



# Ohio Municipal Net Profit Tax

## General Information for Municipalities



**Department of  
Taxation**

**Ohio Municipal Net Profit Tax (MNP)  
General Instructions and Information for  
Municipal Corporations**

The enactment of Amended Substitute House Bill 49 (132nd General Assembly) provides business taxpayers the option, beginning with the 2018 tax year, to file one municipal net profit tax return through the Ohio Business Gateway for processing by the Ohio Department of Taxation (the Department). The Department will handle all administrative functions for those centrally filed returns and will distribute payments to the appropriate municipalities. The Department will also handle audits and appeals.

**Registration (Opt-in) for Taxpayers**

Taxpayers that choose to file with the Department must make an election on or before the fifteenth day of the fourth month of their taxable year. For example, taxpayers that operate on a calendar year basis are required to opt-in on or before April 15th of the taxable year they intend to file with the Department.

*Ineligible Elections*

Sole proprietors and disregarded entities are not eligible to opt-in with the Department and should continue to file with municipalities.

For the effective administration of the municipal net profit tax, the Department will provide a report to each municipal corporation on a monthly basis that includes the names of taxpayers that opted to file with the Department along with the names of their affiliates provided on the taxpayer's registration. In addition, upon registration, the taxpayer is asked whether they grant the Department permission to list their company's information (name, address, FEIN) on the Department's website. This will allow municipal corporations to self-serve to see who has opted in. Only those taxpayers that agree to this limited waiver of confidentiality will be listed.

Beginning in 2022, the Department will provide a report to each municipal corporation on a quarterly basis that includes the names of taxpayers that opted-out of filing with the

Department. The information will be provided to the municipal corporations based on the taxpayer's most recent declaration or tax return.

**Requirements for Municipal Corporations**

1. **Certification of Tax Rate** – On or before January 31st of each year, each municipal corporation (including JEDDs and JEDZs) imposing a tax must certify to the tax commissioner the tax rate in effect as of January 1st of that year. If there is a tax rate change after January 31st that takes effect that year, the municipal corporation must certify the new rate to the commissioner not less than 60 days before the effective date of the new rate.
2. **Provide Contact Information** – On or before January 31st of each year, every municipal corporation having taxpayers that opted-in with the commissioner pursuant to R.C. 718.80 must provide the name and mailing address of up to two persons who will receive information from the commissioner.
3. **Provide Tax Credit Information** - On or before January 31, 2018 (or January 31st of the first year in which a taxpayer is eligible to receive a credit), each municipal corporation must provide to the commissioner a copy of the tax credit agreement and a copy of the ordinance/resolution authorizing the agreement for any credits granted pursuant to R. C. 718.15 or 718.151.
4. **Provide Taxpayer Information** - If any taxpayer from the municipal corporation opts-in with the Department, the taxpayer and the Department will notify the municipal corporation and the municipal corporation must submit the following to the commissioner:
  - a. The amount of net operating loss the taxpayer is entitled to carry forward to a future tax year.

- b. The amount of net operating loss carryforward utilized by the taxpayer in prior years.
- c. Information regarding tax credits granted by the municipal corporation, including: the amount of credits, whether the credits may be carried forward to future tax years, and the duration of such carryforward.
- d. Amount of any overpayments the taxpayer elected to carry forward.
- e. Any other information the municipal corporation deems relevant in order to effectuate the commissioner's efficient administration of the tax on the municipal corporation's behalf (for example, a revenue sharing agreement or approved alternate apportionment method).

This information can be reported through the Local Government Portal or on form MNP-TTI, Municipal Net Profit Tax Transfer of Taxpayer Information, and sent to the Department. The form is included in this booklet and is also available on the Department's website at: <http://www.tax.ohio.gov/Forms.aspx>.

### Timing of Information

In order to have the most up-to-date taxpayer information, the municipal corporation should send the taxpayer information outlined in Item 4 above no later than fifteen days following the taxpayer's opt-in year with the Department. For example, a calendar year filer opting-in for tax year 2022 would require the information to be submitted no later than January 15th, 2023.

