refund or reimbursements shown on the federal 1040, line 21 for itemized deductions claimed on a prior year federal income tax return	20.									0	0
21. Repayment of income reported in a prior year	21.									0	0
22. Wage expense not deducted due to claiming the federal work opportunity tax credit.....	22.									0	0
23. Miscellaneous federal income tax deductions.....	23.									0	0

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2017 Ohio Schedule A

Income Adjustments – Additions and Deductions



SSN of primary filer

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Uniformed Services

24. Military pay for Ohio residents received while the military member was stationed outside Ohio	24.							0	0
25. Certain income earned by military nonresidents and civilian nonresident spouses	25.							0	0
26. Uniformed services retirement income	26.							0	0
27. Military injury relief fund	27.							0	0
28. Certain Ohio National Guard reimbursements and benefits	28.							0	0

Education

29. Ohio 529 contributions, tuition credit purchases	29.							0	0
30. Pell/Ohio College Opportunity taxable grant amounts used to pay room and board	30.							0	0

Medical

31. Disability and survivorship benefits (do not include pension continuation benefits)	31.							0	0
32. Unreimbursed long-term care insurance premiums, unsubsidized health care insurance premiums and excess health care expenses (see instructions for worksheet)	32.							0	0
33. Funds deposited into, and earnings of, a medical savings account for eligible health care expenses (see instructions for worksheet)	33.							0	0
34. Qualified organ donor expenses (maximum \$10,000 per taxpayer)	34.							0	0
35. Total deductions (add lines 11 through 34 ONLY). Enter here and on Ohio IT 1040, line 2b	35.							0	0

2017 Ohio Schedule IT BUS

Business Income

Use only black ink and UPPERCASE letters.



17260102

SSN of primary filer [] [] [] [] [] [] [] [] [] [] [] []

Check to indicate which taxpayer earned this income:

Primary Spouse

Include on this Ohio Schedule IT BUS any income included in federal adjusted gross income that constitutes business income. See Ohio Revised Code (R.C.) section 5747.01(B). On page 2 of this schedule, list the sources of business income and your ownership percentage. Include the Ohio Schedule IT BUS with Ohio IT 1040 if filing by paper (see instructions if filing electronically).

Part 1 - Business Income From IRS Schedules

Note: Do not include amounts listed on the IRS schedules below that are nonbusiness income. See R.C. 5747.01(C). If the amount on a line is negative, place a "-" in the box provided.

Table with 8 rows for business income categories (Schedule B through Total) and columns for amount entry.

Part 2 - Business Income Deduction

Table with 3 rows for business income deduction (All business income, Filing status, Lesser of line 9 or 10).

Part 3 - Taxable Business Income

Note: If Ohio IT 1040, line 5 equals zero, do not complete Part 3.

Table with 3 rows for taxable business income (Line 9 minus line 11, Taxable business income, Business income tax liability).

Do not write in this area; for department use only.

Do not staple or paper clip.

2017 Ohio Schedule IT BUS

Business Income

SSN of primary filer



17260202

Part 4 – Business Entity

If you have more than 18 entities, complete additional copies of this page and include with your income tax return.

1. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
11. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
12. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
13. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
14. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
15. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
16. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
17. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>
18. Name of entity	FEIN / SSN	Percentage of ownership
<input type="text"/>	<input type="text"/>	<input type="text"/>

2017 Ohio Schedule IT BUS Instructions

IT BUS
Rev. 8/17

Ohio Schedule IT BUS is solely for use in determining taxable business income and business income tax liability for purposes of completing the Ohio IT 1040 individual income tax return. See Ohio Revised Code sections (R.C.) 5747.01(A)(31), 5747.01(B) and 5747.01(HH).

This schedule and instructions apply to all individual taxpayers who have business income. This schedule is used for recording all business income that is reported on IRS schedules B, C, D, E and F as well as any other items of business income and gain separately stated on the federal Schedule K-1 and the federal 4797, and miscellaneous federal income tax adjustments, if any.

Enter on this schedule the combined business income amounts from all sources. List the separate business entities on Part 4 on the back of the schedule.

Submit the IT BUS with the paper-filed Ohio IT 1040. If you are filing electronically, the IT BUS will be included in your software package.

