Ohio Department of
TAXATION
Personal Property Tax Division
30 E. Broad St., 21st Floor ● Columbus, OH 43215

Guidelines for Filing Ohio Personal Property Tax Returns

2006 Edition

This booklet is published to provide general information about tangible personal property taxes for businesses. The booklet does not apply to all situations, and is not intended as a substitute for the law itself or for professional tax advice. (Revised 11/05)

Table of Contents

What's New for 2006 5

Reminders 6

Frequently Asked Questions 7

Taxpayer Service Center Locations 9

Introduction/Definitions 10

Business Activities and Composite Group Life Classes 16

Special Instructions for New Taxpayers 23

Sample Tax Return of a New Taxpayer, Form 920NT 24

Sample Tax Return of a Merchant, Form 920 30

Sample Tax Return of a Manufacturer, Form 920 40

Definitions and General Instructions for Form 945 51

Instructions for Preparing Form 945 53

Sample Tax Return of a Consolidated Inter-county Business, Form 945 55

Instructions for Computer Preparation of Recapitulation Page 64

Sample Form 913EX 80

Sample Form 945S 85

Sample Form 902 86

What's New for 2006

As part of Ohio's tax reform initiative, the state's recently passed budget bill, Am. Sub. H.B. 66 (126th General Assembly), phases out the personal property tax on general business machinery and equipment, inventory, and furniture and fixtures over four years. The list percentages for the phase-out period can be found in Ohio Revised Code (R.C.) 5711.22 and are as follows:

Return Year	List Percentage
2006	18.75%
2007	12.50%
2008	6.25%
2009	0.00%

Additionally, all manufacturing equipment first placed in service in Ohio by a manufacturer on or after Jan. 1, 2005, is immediately exempt. "Manufacturing equipment" includes machinery, equipment, tools, implements and patterns, jigs, dies and drawings used at a manufacturing facility by a manufacturer. A "manufacturing facility" is a facility or portion of a facility used for manufacturing, mining, refining, rectifying or combining different materials with a view to profit. In addition to supplying new definitions for "manufacturing equipment" and "manufacturing facility," R.C. 5711.16, as amended by Am. Sub. H.B. 66, provides definitions for "manufacturer" and "manufacturing inventory." New manufacturing equipment meeting this definition should be listed at 0% of its true value beginning with the 2006 return (R.C. 5711.22).

Schedule 5 has been added to this form to report only that manufacturing equipment that is exempt as a result of this change. All manufacturing equipment first used in business prior to Jan. 1, 2005 is required to be listed and assessed in Schedule 2. "Schedule 5 – Grains," included in the Inter-County Return of Taxable Business Property (form 945), is now "Schedule 6 – Grains."

Note that the new manufacturing definitions apply to property required to be listed in Schedule 2. Only taxpayers meeting the new manufacturing definitions should report the value of manufacturing equipment, placed in service prior to Jan. 1, 2005, in Schedule 2. All other equipment should be reported in Schedule 4.

Am. Sub. H.B. 66 also phases out the grain handling tax. For the 2006 form 925, Return of Grains Handled return, and inter-county return Schedule 6, the tax rate for grain handling is lowered to 1/4 mill per bushel for wheat and flax, and 1/8 mill for all other grains handled. No return is due in 2007 or any year thereafter.

Am. Sub. H.B. 66 changed the method used to calculate the interest rate applied to personal property tax underpayments and overpayments, effective July 1, 2005. Previously, the interest rate was equal to the federal short-term rate plus 3%. Under revised law, the interest rate will be equal to the federal short-term rate without any adjustment.

Reminders

- Within Ohio's 88 counties there are more than 4,000 possible taxing jurisdiction combinations. They are composed of unique combinations of cities, townships, villages, school districts, safety districts, etc. **Each district is identified by a unique number within each county and also at the state level for the inter-county return.** As a local source of revenue, the personal property tax rates are also unique for each jurisdiction. To ensure that your personal property is listed in the correct taxing district and your tax liability is computed based upon the correct tax rate, you should **1)** contact your local county auditor to verify – by address – the correct taxing district in which your property is located; or **2)** refer to last year's personal property preliminary or amended assessment certificate or real estate bills for the correct taxing district name and number.

- A personal property tax return (form 920 or form 945) is no longer required to be filed if the listed value *before* exemption is $10,000 or less.

- For those using a software package to create your personal property tax return, remember to incorporate into your existing data any amended assessments showing taxing district changes made subsequent to filing your original 2005 personal property tax return. For an inter-county return, make sure the recapitulation page is printed and submitted in landscape view. Recapitulation pages printed and submitted in portrait view are unacceptable and will be returned to the taxpayer for correction and resubmission prior to the due date.

- Taxpayers having tangible personal property used in business and located in only **one** Ohio county must file form 920 with the appropriate county auditor. Taxpayers having personal property used in business and located in **more than** one Ohio county must file form 945 with the tax commissioner. An inter-county tax return filed with the tax commissioner reporting personal property values in only one county will be forwarded to the appropriate county auditor for assessment. The taxpayer will be notified immediately of this action since at least one-half of the total tax due will need to be submitted to that county within 10 days of the county's receipt of the reported values to avoid a late-filing penalty.

- In every case, the taxpayer's mailing address of record must be recorded on the face of the inter-county return. If the taxpayer wishes to have the assessment and bill(s) associated with the return to be mailed to a tax representative or a registered agent, **(1)** the appropriate box on the front of their return must be checked, **(2)** a letter of authorization on the taxpayer's stationery must accompany the return and **(3)** Section 2 on the contact and signature page (form 945) or the appropriate area of the Declaration section (form 920) must be completed with the tax representative's or agent's mailing address.

- The Ohio Revised Code does not authorize the use of "divisions" as a reporting mechanism when filing a consolidated personal property tax return – the entity owning the property must list that property. The department allows the use of the "division" designation as a courtesy to our taxpayers. Any use of "divisions" must be properly identified according to the legal entity actually owning the property. The parent or subsidiary company must first be identified at the top of the recapitulation page with all "divisions" belonging to that parent or individual subsidiary company being listed beneath. Any "division" designation used on the inter-county recapitulation page without properly identifying the actual owner of the listed property (parent or subsidiary) will result in the department's disallowance of that taxpayer using the "division" designation on future returns.

- Commonly used **2006** tax forms and schedules are available on our Web site at **tax.ohio.gov**, most in both downloadable and fill-in formats.

- Applications for an extension of time to file the inter-county return (form 945) may be made by regular or certified mail (preferred method), authorized delivery services, fax or e-mail. Please note, however, that all extension requests **must be received** by the tax commissioner on or before April 30 to be considered. Mechanical and electronic failures do occur so if you choose to submit your request by fax or e-mail, you assume the risk that it has been received by our office. Likewise, applications sent by regular mail will be considered timely only if they are **received** by our office on or before April 30. The U.S. postmark date will **not** be accepted as the date of receipt. However, as with the tax return itself, if the extension application is sent by certified mail or authorized delivery service, the date of mailing will be accepted as the date received by the tax commissioner. Confirmation of receipt of your request cannot be made; the only confirmation sent will be of the granted extension. Please allow up to six weeks to receive your granted extension confirmation.

- The 2006 Tax Rate Booklet and Guidelines Book will not be available as printed publications. However, both publications will be available on our Web site by March 2006. Again, the Tax Rate Booklet will contain both the county version and the corresponding state taxing district numbers that are required to be used when filing the inter-county tax return.

Frequently Asked Questions

What is personal property?

Personal property is every tangible thing that is owned, except real property. Real property is defined as land, growing crops, all buildings, structures, improvements and fixtures on the land.

Who must file?

If you are engaged in business in Ohio and have property located in Ohio on Jan. 1 **(and have a total listed value of more than $10,000)**, you must file a return.

What tax return forms should I use? Where do I obtain forms?

Those taxpayers with property in only one county must file ***form 920, County Return of Taxable Business Property*****.** Obtain form 920 from the county auditor in whose county the property is located or on the Ohio Department of Taxation's Web site. If property is located in more than one county, ***form 945, Inter-County Return of Taxable Business Property,*** must be filed. Obtain this form from the tax commissioner or the Department of Taxation's Web site.

When is the return filed?

Forms 920 and 945 are filed between Feb. 15 and April 30. An extension of time to June 15 may be requested from the county auditor in the county where the return is required to be filed (form 920) or from the tax commissioner (form 945). The postmark date does not constitute timely filing of the return unless certified mail or an approved delivery system is used. Otherwise, the return must be **received** by the county auditor or tax commissioner on or before the due date to be considered timely filed.

Where is the return filed?

Form 920 is filed with the county auditor in the county in which the business is located. Taxpayers located in more than one county must file an inter-county return (form 945) with the tax commissioner.

What property is taxed?