### Submitting Information to the Department

The Department developed a Local Government Portal that allows municipalities' authorized recipients to securely submit information to the Department and receive reports and other taxpayer information. A Local Government Portal User Guide is available on the Department's website.

### Requirements for JEDDs and JEDZs

JEDDs and JEDZs have the same reporting requirements as all other municipal corporations (see preceding section, **Requirements for Municipal Corporations**). In addition, proposed Ohio Administrative Code (O.A.C.) Rule 5703-41-02 requires the board of directors for each JEDD and JEDZ to do the following:

1. Provide the commissioner a signed copy of the contract and a map of the JEDD or JEDZ within 30 days of the effective date of the rule or within 30 days of the effective date of the contract, whichever comes later.
2. Provide the commissioner a signed copy of any amendment to the contract within 30 days of the effective date of the rule or within 30 days of the effective date of such amendment, whichever comes later.
3. Notify the commissioner if a contract is renewed, terminated, or canceled, or if any change is made to the map of the JEDD or JEDZ at least 30 days prior to the effective date of the renewal, termination, cancelation, or change.
4. Notify the commissioner which municipal corporation is charged with administering, collecting, and enforcing the municipal net profit tax on behalf of the JEDD or JEDZ and provide the commissioner a copy of the agreement and any amendments to the agreement as follows:
  - a. Provide a copy of the signed agreement within 30 days of the effective date of the rule, or within 30 days of the effective date of the agreement, whichever comes later.
  - b. Provide a copy of any signed amendment to the agreement within 30 days of the effective date of the rule, or within 30 days of the effective date of such amendment, whichever comes later.

## Requirements for the Ohio Department of Taxation

1. **Distribution of Funds** - On or before the last day of each month, the commissioner must certify the amount to be paid to each municipal corporation, based upon amounts reported on annual returns and declarations of estimated tax, reduced by any amounts previously distributed and net of any audit adjustments made or refunds granted by the commissioner for the calendar month preceding the month of certification. Not later than the 5th day of each month, electronic payment of the amount certified will be made to each municipal corporation.

A pro-rata share of any investment earnings accruing to the fund will be distributed as part of the distributions made in March, June, August, and December. A detailed distribution report will be mailed under separate cover. A draft copy of this report is available in the appendix of this information booklet.

2. **Estimated Payment Information** – Within 30 days of each distribution, the commissioner must provide to each municipal corporation the name and federal employer identification number of each taxpayer that made an estimated payment to the municipal corporation and the amount of the payment. The Department will include this information on the monthly distribution report.
3. **Refund Information** – Upon the issuance of a refund, the commissioner must notify each municipal corporation of the amount refunded to the taxpayer attributable to that municipal corporation. The Department will include this information on the monthly distribution report.
4. **Provide Taxpayer Information** - In May and November each year, the commissioner must provide each municipal corporation with the information outlined below for each

taxpayer that filed a return with the Department with income apportioned to that municipal corporation:

- a. The taxpayer's name, address, and federal employer identification number.
  - b. The taxpayer's apportionment factor and municipal taxable income apportioned to the municipal corporation.
  - c. The amount of any pre-2017 net operating loss carryforward utilized by the taxpayer.
  - d. Whether the taxpayer requested any overpayment be carried forward.
  - e. The amount of any tax credit claimed under R.C. 718.94.
5. **Audit** – The municipal corporation may refer a taxpayer for audit if the municipal corporation has additional information that could result in a change of tax liability. The commissioner will review the referral and may conduct an audit based on that information.

### Contact Us

If you are interested in receiving tax alerts regarding the municipal net profit tax, please subscribe at <http://www.tax.ohio.gov/ohtaxalert.aspx>.

For questions regarding the municipal net profit tax, please contact the Department at 1-844-238-0403 or via e-mail at [MNPTax@tax.ohio.gov](mailto:MNPTax@tax.ohio.gov)



**Department of Taxation**

P.O. Box 16158  
Columbus, OH 43216-6158  
Phone: (844) 238-0403  
Fax: (206) 666-4462

MNP TTI  
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## Municipal Net Profit Tax Transfer of Taxpayer Information

Municipality Name

Taxpayer FEIN

Taxpayer Name

Taxpayer does not have a municipal net profit filing requirement in this municipality.