This schedule is only used for individual taxpayers filing the Ohio IT 1040. Pass-through entities and trusts should not use this schedule.

Definitions

Business Income and Nonbusiness Income

"Business income" means income, including gain or loss, arising from transactions, activities and sources in the regular course of a trade or business and includes income from real, tangible and intangible property if the acquisition, rental, management and disposition of the property constitute integral parts of the regular course of a trade or business operation (R.C. 5747.01(B)).

Business income can be determined by using either two tests:

Transactional Test: Looks to the nature, frequency and regularity of the transaction.

Functional Test: Was the property an integral part of the business? Did the property contribute to business income in the past?

See *Kemppel v. Zaino*, 91 Ohio St.3d 420 (2001).

Also, "business income" consists of income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill.

In general, income, deductions, gains and losses recognized by a sole proprietorship or a pass-through entity are items of business income.

"Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends, distributions, patent or copyright royalties, and lottery winnings, prizes and awards (R.C. 5747.01(C)). Nonbusiness income should be excluded from the figures reported on this schedule.

Business Income From IRS Schedules (Part 1)

Important: Include on all lines only those items of business income that are included in the calculation of federal adjusted gross income. For example, losses that must be carried forward to future years due to federal rules should not be included on this schedule for the current year. **A taxpayer cannot simply list the amounts on these federal schedules on Ohio IT BUS.**

Line 1 – Schedule B, Interest and Ordinary Dividends

Enter on this line only taxable interest and ordinary dividends reported on the federal Schedule B that qualify as business income. Generally, interest and dividend income can only qualify as business income if it is generated from the regular course of trade or business (i.e., the primary business purpose is investing) or if it is generated from working capital and reinvested into the business.

Example: John reports \$1,500 of interest income on his federal Schedule B. \$200 of this interest is reported to him on the Ohio K-1 from a pass-through entity in which he has an ownership interest. This entity's primary business purpose is generating income through investments. The remainder of John's interest income is from personal, nonbusiness sources. John may only report \$200 on the Ohio IT BUS, line 1.

Line 2 – Schedule C, Profit or Loss from Business

Enter on this line the amount on your federal 1040, line 12. If the amount entered is negative, place a "-" in the box provided.

Example: Sam has a sole proprietorship that reports a net loss of -\$15,000 on federal Schedule C. Sam's wife Suzy has a sole proprietorship that reports a net profit of \$10,000 on federal Schedule C. The net Schedule C income reported on Sam and Suzy's federal 1040, line 12 is -\$5,000. Sam and Suzy must report -\$5,000 on the Ohio IT BUS, line 2.

Line 3 – Schedule D, Capital Gains and Losses

Enter on this line only capital gains or losses reported on the federal Schedule D that qualify as business income. Gains or losses reported on this line must be those that are generated in the ordinary course of business, from assets integral to the taxpayer's business operation, or from working capital and reinvested into the business. Gains or losses, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill should also be included on this line. If the amount entered is negative, place a "-" in the box provided.

Example: A farmer sells a tractor used in his wheat farming operation that generates a capital gain. The wheat cannot be harvested without the use of the tractor. Since the tractor was integral to the taxpayer's business operations, the capital gain can be reported on this line.

Example: Paul reports \$8,000 of capital gain income on his federal Schedule D. \$2,000 of this income is reported to him on the Ohio K-1 from a pass-through entity in which he has an ownership interest. This entity's primary business purpose is generating income through investments. The entity reports capital gains when selling its interest in an investment. The remainder of John's capital gain income is from personal, nonbusiness sources. John may only report \$2,000 on the Ohio IT BUS, line 3.

Line 4 – Schedule E, Supplemental Income and Loss

Enter on this line your net business income or loss reported on the federal Schedule E.

If your net amount from the federal Schedule E includes guaranteed payments from a pass-through entity in which you have less than a 20% direct or indirect ownership interest, those payments **must** be deducted from the amount entered on this line.

Example: Jane owns 15% of a pass-through entity. Jane reports \$100,000 of income on federal Schedule E from this entity. This amount consists of \$50,000 of ordinary income, a \$10,000 Section 179 depreciation deduction and \$60,000 of guaranteed payments. Generally, guaranteed payments are reported separately on the Ohio IT BUS on line 5 below (see the first example for line 5). So Jane reports the net amount of \$40,000 on the Ohio IT BUS, line 4.