Tangible personal property used in business is taxed. This includes machinery and equipment, furniture and fixtures, small tools, supplies and inventory held for manufacture or resale.

What is the $10,000 exemption?

Each taxpayer is entitled to an exemption not greater than $10,000 of listed value. This exemption is deducted from the total listed value in the taxing district with the greatest listed value. If there is an excess, the balance is deducted from the district with the next greatest listed value.

How is the tax calculated?

The tax is based on the true or market value of the property. In the case of fixed assets, the value is the cost less an allowance for depreciation depending on age. In the case of inventory, the average of the cost of inventory on hand at the end of each month is the value. The values are reduced to taxable or listed values and multiplied by the local tax rate. This tax rate varies according to location and is based on the tax rates for real property.

Which taxing district should I use?

Tangible personal property is required to be listed in the taxing district where it is physically located on listing date. Refer to your real estate tax bills or contact your county auditor for your proper taxing district information.

What is true value?

The true value of depreciable tangible personal property is its book cost less book depreciation, unless the tax commissioner or a taxpayer using the prescribed prima facie valuation procedure finds that the depreciated book value is greater or less than the true value of such property.

When are the taxes paid?

When form 920 is filed, one-half of the total tax must be paid, and the second half must be paid by Sept. 20. A bill is mailed by the county treasurer to indicate the amount due. When form 945 is filed, the appropriate county treasurer will mail a bill indicating the amoung due and payable by Sept. 20.

Is there a minimum amount of tax?

If the total tax due is less than $2, then no payment is required. If the total listed value of the return is less than $10,000, no return is required to be filed.

What if I file after the due date?

If the return is filed late, the assessor will add a penalty of up to 50% of the remaining listed value after the full $10,000 exemption is applied.

What if I make a late payment?

Late paid taxes are subject to a 10% late payment penalty and also to interest charges. The interest is applied monthly and is based on the current market rate.

What if my business began after Jan. 1?

Those taxpayers who begin business after Jan. 1 must file a "new taxpayer return" (form 920NT) within 90 days of beginning business. The amount of tax is prorated according to the number of full months left in the calendar year.

What if my business stops after Jan. 1?

If business stops or property is sold after Jan. 1, a full return is still due. However, a return will not be required for the following year.

Are other forms required?

Form 902, Claim for Deduction from Book Value: File this form if the value you claim is less than depreciated book value, as shown on your books and records. This deduction must be reflected in the "true value" as represented on the return schedules and recapitulation of listed value.

Form 913EX, Report of Exempt Personal Property Located in an Enterprise Zone or a Hazardous Substance Reclamation Area: This form is required when an exemption for property located in an enterprise zone is claimed and to calculate the taxable property within a zone.

Form 925, Return of Grains Handled: This form is required to be filed by those taxpayers who handle grain.

Form 937, True Value Computation: This form is required to be filed when using the prescribed true value computation.

What approved delivery services can I use to mail my return?

Approved delivery services include:

- Federal Express Corp – FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2nd Day Air
- United Parcel Service – UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M.

Tax forms may be obtained from your county auditor or the tax commissioner, P.O. Box 530, Columbus, OH 43216-0530. They may also be downloaded from the Ohio Department of Taxation's Web site at tax.ohio.gov.

Ohio Department of Taxation
Taxpayer Service Center Locations

Walk-in services are available at all office locations
Monday through Friday 8:00 a.m. to 5:00 p.m.

AKRON Taxpayer Service Center
Akron Government Center
161 South High St.
Suite 501
Akron, OH 44308-1600

CINCINNATI Taxpayer Service Center
900 Dalton Avenue at West 8th St.
Cincinnati, OH 45203-1171

CLEVELAND Taxpayer Service Center
615 West Superior Ave.
Fifth Floor, Suite 570
Cleveland, OH 44113-1891

COLUMBUS Taxpayer Service Center
4485 Northland Ridge Blvd.
Columbus, OH 43229
OR
30 East Broad St., 20th Floor
Columbus, OH 43215

DAYTON Taxpayer Service Center
Centre City Offices
40 S. Main St., 5th Floor
Dayton, OH 45402-2043

TOLEDO Taxpayer Service Center
One Government Center, Suite 1400
Toledo, OH 43604-2232

YOUNGSTOWN Taxpayer Service Center
242 Federal Plaza West, Suite 402
Youngstown, OH 44503-1294

ZANESVILLE Taxpayer Service Center
601 Underwood St.
Zanesville, OH 43701-3786

IRS Offices in:
Cincinnati, Cleveland, Columbus,
Dayton and Toledo
8:00 a.m. to 4:30 p.m., Monday-Friday

For Deaf, Hearing-Impaired or Speech-Impaired Who Use TTY or TDD Only:
Please contact the Ohio Relay Service at 1-800-750-0750 and give the communication assistant the Ohio Department of Taxation telephone number you wish to contact.

Volunteer Tax Assistance Program (VITA) and Tax Counseling for the Elderly (TCE)
These programs help older, disabled, low-income and non-English-speaking people fill in their state and federal returns. For locations in your area call the Internal Revenue Service at 1-800-829-1040. If you received an Ohio and/or federal income tax package in the mail, take them with you when you go for help.

The Ohio Department of Taxation is an Equal Opportunity Employer.

Introduction

This booklet is published to provide general information about tangible personal property taxes for businesses. This booklet does not apply to all situations and is not intended as a substitute for the law itself or for professional tax advice.

The explanations and completed examples in this booklet do not apply to persons engaged in business as a financial institution or dealer in intangibles, or an insurance company except when those taxpayers lease property to others. Persons who are engaged in these businesses should write the tax commissioner for further information specific to their reporting requirements. Taxpayers who are public utilities also have different reporting requirements, as will those who lease property to public utilities when that property is used directly in the rendition of a public utility service.

As part of Ohio's tax reform program, the personal property tax for general businesses will be phased out over four years beginning in 2006. The new laws also provide an immediate exemption for certain new property used for manufacturing or mining in Ohio. Please see the "What's New for 2006" page at the beginning of this booklet for more information.

General Administration of the Tangible Personal Property Tax

Each county auditor places on their county's general tax list the values presented by each single county taxpayer as filed on the annual returns, and the inter-county values preliminarily assessed by the tax commissioner. A duplicate of this list is presented to the respective county treasurer for the preparation and mailing of tax bills, and the subsequent collections.

Preliminary assessed values of general business personal property are determined by the taxpayer, based upon requirements of the Ohio Revised Code, Ohio Adm. Code and the directives and guidelines prescribed by the tax commissioner. Businesses with taxable personal property in one Ohio county file a County Return of Taxable Business Property, form 920, in duplicate with the respective county auditor. Businesses with taxable personal property in more than one county file an Inter-County Return of Taxable Business Property, form 945, with the tax commissioner.

Personal property tax collections are distributed by the county auditor to the local jurisdictions, e.g., county governments, municipalities, townships, school districts and special districts according to the allocated value times the total millage levied by each jurisdiction. Approximately 70% of the collected revenue is allocated to primary and secondary education.

In completing a Return of Taxable Business Property you are required to disclose the valuation methods used for determining "true value" of your personal property. Disclosure of valuation methods used should not be construed as prime facie acceptance by the tax commissioner of their use.

The tax commissioner is also responsible for assessing all unreported personal property and auditing the preliminary assessments to determine that taxable property values are based upon "true value in money."

If you discover an error after filing a Return of Taxable Business Property, an Application for Final Assessment may be filed with the tax commissioner to initiate a review of the values assessed.

Common questions and answers are contained in the following pages of this booklet. If you need further assistance, please call or visit your local county auditor, or call or visit one of the taxpayer service centers of the Ohio Department of Taxation.

Definitions

Real Property – items of property devoted primarily to the general use of the land, growing crops, buildings, structures and improvements are to considered as real property. (Ohio Revised Code [R.C.] 5701.02).

Personal Property – all other items of property, including structures, fixtures, foundations and all things accessory thereto, that are devoted primarily to the business conducted on the premises are to be considered as personal property. (R.C. 5701.03)

Taxpayer – means any owner of taxable property, and includes every person residing in, incorporated or organized under the laws of this state, or doing business in this state, or owning or having a beneficial interest in personal property in this state. (R.C. 5711.01 (b))

Business, Used in Business – business includes all enterprises except agriculture, conducted for gain, profit or income, and extends to personal service occupations. Personal property is used in business when held as a means for carrying on the business, kept and maintained as a part of a plant capable of operation, or stored or kept on hand as material, parts, products or merchandise. (R.C. 5701.08)

Taxing Districts – Property other than merchandising and manufacturing inventories must be listed in the taxing district where it is physically located on the tax listing date. Merchandising and manufacturing inventories must be listed based upon the average monthly inventory value for **each** taxing district in which the taxpayer had inventories during the 12-month period ending on the tax listing date.