The information provided is from the return for taxable year beginning

The taxpayer has not yet filed its final return with this municipality for the taxable year referenced above. We will provide the required information within 45 days of the filing of the final return, but no later than the first day of the last month of the taxpayer's fiscal year.

The taxpayer filed a consolidated return.  
*If box is checked, please include a list of the members (legal name and FEIN).*

The taxpayer filed using alternative apportionment.  
*If box is checked, please include information regarding any existing alternative apportionment agreements.*

Amount of overpayment to carry forward \$

**Net Operating Loss Schedule (All Years)**

Number of years a pre-2017 NOL can be carried forward in this municipality:

Pre-2017

Year (YYYY)					
Loss	\$	\$	\$	\$	\$
Amount Used	\$	\$	\$	\$	\$
Remaining Available NOL	\$	\$	\$	\$	\$

2017 & After

Year (YYYY)					
Loss	\$	\$	\$	\$	\$
Amount Used	\$	\$	\$	\$	\$
Remaining Available NOL	\$	\$	\$	\$	\$

**Credit Agreements**

**Refundable Credits**

Type of Credit (JCTC or JRTC)	Number of Years Credit is Available (#)	Amount Allowed Each Year (\$xxx,xxx.xx)

**Non-Refundable Credits**

Type of Credit (JCTC or JRTC)	Year Earned (YYYY)	Amount of Credit (\$xxx,xxx.xx)	Amount Remaining (\$xxx,xxx.xx)	Carry Forward Years (#)

Mail to: Ohio Dept. of Taxation, Business Tax Division, P.O. Box 16158, Columbus, OH 43216-6158

**Sign here (required):** Under penalties of perjury, I declare that, to the best of my knowledge and belief, the information provided is true, correct and complete.

Contact's Signature \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Ohio Department of Taxation**  
**Municipal Net Profit Tax**  
**Distribution Report**

Accounting Period: [REDACTED]

Municipality: [REDACTED]

Taxpayer Name	FEIN	Taxable Year	Estimated Payment Collections	Return Payment Collections	Bill Payment Collections	Assessment Payment Collections	Certified Payment Collections	Audit Payment Collections	Gross Collections	Refunds	Refundable Credit Adjustment	Refundable Credit Admin Fee Adjustment		
[REDACTED]	[REDACTED]	2018	\$0.00	\$1.09	\$0.00	\$0.00	\$0.00	\$0.00	\$1.09	\$0.00	\$0.00	\$0.00		
		<b>\$0.00</b>	<b>\$1.09</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1.09</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		
		2018	\$0.00	\$101.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101.40	\$0.00	\$0.00	\$0.00	
		<b>\$0.00</b>	<b>\$101.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$101.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
		2018	\$0.00	-\$56.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$56.37	\$0.00	\$0.00	\$0.00	
		2019	\$6.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6.79	\$0.00	\$0.00	\$0.00	
		<b>\$6.79</b>	<b>-\$56.37</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$49.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
		<b>Overall - Total</b>			<b>\$6.79</b>	<b>\$46.12</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$52.91</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Gross Collections less Refunds	\$52.91	Net Collections plus Refundable Credit Adjustment less Administrative Fee	\$52.65
Adjustments	\$0.00	Interest Earned	\$0.00
Net Collections	\$52.91	Distribution Previously Withheld	\$0.00
Administrative Fee	\$0.26	Distribution Forwarded from Last Allocation	\$0.00
Refundable Credit Administrative Fee Adjustment	\$0.00	Total Available for Distribution	\$52.65
Total Administrative Fee	\$0.26	Distribution Currently Withheld	\$0.00
		Distribution Forwarded to Next Allocation	\$0.00
		<b>Net Distribution</b>	<b>\$52.65</b>

\*\*\* END OF REPORT \*\*\*  
 \*\*\* ODT Sensitive Information \*\*\*