Example: An individual has set up a trust that acts as an investor in a company. Income generated from the company is then distributed to the trust, which is then passed through to the individual. Since the income was generated from business activities, the amount reported by the individual would be included on this line.

Note: To consider distributions received from a trust as business income, the distribution must have been business income when it was originally earned.

For additional information, see our website at www.tax.ohio.gov/Business/BusinessIncomeTaxDeduction/FAQs.aspx

Line 5 – Guaranteed Payments, Wages and/or Compensation
Guaranteed payments, wages and/or compensation paid to you by a pass-through entity (S corporation, partnership, limited liability company treated as a partnership for income tax purposes, etc.) in which you have at least a 20% direct or indirect ownership interest; I.R.C. section 318 attribution rules do not apply in making this ownership determination.

Example: Continuing from the above example for line 4, Jane has \$60,000 of guaranteed payments reported on the Ohio K-1 from a pass-through entity in which she has a 15% ownership interest. Generally, guaranteed payments are not business income. Also, because Jane does not own at least 20% of the entity, the guaranteed payment cannot be reclassified as business income for purposes of the Ohio IT BUS or reported on line 5.

Example: Jim has a 30% ownership interest in a pass-through entity. Jim received \$50,000 of wages reported on a W-2 from that same entity, which he reported on the federal 1040, line 7. Because Jim owns 20% or more of the entity, the wages paid to him are considered business income for purposes of the Ohio IT BUS and are reported here on line 5.

Line 6 – Schedule F, Profit or Loss From Farming
Enter on this line the amount on your federal 1040, line 18. If the amount entered is negative, place a “-“ in the box provided.

Example: Mary reports \$45,000 of farming income on her federal 1040. Generally, farming income qualifies as business income so Mary reports \$45,000 on the Ohio IT BUS, line 6.

Line 7 – Other Business Income
Enter on this line any items of business income or loss included in your federal adjusted gross income that were not entered on lines 1 through 6. Include on this line any amounts reported on the federal 4797 that constitute business income. If the amount entered is negative, place a “-“ in the box provided.

Example: Mary, in addition to the income from the above example for line 6, sells a tractor that was used in her wheat farming operation. The sale of the tractor generates a gain of \$2,000 reported on the federal 4797. This tractor was a piece of business property that was integral to the taxpayer’s business operations. Therefore, the gain from its sale is considered business income and should be reported on the Ohio IT BUS, line 7.

For information about miscellaneous federal tax adjustments, see our website at www.tax.ohio.gov/other/Update.aspx.

Business Income Deduction (Part 2)

Line 9 – All Business Income
Enter on this line the lesser of line 8 from this schedule or your federal adjusted gross income (Ohio IT 1040, line 1).

If the amount entered on line 9 of this schedule is zero or negative, stop here and do not complete the rest of the schedule. You do not have a business income deduction or any taxable business income.

Line 11 – Business Income Deduction
Enter on this line the lesser of line 9 or line 10. This is your business income deduction. Enter this amount on Ohio Schedule A, line 11.

Taxable Business Income (Part 3)

Line 13 – Taxable Business Income
Enter on this line the lesser of line 12 from this schedule or Ohio adjusted gross income less exemptions (Ohio IT 1040, line 5). Enter here and on Ohio IT 1040, line 6.

Line 14 – Business Income Tax Liability
Using the flat 3% business tax rate, calculate your tax on your taxable business income (line 13). Enter here and on Ohio IT 1040, line 8b.

Business Entity (Part 4)

List the name of the entity, FEIN / SSN, and your ownership percentage of each entity from which you received business income or loss. If you have more than 18 sources of business income, include additional pages with this schedule.

Federal Privacy Act Notice

Because we require you to provide us with a Social Security number, the *Federal Privacy Act of 1974* requires us to inform you that providing us with your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax.

2017 Ohio Schedule of Credits

Nonrefundable and Refundable

Use only black ink.

SSN of primary filer

SSN input boxes



Nonrefundable Credits

Do not staple or paper clip.