Taxing district names normally consist of a township, city or village and school district. Cities may have more than one taxing district located within their boundaries. Taxing district numbers vary by county and may be numeric or alphanumeric at the county level. State taxing district numbers differ from county taxing district numbers in most cases. The state taxing district number is required when filing the Inter-County Return of Taxable Business Property (form 945). When form 920 is filed, the state taxing district number is requested, if known. Both state and county taxing district numbers are published in the 2006 Tax Rates Book located at tax.ohio.gov. If you do not know your taxing district name or number, check your real

estate bills or contact your county auditor with the physical location of the property.

Public Utility – means each person referred to as a telephone company, telegraph company, electric company, natural gas company, pipeline company, waterworks company, water transportation company, heating company, rural electric company or railroad company, includes interexchange telecommunications company. (R.C. 5727.01 (A)(I))

Manufacturer – generally means a person who purchases, receives or holds personal property for the purpose of adding to its value by manufacturing, refining, rectifying or combining different materials with a view to profit. Please see R.C. 5711.16(A)(1) for the full definition.

Manufacturing equipment – generally means machinery and equipment, and tools and implements, including any associated patterns, jigs, dies, drawings and business fixtures used at a manufacturing facility by a manufacturer, and includes any such property leased to the manufacturer. Please see R.C. 5711.16(A)(2) for the full definition.

Manufacturing facility – generally means a facility or portion of a facility used for manufacturing, mining, refining, rectifying or combining different materials with a view to profit. Although some portions of a facility used for related functions may still qualify as manufacturing facilities, the definition does not include portions of a facility used for retail sales. Please see R.C. 5711.16(A)(3) for the full definition.

Manufacturing inventory – generally means all articles purchased, received or held for manufacturing and all articles that were changed by a manufacturer during the manufacturing process. Please see R.C. 5711.16(A)(4) for the full definition.

Merchant – is a person who owns or has in possession or subject to his control, or has been consigned to him, personal property within this state with authority to sell it, with a view to being sold at an advanced price or profit. (R.C. 5711.15)

New Taxpayer – is a person who engages in business in this state on or after Jan. 1 in any year. (R.C. 5711.03)

Listing Date – generally will be the close of business on Dec. 31 of the preceding year. However a taxpayer using a fiscal year-end other than Dec. 31 for federal income tax purposes must use the last preceding fiscal year-end as the tax listing date. If such taxpayer has not been in business in Ohio for a full 12 months preceding the fiscal year-end, he or she must use a Dec. 31 listing date. Alternate listing dates may be authorized or required under certain circumstances.

Tangible Personal Property

All tangible personal property is taxable when used in business. The tax commissioner is the assessor of all such property with each county auditor serving as a deputy of the tax commissioner for such purposes.

Tangible personal property is reported by the filing of an annual tax return with either the county auditor or the tax commissioner. For 2006, tangible personal property is assessed or listed at 18.75% of its true value in money.

Tangible personal property taxes are based on the assessed value of the property and the tax rate for the taxing district where the property is located. This rate is the same as for real property, except that some reductions in the real property tax rates do not apply to personal property tax rates. The taxes are collected by the county treasurers and are used for the same purposes as those from real property taxes.

Filing Requirements

Each taxpayer must file an annual return and list all taxable property as to ownership, valuation and taxing district. Taxpayers with a listed value of $10,000 or less are no longer required to file an annual return. Tax returns must be filed between Feb. 15 and April 30. An extension of time to file the return may be obtained from the official with whom the return must be filed. Approved extensions are granted until June 15th. New taxpayers have different filing requirements for the year in which they engage in business in Ohio.

Tax Forms

Form 920, County Return of Taxable Business Property, is to be used by all taxpayers except those with property in more than one county. This form may be obtained from and must be filed with the auditor of the county in which the property is located. Form 920 is required to be filed in duplicate.

Form 945, Inter-County Return of Taxable Business Property, is to be used by taxpayers having taxable property in more than one county. This form is obtained from and must be filed with the tax commissioner, P.O. Box 530, Columbus, OH 43216-0530. Both returns are available on the department's Web site at tax.ohio.gov.

Supplemental Forms

Unless otherwise indicated, the following forms may be obtained from the official with whom the tax return is filed, and must accompany the tax return at the time of filing.

Form 902, Claim for Deduction from Book Value, is to be filed by taxpayers claiming values less than net book value. This form must accompany the tax return at the time of filing.

Form 913EX, Return of Exempt Personal Property, is to be filed by taxpayers with exempt property located in an Urban Jobs and Enterprise Zone or Hazardous Substance Reclamation Area.

Form 921, Ohio Balance Sheet, must be filed by every taxpayer required to file a personal property tax return. This form is a confidential document and should accompany the tax return at the time of filing, or may be mailed separately to the tax commissioner.

Form 925, Return of Grains Handled, is required to be filed by all taxpayers engaged in the business of handling grain.

Form 310, For Storage Only, is a worksheet used to calculate inventory held for storage only in any warehouse in Ohio if actual figures are not available.

Form 937, True Value Computation, is to be used by taxpayers valuing property based on the tax commissioner's prescribed composite group life classes.

Form 945S, County Supplemental Return, must be filed by taxpayers required to file form 945 when the taxable value in a taxing district increases or decreases from the value reported in the previous year in excess of $500,000. This form is filed directly with the appropriate county auditor.

Payment of Taxes

All taxes for tangible personal property are paid to the appropriate county treasurers. Receipts for payments will be sent when a self-addressed stamped envelope is sent with the payment or when the payment is made in person.

When form 920 is required to be filed, the return must be accompanied by, or followed within 10 days thereafter, a payment equal to one-half the total amount of taxes shown thereon. The balance due is payable on receipt of a bill from the county treasurer or before Sept. 20, whichever is later.

When form 945 is required to be filed, no payment is required to be submitted with the return. The full amount of the taxes for each county will be billed by the appropriate county treasurer, and are payable upon receipt of the bills or before Sept. 20, whichever is later.

The remainder of this publication is devoted to the tangible personal property tax as it pertains to general business property. Taxpayers engaged in business as a public utility, financial institution or dealer in intangibles should write to the tax commissioner for information about their particular tax and reporting requirements. In this booklet, there is a description of the composite valuation method, and illustrations of the forms filed by different types of taxpayers.

Listing and Valuing Personal Property

Tax forms have been prescribed and designed to permit the taxpayer to list his property in a clear, concise manner. The schedules in the return forms (920 or 945) for reporting the true value and computing the listed value of personal property are: Schedule 2, Machinery and Equipment Used in Manufacturing; Schedule 3, Manufacturing Inventory; Schedule 3A, Merchandising Inventory; Schedule 4, Furniture, Fixtures, Equipment Not Used in Manufacturing; Schedule 6 (form 945 only) Return of Grains Handled.

Property listed in Schedules 2, 4 and 5 must be reported according to the taxing district in which it is physically located on the listing date required to be used by the owner. Property listed in Schedule 3 or 3A must be reported by using the monthly average values for each taxing district in which the taxpayer had inventory during any part of the 12-month period ending on the tax listing date. Contact the local county auditor with the address of the property or refer to the real property tax bill to determine the correct taxing district number and name.

In Schedule 2, enter the true value of all engines, machinery, equipment, implements, small tools, machinery repair parts and other tangible personal property first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining.

In Schedule 3, enter the monthly values of all inventory used in manufacturing, including supply inventories consumed in the manufacturing process.

In Schedule 3A, enter the monthly values of all inventory acquired and held for sale and any finished goods inventory of a manufacturer not held in the county of manufacture.

In Schedule 4, enter the true value of all furniture, fixtures, machinery, equipment and supplies used in laundries, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing; all inventories of taxpayers other than manufacturers or merchants; and all domestic animals not used in agriculture.

In Schedule 5, enter by taxing district the cost of all manufacturing equipment not previously used in business in Ohio by the owner, a related member or a predecessor owner of the equipment before Jan. 1, 2005. This property should be listed at 0% of its true value.

Reporting and Valuing Depreciable Assets

Depreciable assets must be listed at their true value in money, which may be greater or less than their net book value. The tax commissioner has prescribed a valuation procedure that applies composite allowances to the cost of assets based on their use and business activity. This valuation procedure is to be used in lieu of net book value for determining the true value of most depreciable assets. A more detailed description of the valuation procedure, including the assigned class lives, follows on page 9. In those instances where the computed true value is less than net book value, form 902 must be filed with the tax return.

Property that is expensed at acquisition and has a useful life of one year or less is valued at 50% of the cost of the amount on hand on the taxpayer's listing day. Other items, such as barrels and returnable containers and bottles, are valued according to previously promulgated methods. Supply items, inventories of repair and maintenance parts, and equipment held as spare parts are valued at the cost of the amount on hand on the taxpayer's listing day.

Depreciable assets classified as personal property and excluded or exempted from taxation include: motor vehicles registered and licensed in the name of the owner, aircraft registered and licensed in the name of the owner; watercraft not used exclusively in Ohio waters; certified exempt facilities; patterns, jigs, dies and drawings when held for use and not for sale in the ordinary course of business; construction in progress while under construction and not capable of use;

harvested crops belonging to the producer thereof; depreciable assets and domestic animals used in agriculture; property located in an Urban Jobs and Enterprise Zone for which an exemption has been granted; property located in buildings boarded up, rendered functionally inoperable and held for disposal.

Leased Property

Leased property must be reported and listed by the owner in his or her tax return. Property leased to a public utility under a sale/lease transaction occurring in the same calendar year must be reported by the public utility in its annual report. Other property leased to a public utility when used directly in the rendition of a public utility service must be listed by the owner and valued the same as if the public utility was reporting it. Contact the tax commissioner for valuation information.

If the lessee is obligated to purchase the property, the lessee is deemed to be the owner and must report the property. Leased property used exclusively in agriculture is exempt. Leased property is valued and listed according to the use to which it is put by the lessee.

Inventories

Ohio law requires the inventories of manufacturers and merchants to be listed on the average monthly basis for each taxing district in which inventories were held during any part of the year. The average value shall be determined by dividing the sum of the monthly values in that district by the number of months engaged in business in Ohio as a manufacturer or merchant, respectively. If the books and records of the taxpayer do not provide monthly values, the gross profits method may be used, providing purchases and sales are accrued properly. The listing percentage for manufacturing, merchandising and consigned inventories will be 18.75% for the 2006 tax return.

The value of manufacturing inventory must include the costs of raw material, work-in-process, and finished goods. The value of goods-in-process and finished goods must include all factory burden and overhead costs attributable to the manufacturing facilities and processes. Such costs include, but shall not be limited to, indirect labor, insurance, utilities, taxes, transportation, rents and leases, repairs and maintenance, depreciation and amortization. (Ohio Adm. Code 5703-3-27) Inventory values maintained on the direct cost or LIFO basis must be restated.

The value of merchandising inventory must include the costs to acquire the inventory, taxes and freight. Inventories carried at retail value must be restated at cost. (Ohio Adm. Code 5703-3-17) Inventories held on a floor-plan basis must be returned at full value.

Consigned manufacturing or merchandising inventory must be listed by the owner, but merchandise consigned from a nonresident of Ohio to a merchant doing business in Ohio must be listed by the Ohio merchant. (Ohio Adm. Code 5703-3-09)

Supply inventories of a manufacturer must be listed in Schedule 3 on the average basis. All other supply inventories must be listed as of listing date in Schedule 4.

Inventories of taxpayers other than manufacturers and merchants must be listed as of listing date in Schedule 4. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. The listing percentage for any supply inventories reported in Schedule 4 is 18.75%.

$10,000 Exemption

For each taxpayer, the first $10,000 of listed value of taxable personal property is exempt from taxation. The exemption is applied in the taxing district with the highest listed value. If that is less than $10,000, the remaining amount is applied in the taxing district with the next highest listed value. This process is continued until the aggregate of the exemptions reaches $10,000. **If total list value is $10,000 or less, no return is required to be filed.**

Late-Filing and Late-Payment Penalties, Interest

When a return is filed after the due date, or the due date as extended, a late-filing penalty may be applied to the listed value. A penalty of up to 50% may be applied to the remaining listed value after application of the $10,000 exemption. A Petition for Abatement of the Penalty may be filed with the tax commissioner within 60 days of the mailing of the assessment. Such petition must state the reason(s) for the late filing of the return and include a copy of the assessment certificate(s).

Taxes paid after their due date are subject to a late-payment penalty of 10%. A request for abatement of this penalty must be made first to the county auditor. If the county auditor does not abate the penalty, that decision may be appealed to the tax commissioner.

Taxes paid after their due date and tax overpayments refunded to the taxpayer are subject to interest charges. The interest percent varies according to the federal funds interest rate each October and accrues on a monthly basis. There is no statutory authority for an appeal or any reduction to the interest on taxes paid after the due date.

Taxpayer's Bill of Rights

This provision creates specific rights of and requires certain disclosures to taxpayers with respect to audits and assessments arising out of personal property taxation, and corporate franchise, sales, use and income taxes.

Before the commencement of an audit of his return, each taxpayer will receive a written description of the roles of the Ohio Department of Taxation and of the taxpayer during an audit. The legislation provides that audits conducted by the Ohio Department of Taxation be conducted during regular business hours, and that there shall be written notice of the scheduled audit before the commencement of the audit. The taxpayer is

entitled to representation during an audit and may electronically or otherwise record the audit examination.

With or before the issuance of an assessment that requires a correction to the tax list and duplicate, the tax commissioner or county auditor shall provide to the taxpayer a written description of the basis for the assessment and any penalty required to be imposed with the assessment, and a written description of the taxpayer's right to appeal the assessment, including the steps required to request administrative review by the tax commissioner. In the case of the issuance of a final assessment, the commissioner or county auditor is required to inform the taxpayer in writing of the steps necessary to appeal the final assessment to the Board of Tax Appeals.

Other provisions of the legislation include the appointment of a problem resolution officer to aid a taxpayer who cannot obtain satisfactory answers from tax department employees, continuing education and training programs for the department's employees, a system for monitoring the performance of tax agents including evaluations obtained from taxpayers, and a procedure for requesting and receiving written opinions from the tax commissioner concerning future tax liabilities.

True Value of Tangible Personal Property

Introduction

Ohio Administrative Code (Ohio Adm. Code) 5703-3-10 and 5703-3-11 provide for the determination of the true value of tangible personal property used in business. A procedure that applies a composite annual allowance to historical costs has been prescribed by the tax commissioner for more than 70 years, with modifications to reflect current technology and business experience, new types of equipment, and new business activities. The procedure, often referred to as the "true value computation" or "302 computation," has been approved by the courts as a means for determining true value for personal property tax purposes. Such value is prima facie true value and, absent evidence to the contrary, is acceptable as "true value in money." The composite annual allowance procedure prescribed in Ohio Adm. Code 5703-3-11 uses a comprehensive listing of business activities, a composite group life for each activity, and a table with valuation percentages for each class.

Am. Sub. Senate Bill 156 revised the procedure for valuing taxable property of public utilities and certain tangible personal property leased to public utilities or interexchange telecommunications companies (ITC). Starting with the 1990 tax year, taxable property leased to a public utility or ITC and used by the public utility directly in the rendition of a public utility service, as defined in Section 5739.01 (P), Ohio Revised Code (RC), must be valued the same as taxable property owned by the public utility or ITC.

Composite Class Life

The composite class life used for valuing the personal property of a business is determined on a prima facie basis by the business activity.

The list of business activities in previous editions of this publication was based on the Standard Industrial Code (SIC) Manual published by the United States Office of Budget and Management (USOBM). As a guide to finding the business activity, the first two (2) of the four (4) digits for each classification were listed. In 1997, USOBM introduced the North American Industry Classification System (NAICS). The new classification system uses six (6) digits. The current edition of True Value of Tangible Personal Property lists general business activities and shows the first three (3) digits of the NAICS classification number. A table that displays SIC numbers and the corresponding NAICS numbers is on the inside front cover of the true value booklet.

If you are not sure which business activity applies, or if your activity is unique and not listed, contact the Personal Property Tax Division for clarification. You may direct inquiries to the Ohio Department of Taxation, Personal Property Tax Division, P.O. Box 530, Columbus, OH 43216-0530 or call 888-644-6778. RC section 5703.53 provides that a taxpayer may ask for and receive a written opinion of the tax commissioner. The determination of a correct class life may be the subject of an opinion that would be binding for the inquiring taxpayer only, and as long as the same circumstances exist.

Types of property used in general administrative functions common to most businesses are separately shown at the beginning of the listing of business activities with the appropriate group life class for each. When business activities are composed of widely differing processes, operations and products, each of which requires the use of different types of property, these activities have been subdivided by operation or product and assigned the appropriate group life class.

Because each class listed uses the composite approach for the property (short, middle and longer-lived) used in each business activity, isolating a segment from a business activity or certain property from within an activity for the purpose of applying a different class is not permitted except as specified. However, if a taxpayer so chooses to deviate from a specified class life for an industry, they must show by probative evidence the higher or lower value as outlined in Ohio Adm. Code 5703-3-10.