Table with 24 rows of credit categories and corresponding input boxes for amounts.

Do not write in this area; for department use only.

Do not staple or paper clip.

Ohio Schedule J

Dependents Claimed on the Ohio IT 1040 Return



17230102

Use only black ink and UPPERCASE letters.

Tax Year SSN of primary filer (required)

2017

SSN input boxes

Do not list below the primary filer and/or spouse reported on the Ohio IT 1040. Use this schedule to claim dependents. If you have more than 15 dependents, complete additional copies of this schedule and include them with your income tax return. Abbreviate the "Dependent's relationship to you" below if there are not enough boxes to spell it out completely.

1. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

2. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

3. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

4. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

5. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

6. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

7. Dependent's SSN (required) Dependent's date of birth (MM/DD/YYYY - required) Dependent's relationship to you (required)

Dependent's first name (required) M.I. Dependent's last name (required)

Do not staple or paper clip.

Do not write in this area: for department use only.

Ohio Schedule J

Dependents Claimed on the Ohio IT 1040 Return



17230202

Tax Year

SSN of primary filer (required)

2017

10

Do not list below the primary filer and/or spouse reported on the Ohio IT 1040. Use this schedule to claim dependents. If you have more than 15 dependents, complete additional copies of this schedule and include them with your income tax return. Abbreviate the "Dependent's relationship to you" below if there are not enough boxes to spell it out completely.

Form with 8-15 rows for dependent information, including SSN, date of birth, relationship, first name, and last name with M.I. fields.

Ohio IT RE Filing Tips

Common documentation to include (do not include a copy of the original return)

A. Federal Return Changes (do not file with Ohio until IRS has accepted your changes)

A copy of the federal 1040X with a copy of the federal acceptance letter or refund check.
You may also provide a current Tax Account Transcript from the IRS.

B. Residency Status Change

A copy of your other state return, mortgage statement, lease agreement, utility bill, driver's license, voter registration, vehicle registration or any other document which provides evidence of your residency change.

C. Ohio Schedule A, deductions from income

Business income deduction – Ohio IT BUS (business income schedule), federal schedule(s) showing your business income, federal K-1(s), wage and income statement(s), along with any other supporting documentation.

Disability benefits – A copy of your 1099-R(s), federal return pages 1 and 2, wage and income statement(s), retirement plan, a letter from your employer from when your disability was approved, social security award letter, age at the time of disability.

Survivorship benefits – A copy of your 1099-R(s), federal return pages 1 and 2, wage and income statement(s), retirement plan, your relationship to the decedent, age of decedent at the time of death.

Unreimbursed long-term care insurance premiums, unsubsidized health care insurance premiums and excess health care expenses – A copy of Ohio's medical expense worksheet, federal schedule A, and proof of payments made.

D. Nonresident and Resident Credit

IT-NRC form (for nonresident credit), a copy of your other state return(s) (for resident credit), wage and income statement(s), proof of taxes paid to other states (cancelled checks, transcripts, etc.).

E. Increase in withholding / Pass-through Entity Credit

A copy of your wage and income statement(s), federal K-1(s), and/or Ohio IT K-1 form(s) supporting the withholding/credit being claimed.

Tips on Filing IT 1040 Amended Tax Return

1. When not to file an amended return

- a) Math errors - The Ohio Department of Taxation will make corrections and issue a notice.
- b) Missing schedules - You'll be contacted to provide such information. Please respond to the notice with supporting documentation.
- c) Demographic errors – If an error has been made on the taxpayer name, address, and/or SSN, provide a copy of a driver's license, social security card, or utility bill which has the correct address on it.
- d) Missing withholding/refundable credits – The Ohio Department of Taxation will send a variance notice if W2/1099/K1/certificate is needed. Respond to the notice with the missing wage statements/K1/certificates showing withholding/refundable credits.

NOTE: Generally, any time a taxpayer receives a variance notice, respond to the notice with documentation which will support the income/deductions/credits claimed. Most instances would not require an amended return to be filed.

2. Provide as much detail as possible on amended returns

Please utilize the "Detailed explanation" section on page 1 to fully explain exactly what you're changing on the return.

3. Pay additional tax

Please include an IT 40XP payment voucher along with your payment.