True Value Computation

Form 937, True Value Computation, is provided for you to list the data necessary to determine the aggregate true value of tangible personal property. A separate form is necessary for each taxing district where property is located and within a given taxing district, for each business activity or type of property assigned a different group life class. **Form 937 or a facsimile is required to be filed with the tax return.**

The instructions in this paragraph refer to the example of a completed form 937 on page 38. Costs of taxable property at the end of the previous year are to be shown by year of acquisition in columns 1 and 2. Additions, disposals and transfers occurring during the year are to be entered at cost, opposite the year in which they were acquired in columns 3 and 4. The resulting costs remaining at year end are then listed in col-

umn 5. Their total must equal the beginning-of-year total plus total additions and transfers in, less total disposals and transfers out. The valuation percentages for the assigned class are listed in column 6. Each year-end cost is multiplied by the corresponding valuation percentage and the product listed in column 7. The total of that column is the true value and is listed in schedule 2 or 4 in the tax return.

Cost column totals must agree with ledger accounts. Property written off the records, but still physically on hand, must be included in the computation; property disposed of, but not written off the records, should be deducted and separately identified in the computation. Costs for nontaxable property such as registered motor vehicles, licensed aircraft, property taxed as real property, or pollution control facilities certified exempt should not be included.

Full costs must be shown. Costs must include inbound freight, millwrighting, overhead, investment credits, assembly and installation labor (including premium pay and payroll taxes), material and expenses, and sales and use taxes. Costs of assets may not be reduced by trade-in allowances. Major overhaul costs are to be treated as capitalized and listed as acquisitions in the year in which they occur.

Exceptions to the True Value Computation

Fixed assets that have a determinable useful life of one year or less and the cost of which is expensed at acquisition are valued at 50% of the cost of the amount on hand at year end, reported in Schedule 4 and listed at 18.75%. Inventories of repair and maintenance parts as well as equipment held as spare parts are valued at 100% of the cost of the amount on hand at year end, reported in Schedule 4 and listed at 18.75%.

The supply items of a manufacturer, the costs of which are not absorbed in the cost of the final product, and supply items of all other taxpayers are to be valued at the cost of the amount on hand at year end, reported in Schedule 4 and listed at 18.75%. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. This also includes office supplies and supplies used in the normal business activities.

Returnable containers, such as barrels, bottles, carboys, coops, cylinders, drums, reels, etc., are to be valued separately, in accordance with previously promulgated methods.

Videotapes held for rental are valued at declining percentages, 50%, 30%, 20% of original cost in the first, second and third years that they are owned. Thereafter, the value is 20% of original cost. Videotapes held for sale are treated as merchandise inventory using the average month-end cost as the value. This is not a three-year class life method, but a valuation method for videotapes held for rental.

Property located in buildings boarded up, or in departments closed off, or **removed from the production line, is functionally inoperable and held for disposal** as of tax listing day is not taxable. The taxpayer must identify such property separately in the tax return, with an explanation of the circumstances.

Property that is temporarily idle for purposes of overhauling and repair, from seasonal operation or from reduced use is subject to taxation and is not entitled to a reduced valuation for that reason. Property that is held for future use whether as an entire unit or as spare parts is subject to taxation.

Special Reporting Requirement (R.C. 5711.18)

Whenever a taxpayer reports any property at a value that is below its depreciated book value, he must include a claim for deduction from book value in writing with his tax return. Form 902, Claim for Deduction from Book Value, has been prescribed by the tax commissioner for displaying the claim in the return. (Ohio Adm. Code 5703-3-10).

Business Activities and Composite Group Life Classes

The business activities set forth below were originally based on the federal government's standard industrial classification (SIC) divisions that were general in nature. These general business activity divisions are now categorized and presented in a manner similar to the North American Industry Classification System (NAICS) sectors currently employed by the federal government.

NAICS takes the original SIC divisions and expands those division classifications to include emerging industries, service industries and industries engaged in advanced technologies. NAICS also provides greater detail about the various activities that comprise each general business activity sector. The general business activity sector under NAICS combines North American industries with identical or similar production processes in an effort to produce a common industry classification definition for use by the United States, Canada and Mexico. These classifications could change based on economic conditions. **Changes in the NAICS sector classifications do not necessarily constitute a change in the composite group life class of personal property used in a particular business activity. The way the personal property is used within the business activity will still determine the composite group life class to be used in arriving at the true value.** If you are not sure which business activity applies to you, or if your activity is unique and is not listed, contact the Personal Property Tax Division for clarification or guidance.

The listing of certain business activities is not intended as a presumption of taxability **nor are the major classification headings reflective of the proper schedule in which the property is to be listed in the tax return.**

Business Activity (NAICS Code)

General Activities — Class

General administrative activities involving the use of desks, files, typewriters, calculators, adding and accounting machines, communications equipment, fax machines, cellular telephones, pagers, copiers and duplicating equipment, security systems, and other office furniture, fixtures and equipment III

Stand-alone computers including related hardware and peripheral equipment used for general business purposes such as data processing, payroll, tracking sales data, maintaining accounting information and tracking orders ..... SAC

There is no single class for computers and related hardware used primarily to control manufacturing processes, machine and equipment, for quality control or otherwise incorporated into a business activity. The business activity determines the appropriate composite group life class.

Agriculture, Forestry and Fishing (111-114)

Growing crops, raising and keeping animals and fowl, agricultural and horticultural services III

Commercial fishing, fish hatcheries, hunting, trapping and game propagation III

Amusement and Recreational Services (711, 713)

Auditoriums, concert halls, stadiums and motion picture theaters, including drive-in theaters III

Dance halls and studios, theatrical producers and services, music groups, actors, entertainment groups III

Bowling alleys, billiard and pool establishments III

Commercial sports, golf courses, amusement parks and rides, membership sports and recreation clubs, swimming pools and beaches, riding schools, carnivals, expositions, boat liveries, shooting galleries III

Coin-operated or token-operated amusement and entertainment devices II

Automotive Services (811)

Vehicle leasing, parking, towing, rebuilding and repair, diagnostic centers and related services III

Car and truck washes II

Business Services (491, 492, 518, 519, 532, 561)

Advertising agencies III

Advertising, outdoor signs (Sign manufacturing – See "Miscellaneous Manufacturing") II

Miscellaneous advertising: Aerial; direct mail; circular, handbill and sample distribution; transit cards III

Credit reporting, adjustment and collection agencies III

Mailing, reproduction, commercial art photography, stenographic service, blueprinting, photostating, photocopying III

Building services, janitorial and maintenance, painting III

Cold storage, food locker rental IV

News syndicates, wire services III

Employment and temporary help service III

Data processing services: Computer programming, systems design and other software services, data processing, leasing machine time:

Computers and related equipment only ..... SAC

Leasing services: There is no single class applicable to the business of leasing; rather, the activity in which the lessee uses the leased property determines the appropriate class.

Rental services: Short-term rentals, as of construction, concession, banquet and meeting equipment, portable sanitary facilities, power tools, etc. II

Miscellaneous services: Research and development laboratories; management, consulting and public relations services; detective agencies, protective services; photofinishing; trading stamp services; testing laboratories, bondsmen; bottle exchanges; drafting services; interior design; notaries public; packaging and labeling services; telephone message service; auctioneering; landscaping and grounds maintenance, tree trimming, etc. III

Chemicals and Allied Products (325)

Manufacturing basic chemicals such as acids, alkalis, salts, organic and inorganic chemicals; chemical products for further manufacture such as plastic materials and synthetic resins, rubber and fibers, including petrochemical processing beyond petroleum refining; finished adhesives, explosives, and compressed, liquid and solid industrial and specialty gases – except finished rubber and plastics products, natural gas products or byproducts V

Communications (515, 517)

Radio and television broadcasting, cablevision, satellite communication services III

Construction (236-238)

General building, marine and heavy construction II

Special trade contractors II

Water well drilling II

Electric, Gas and Sanitary Services (Other Than Public Utilities) (221, 562)

Electric generation and distribution VI

Production and distribution of natural gas, mixed, manufactured or liquefied petroleum gas VI

Water gathering, treatment and distribution, and waste water treatment VI

Steam production and distribution VI

Fabricated Metal Products (332)

Manufacturing from refined or cast ferrous or nonferrous metals; cans, tinware, hardware, structural metal products, plate work, sheet metal work, prefabricated buildings and components, screw-machine products, castings, forgings and stampings, coating and plating, ordinance and accessories, ammunition, small arms, valves, pipe fittings, wire products, foil and leaf, and custom specialty products V

Finance, Insurance and Real Estate (521-525, 531, 533, 551)

Banking, savings and lending institutions, business and personal credit institutions; security brokers, dealers and services; exchanges III

Insurance underwriters (all risks), agents and brokers III

Real estate operators, lessors, agents, managers, title abstracters, subdividers and developers III

Holding and investment company offices; trusts III

Food and Food Products (311, 312)
Meat: Slaughtering

Meat packing, curing, making sausage and other prepared meats III

Poultry and small game: slaughtering, dressing III

Slaughtering, preparing, packaging animal foods, including pet foods V

Dairy products: Processing butter, cheese, milk, ice cream, etc. IV

Fruits and vegetables: Canning, preserving, pickling, drying, freezing; making soups, preserves, sauces and seasonings, salad dressings and other specialties V

Seafoods: Canning, curing, freezing fish and seafoods V

Grain mill products: Milling flour, rice, corn, etc.; making blended flour, animal and fowl feeds, pet foods VI

Making cereal breakfast foods IV

Grain handling, processing and storage facilities (see "Wholesale and Retail Trade")

Bakery products: Making bread, pastries, chips, cake mixes, etc. IV

Sugar: Refining cane, beet and maple sugar and syrups VI

Confections: Making candy, etc. IV

Fats and oils: Cottonseed, soybean and vegetable oil milling; rendering, processing animal and marine fats and oils, making shortening, table oils, etc., except margarine VI

Manufacturing margarine IV

Alcoholic beverages: Brewing, distilling, rectifying, blending, packaging V

Soft drinks: Preparing, bottling, canning soft drinks, carbonated waters, flavoring extracts and syrups IV

Miscellaneous food preparations: Roasted coffee, instant coffee, noodles, refined salt, chewing gum, manufactured ice IV

Leather and Leather Products (316)
Tanning, curing, finishing hides and skins; processing fur pelts; manufacturing finished leather products such as footwear, belting apparel, luggage and similar leather goods V

Lodging Places (721)
Hotels, motels, rooming houses, tourist courts, camps, parks and membership lodging places III

Lumber, Wood Products and Furniture (321, 337)
Logging, sawing dimensional stock from logs, chipping, permanent or portable mills III

Manufacturing finished lumber, plywood, hardboard, flooring, veneers, furniture and other wood products, including wooden matches V

Manufacturing Machinery (333-335)
Manufacturing and assembly of engines, metalworking machinery and machine tool accessories, turbines, farm machinery, construction and mining machinery, materials handling machinery, food products machinery, textile machinery, woodworking machinery, paper industries machinery, compressors, pumps, bearings, blowers, industrial patterns, process furnaces and ovens, office machines, and refrigeration and service industry machines – except electrical machinery and transportation equipment V

Manufacturing and assembly of electrical test and distributing equipment, electrical industrial apparatus (motors, generators, etc.), household appliances, electric lighting and wiring equipment, batteries and ignition systems V

Manufacturing and assembly of electronic communication, detection, guidance, control radiation, computation, test and navigation equipment and components V

Membership Organizations (813)
Business, professional, labor union, civic, social, fraternal, political, religious organizations, farm bureaus and granges III

Mining (211-213)
Metal mining, coal mining, quarrying of nonmetallic minerals (including sand, gravel, stone, clay and salt) and milling,

beneficiation and other primary preparation IV

Petroleum and natural gas:

Geophysical and exploratory operations III

Drilling of oil and gas wells II

Field services, such as cleaning, fracturing, chemical treatment, cementing and perforating well casings, plugging and abandoning wells III

Miscellaneous Manufacturing (339)

Manufacturing jewelry, musical instruments, toys and sporting goods, pens and pencils, office and art supplies, advertising signs, waste reduction; processing motion picture, television, commercial or noncommercial film; reproducing phonograph records and prerecorded tapes; hard-surface floor coverings, etc. V

Manufacturing burial caskets and vaults V

Motion Picture and Recording Studios (512)

Motion picture and tape production (except processing), studio property, picture distribution, film exchanges and rentals, film libraries; recording studios, except reproduction III

Museums (712)

Museums, art galleries, arboreta, botanical and zoological gardens III

Paper and Allied Products (322)

Manufacturing pulps, paper and paperboard VI

Manufacturing converted papers, pressed and molded pulp goods, paper bags, boxes, envelopes, fiber cans, tubes and drums, paper matches V

Manufacturing asphalted paper and fiber insulation VI

Personal Services (532, 541, 561, 812)

Laundry, cleaning and garment services: Dry cleaning and pressing plants or shops; towel and linen supply; rug, carpet and upholstery cleaning; commercial laundries, including diaper service IV

Laundries and dry cleaning – coin-operated II

Photographic studios (for photofinishing, see “Business Services – Misc.”) III

Beauty shops, barber shops III

Shoe repair, shoeshine and hat-cleaning shops III

Funeral service, including crematories III

Rental services; short-term rentals, as of apparel, small tools, home and garden tools, lockers (except cold storage), household goods, health and recreation equipment, etc. II

Miscellaneous services: Baths, health clubs, porter service, dating or escort service, check rooms, travel agencies, tax return preparation service, etc. III

Petroleum Refining (324)

Distillation, fractionation and catalytic cracking of crude petroleum into gasoline, kerosenes, distillate and residual fuel oils, lubricants; manufacture of asphalt, carbon black:

Refining equipment, fixed or portable asphalt batch plants IV

Bulk storage facilities VI

Primary Metals (331)

Smelting, reducing, refining and alloying of ferrous and nonferrous metals from ore, pig, scrap or slag; rolling, drawing and alloying of metals; manufacturing nails, spikes, structural shapes, castings, tubing, wire and cable:

Ferrous metals VI

Nonferrous metals V

Printing and Publishing (323, 511, 516)
Printing by letterpress, lithography, gravure or screen; bookbinding, typesetting and phototypesetting, engraving and photograving, electrotyping and other trade services; publication of newspapers, books, periodicals IV

Reproduction services: See “Business Services”

Professional, Scientific, Controlling, Measuring and Optical Instruments (339)
Manufacturing mechanical measuring, engineering, laboratory and scientific research instruments; optical instruments; surgical, medical and dental instruments and equipment; ophthalmic equipment; photographic and photocopy equipment; watches and clocks V

Professional Services (541, 611, 621-624)
Health services: Doctors, dentists, optometrists, etc.; hospitals, clinics, nursing homes, medical and dental laboratories, and miscellaneous medical services III

Legal services III

Educational services, schools, colleges, institutes III

Social services, job training, day care services, etc. III

Engineering, architectural and surveying services; accounting, auditing and bookkeeping services; free-lance authors, lecturers, artists, etc. III

Public Administration (921-928)
There is no single class applicable to property owned or used in public administration. The use to which the property is put determines the proper class.

Repair Services (811)
Household appliance and industrial equipment repair; watch, clock and jewelry repair; reupholstery and furniture repair; welding repair; armature rewinding; bicycle, leather goods, lock and gun, musical instrument and business equipment repair; septic tank and furnace cleaning; sandblasting and steam cleaning; knife sharpening; taxidermy, etc. III

Rubber and Plastics Products (326)
Manufacturing products from natural, synthetic or reclaimed rubber such as tires, tubes, footwear, heels and soles, mechanical rubber goods, flooring and rubber sundries; recapping, retreading and rebuilding tires; manufacturing finished plastics products and molding of primary plastics for the trade IV

Stone, Clay, Glass and Concrete Products (327)
Manufacturing stone and clay products: brick, tile and pipe, pottery, vitreous china, plumbing fixtures, earthenware, ceramic insulating materials, cut and finished stone VI

Glass: Manufacturing flat, blown or pressed glass products such as plate, safety and window glass, containers, glassware, fiberglass, optical lenses V

Manufacturing cement VI

Manufacturing ready-mix concrete, cement products and concrete products, including block, pipe and prefabricated shapes IV

Cement mixers on truck I

Gypsum and plaster products VI

Abrasive, asbestos and other nonmetallic mineral products VI

Textile Products (313-315)
Manufacturing spun, woven, knit or processed yarns and fabrics from natural or synthetic fibers, including finishing and dyeing, cutting and sewing woven fabrics; manufacturing apparel and accessories, mattresses, carpets, rugs, pads, sheets, felt goods, lace goods, cordage and twine, curtains and draperies, textile bags, fur goods, etc. VI

Tobacco Products (312)
Manufacturing cigarettes, cigars, smoking and chewing tobacco, snuff VI

Transportation (481-488)

Transportation equipment, including forklifts and other nonlicensed vehicles used in conjunction with business activities elsewhere specified shall be included in the class designated for that activity. Transportation equipment used in the business of commercial or contract carrying of passengers, freight or commodities.

Locomotives and railroad cars VI

Motor vehicles, service facilities and terminals III

Barges, river and business craft, float wharves, loading and unloading equipment VI

Aircraft, hangar and service facilities and ground equipment III

Pipelines, pipe and conveyors for carrying petroleum, gas or other products, including trunk lines and storage facilities VI

Transportation Equipment (336)

Manufacturing and assembling of automobiles, trucks, trailers, motor homes, buses, military vehicles, motorcycles, bicycles and other recreational and pleasure vehicles:

Manufacturing and assembly of engines, power trains, frames, bodies and other component parts, not otherwise listed V

Assembly of finished vehicles IV

Manufacturing aircraft, space craft, rockets, missiles, power units; and assembly of components V

Ship and boat building, repair and conversion VI

Building and rebuilding railroad locomotives, railroad cars and street railway cars VI

Videotape Rental (532)

Videotapes held for rental, 50%, 30%, 20% for the first, second, third years, 20% thereafter.

Wholesale and Retail Trade (421-425, 441-448, 451-454, 493, 722)

Property included in these activities includes all property, unless otherwise specified, used in the retail or wholesale business such as store fixtures, shelving, display cases, storage areas, point-of-sale equipment (scanners, microprocessors, terminals, cash registers, and cables and wires), bascarts, leasehold improvements.

Dealers at wholesale and retail in durable and nondurable goods, including eating and drinking places, carryouts, pizzerias, fast food places, caterers and institutional food service, mail order houses, scrap metal and waste material dealers, and others not elsewhere classified III

Petroleum bulk stations and terminals VI

Gasoline service stations:

- Pumps and mechanical equipment II
- Store furniture and fixtures, mini-market furniture and fixtures, coolers, display fixtures III
- Tanks, canopies VI

Grain handling, processing and storage facilities VI

Merchandise, food and beverage vending machines II

Warehousing III

Tables for Determining True Value
(expressed as percents)

Age	Stand-Alone Computers	Class I	Class II	Class III	Class IV	Class V	Class VI
1	75.0	90.0	92.0	93.2	93.9	94.3	94.4
2	60.0	63.3	76.3	82.8	86.3	88.1	88.9
3	45.0	44.0	60.6	72.4	78.7	81.8	83.3
4	30.0	32.0	46.1	62.0	71.1	75.6	77.8
5	15.0	20.0	37.9	51.5	63.5	69.3	72.2
6	15.0	20.0	29.8	42.2	55.8	63.1	66.7
7	15.0	20.0	21.6	36.3	48.2	56.9	61.1
8			20.0	30.5	40.6	50.6	55.6
9			20.0	24.6	35.4	44.4	50.0
10			20.0	18.8	31.1	38.2	44.4
11				18.8	26.8	32.8	38.9
12				18.8	22.5	29.5	33.3
13					18.3	26.2	28.9
14					17.4	22.9	26.2
15					17.4	19.6	23.5
16					17.4	16.3	20.8
17						16.3	18.1
18						16.3	15.4
19							15.4
20+							15.4

Composite Group – Life Ranges

Class	At Least	Less Than
I		6.0 yrs.
II	6.0 yrs.	8.4 "
III	8.4 "	11.6 "
IV	11.6 "	14.8 "
V	14.8 "	17.2 "
VI	17.2 "	

Note: These class lives cannot be used for Public Utility Personal Property Valuation purposes. Contact the department for the Public Utility True Value Tables.

The lowest percentage in each class determines the minimum acceptable value so long as property is held for use in business.

Special Instructions for New Taxpayers

Any person, partnership, corporation or association who engages in business in Ohio on or after Jan. 1 of any year is a "new taxpayer" for that year. Whenever a taxpayer ceases business in Ohio, and in a subsequent year begins business in Ohio again, he is a new taxpayer for that year. The new taxpayer is liable for a property tax return in the year in which he commences business in Ohio. The total listed value is prorated based on the number of full months in business in Ohio in that first year.

Filing Due Dates – Form 920NT is used when the personal property of a new business is located in one Ohio county. The new taxpayer return (920NT) is to be filed with the county auditor and within 90 days of first engaging in business in Ohio. Form 945 is used when the personal property of a new business is located in multiple Ohio counties. The form 945 new taxpayer return is to be filed with the tax commissioner, again within 90 days of first engaging in business in Ohio. If form 945 is used, proration of the values should be performed in the individual schedules with the prorated value only carried forward to the recapitulation page.

An extension of time to file of up to 45 additional days may be requested from the county auditor or tax commissioner by written application. Form 993NT, or a letter containing all of the information requested on form 993NT, must be submitted requesting the extension. The new taxpayer return is for the year in which the business commenced in Ohio, even if it is not required to be filed until the next calendar year. The next tax return required to be filed is for the calendar year following the year in which the business began. That return is due in the normal filing period of Feb. 15 through April 30. All taxable property in that year's return must be listed as of the close of business on Dec. 31 of the preceding calendar year (the year engaged in business). Inventory is listed at the average of the month-end values for each of the months that the taxpayer was engaged in business in that year. Use the number of month-end values included as the divisor. Listed values in this year's return may not be prorated.

Late Filing – If the return is not timely filed, the assessor will add a penalty of up to 50% of the taxable value after the full $10,000 exemption is applied.

First Day of Business – The date of engaging in business has been generally defined as the day the business commences operations, which is not necessarily the day the business was organized or licensed in Ohio. In the case of a merchant, the day that the business opened for the purpose of selling merchandise would be the first day of business. In the case of a manufacturer, it would be the first day that production started. For other business activities, the first day of business would be the day that the intended business activity started.

Listing Date – For the new taxpayer return, the listing date is the first day of business in Ohio instead of Dec. 31 or a fiscal year-end. All taxable property, except inventory, owned on the first day of business must be listed, the true value is the taxpayer's cost. Inventory must be listed at the average value for the remainder of the year. Estimate month-end values starting with the end of the month engaging in business and for each month-end throughout the remainder of the year. If additional locations will be opened later in the year, inventory for those locations must also be estimated for the new taxpayer return. The average value is the sum of the month-end values divided by the number of month-end values included. The estimated values reported may be amended at a later date, when actual month-end inventory values are known.

Prorating – The total listed value of the return is multiplied by a fraction that represents the portion of the year during which the taxpayer will be engaged in business in Ohio. The numerator of the fraction is the number of full months from the date of engaging in business to Dec. 31, the denominator is 12. This is the value to which the tax rates are applied to determine the amount of tax owed.

Acquisition of Existing Business – When a new taxpayer has acquired an existing business and that business has filed a personal property tax return for the same year in which the new taxpayer acquires the business, taxes for property that was listed by the former owner need not be paid again by the new taxpayer. The new taxpayer must produce a copy of the return or assessment indicating that the same property has been listed or assessed for taxation for the same year. The amount of inventory that may be excluded is the lower of the average amount listed by the former owner in his return for the same year, or the amount transferred. Any property not listed in the former owner's return and acquired before the new taxpayer's first day of business must be listed. Average inventory in excess of the amount excludable must also be listed.

Reorganization – Frequently, an existing business that had been organized as a proprietorship or partnership will be reorganized as a corporation, or other changes in the business structure take place that result in the existence of a new entity. In these circumstances, the new owner or business entity is considered a new taxpayer and required to file a new return for the year in which the change took place. These new taxpayers are subject to the same reporting requirements as those beginning a new business. A copy of the return filed for the same year by the former entity should be included with the new taxpayer return.

Alternate Listing Date – Ohio Adm. Code 5703-3-04 provides for the use of listing dates other than December 31. Before a listing date other than Dec. 31 may be used, the taxpayer must be engaged in business for at least 12 months before that listing date. In certain instances, where property may be excluded from taxation for a year, or taxed twice in a year, the tax commissioner may authorize or require an alternate listing date for a taxpayer to exclude or to report property involved in a change of ownership. These circumstances may affect the new taxpayer's return when an entire business or facility is acquired.

Sample Tax Return of a New Taxpayer

Queen's Specialty Shops, Inc., incorporated in Ohio on July 15, 2006. The shop is a small retail operation that specializes in the sale of original art and craft items. Although the business was incorporated in July, it was a month later when the company opened its doors for business. The first day of business was Aug. 13, 2006.

The furniture and fixtures consist of wall shelving, center display islands, a desk and a file cabinet in a small room at the rear of the shop. The inventory is purchased from a select group of local amateur artists.

The accounting records will be kept on an accrual basis. Inventory records reflect cost and will be accurately maintained to provide future month-end inventory values.

A new taxpayer return and balance sheet using an Aug. 13, 2006 listing date are required to be filed within 90 days of engaging in business, which in this example would be Nov. 12, 2006. Month-end inventory values are estimated for August through December, and the total of all such values is divided by five to determine the average. The true value of all other property is its cost. All listed values are then prorated by the fraction of 4/12, since the taxpayer will be engaged in business for four full months in 2006. The completed tax return required to be filed by Queen's Specialty Shops, Inc. for 2006 follows.

While this return indicates that $106.47 is owed by the taxpayer, if the prorated value as reported on line 7 was $10,000 or less, a return would not be required to be filed.

Form 920NT **2006**

Rev. 11/05

Example – New Taxpayer Return

Franklin **County**

(County in which property located)

County Return of Taxable Business Property

As of First Day of Business Aug. 13, 2006

Taxpayer name Queen's Specialty Shops, Inc.
(If corporation, LP or LLC, as registered with the Ohio secretary of state)

Address 9924 Oberlin Parkway, Columbus, OH 43215

Business name Queen's Specialty Shop

Physical location of taxable property 9924 Oberlin Parkway

Date business started in Ohio Aug. 13, 2006

Description of business Sales of Art and Crafts

771947	32-0756971	411220
Ohio charter/registration number	Federal employer identification number	NAICS code number
7-15-06	123-45-6789	25-968574
Date incorporated or qualified in Ohio	Social security number	Ohio vendor's license number

Type of business: Corporation ☒ Partnership ☐ LP ☐ LLC ☐ Sole proprietor ☐ Other ☐

File No. _____

County Auditor's Received Stamp

Time Extension Permit

No. _____ granted

to _____ 2006

Number of Full Months in Business Through Dec. 31, 2006 4 months

1A. Taxing district number	250010		
1B. Taxing district name	City of Columbus		
2. Schedule 2 (nearest $10)			
3. Schedule 3 (nearest $10)			
4. Schedule 3A (nearest $10)	3,210		
5. Schedule 4 (nearest $10)	32,810		
6. Total listed value	36,020		
7. Prorated value 4/12	11,990		
8. $10,000 exemption	10,000		
9. Taxable value	1,990		
10. Tax rate	53.50		
11. Tax	106.47		
12. Amount paid with return			
13. Balance			
14. Schedule 5			

File this return in duplicate with your county auditor (within 90 days of starting business). No payment is required if the total tax due is under $2.

☐ **By checking this box, assessments and bills associated with this return will be mailed to the tax representative named below. A taxpayer letter of authorization must also accompany this return.**

Declaration

I/we declare under penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me/us and to the best of my/our knowledge and belief is a true, correct and complete return and report.

		E.J. Queen President	10/15/2006
Tax preparer/tax representative	Date	Signature of taxpayer Title	Date
		E. J. Queen	
Address		Printed name	
		(614) 892-1137	ejqueen@qsscom
Telephone	E-mail address	Telephone	E-mail address

Schedule 2 – Manufacturing Machinery and Equipment. List at 18.75% machinery first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining. If the value of equipment is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 2 on front of return)				

Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing. List at 18.75% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts used in laundries, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing, and also inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
Columbus	Furniture and fixtures	$175,000	18.75	$32,810
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 5 on front of return)				32,810

Schedule 5 – New Investment Manufacturing Equipment. List by taxing district and cost all manufacturing equipment first used in business in Ohio after Jan. 1, 2005. See R.C. 5711.16 for a complete definition of a manufacturer, manufacturing equipment and manufacturing facility to determine if you qualify to list this equipment here or in Schedule 2.

Taxing District	Description	Date First Used in Business in Ohio	Cost
Total 2006 qualifying costs (carry cost by taxing district to line 13 on front of return)			
Qualifying costs reported in prior years			
Total (carry total cost to line 8c on form 921)			

Schedule 3 – Manufacturing Inventories – List at 18.75% of average value all inventories of raw materials, works in process and finished goods used in manufacturing or refining. Finished goods removed from the county of manufacture and inventory held for sale by a merchant must be listed in Schedule 3A. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 3. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.				
Taxing District Name & Number				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total Values				
Average Value				
List @ 18.75%				

Schedule 3A – Merchandising Inventories – List at 18.75% of average value all inventories held for resale and finished goods removed from the county of manufacture. Inventories carried at retail value must be restated at cost. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 4. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.	25			
Taxing District Name & Number	0010 Columbus			
January				
February				
March				
April				
May				
June				
July				
August	16,500			
September	16,600			
October	17,000			
November	17,300			
December	18,100			
Total Values	85,500			
Average Value	17,100			
List @ 18.75%	3,206			

Form 921NT **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Queen's Specialty Shops, Inc. FEIN/social security number 32-0756971

Balance sheet as of first day of business Aug. 13 2006

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits		525	
2. Notes and accounts receivable			
3. Inventories			
A) Manufacturing		16,500	
B) Merchandising			
C) Supplies – manufacturing			
D) Supplies – other			
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. Investments			
5. Land			
6. Buildings			
A) Taxed as real estate			
B) Taxed as personal property			
7. Leasehold improvements			
A) Taxed as real estate			
B) Taxed as personal property			
8. Machinery and equipment			
A) Taxed as real estate			
B) Taxed as personal property			
C) Exempt manufacturing equipment H.B. 66			
9. Furniture and fixtures	175,000	175,000	
10. Personal property leased to others			
A) Taxable			
B) Nontaxable			
11. Capitalized leases			
12. Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area			
13. Certified exempt facilities			
14. Patterns, jigs, dies and drawings			
15. Construction in progress			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use			
16. Small tools			
17. Vehicles and aircraft			
A) Registered or licensed			
B) Other			
18. Other assets Prepaid expenses		143	
Deferred charges		228	
19. Total assets		192,396	

Liabilities and Net Worth	
20. Notes, accounts payable, bonds and mortgages	143,860
21. Accrued expenses	9,011
22. Other liabilities, deferred credits	525
23. Preferred stock	
24. Common stock	
25. Additional paid-in capital	3,000
26. Retained earnings	36,000
27. Appropriated earnings	
28. Owner's capital	
29. Other	
30. Total liabilities and net worth	192,396

Sample 920 Tax Return of a Merchant

In September 1947, Bob Smith formed Fashion Spree Inc. Fashion Spree, Inc. is a small retailer selling the current fashion clothes for women. Bob's first store, located in the north end of Columbus, is very successful. In 1985, Bob opened another store in Bexley, a suburb of Columbus.

The accounting records are kept by a bookkeeper and maintained on an accrual basis. They consist of a general ledger, sales and purchases journals, accounts receivable ledger and depreciation schedules. Since Mr. Smith has a good understanding of women's fashions, monthly inventory records are not maintained. A fiscal year ending Jan. 31 is used for financial statements and federal income tax purposes.

An accountant is retained to prepare and file all personal property tax forms. The following pages display the completed tax returns and supporting schedules required to be filed by Bob Smith, for his business, Fashion Spree Inc., for 2006.

Form 920 **2006**

Rev. 11/05

Franklin **County**

County Return of Taxable Business Property

For accounting period 2/1/2004 to 1/31/ 2005

Taxpayer name Fashion Spree, Inc.
(If corporation, LP or LLC, as registered with the Ohio secretary of state)

Taxpayer address 1946 Hayes Avenue, Columbus, OH 43220

Business name

Physical location of taxable property 1999 Carefree Lane; 2500 E. Main Street

Date business started in Ohio September 1947

Description of business Retail outlets – women's clothing

Ohio charter/registration number	Federal employer identification number	NAICS code number
102468	31-1726431	448120
Date incorporated or qualified in Ohio	**Social security number**	**Ohio vendor's license number**
9/15/47		25-963874

Type of business: Corporation ☒ Partnership ☐ LP ☐ LLC ☐ Sole proprietor ☐ Other ☐

Filing includes: Form 902 ☐ Form 913EX ☐ Consolidated ☐ (submit list of company names)

File no.

County Auditor's Received Stamp

Time Extension Permit

No. granted

to 2006

1A. State taxing district number	250010	250140	
1B. Taxing district name (township, city and school district)	City of Columbus	City of Bexley	
2. Schedule 2 (nearest $10)	–	–	
3. Schedule 3 (nearest $10)	–	–	
4. Schedule 3A (nearest $10)	7,790	7,350	
5. Schedule 4 (nearest $10)	4,190	5,040	
6. Total Listed Value	11,980	12,390	
7. $10,000 exemption	- 0 -	10,000	
8. Taxable Value	11,980	2,390	
9. Tax rate	82.16	138.49	
10. Tax	984.28	330.99	
11. Amount paid with return	492.14	165.50	
12. Balance	492.14	165.49	
13. Schedule 5			

File this return in duplicate with your county auditor, with check attached, made payable to your county treasurer for at least one-half of tax, between Feb. 15 and April 30. If total listed value (line 6) is less than $10,000, no return is required. No payment is required if the total tax due is under $2.

☐ **By checking this box, assessments and bills associated with this return will be mailed to the tax representative named below. A letter from the taxpayer authorizing this action must also accompany this return.**

Declaration

I/we declare under penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me/us and to the best of my/our knowledge and belief is a true, correct and complete return and report.

J.P. Carpenter		4/15/2006	*Robert J. Smith*	President	4/15/2006
Tax preparer/tax representative		Date	Signature of taxpayer	Title	Date
61 E. Broad Street, Columbus, OH 43215			Robert J. Smith		
Address			Printed name		Date
(614) 466-3280	jpcarpenter@tax.com		(614) 466-8610	rsmith@fashionspree.com	
Telephone	E-mail address		Telephone	E-mail address	

Schedule 2 – Manufacturing Machinery and Equipment. List at 18.75% machinery first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining. If the value of equipment is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 2 on front of return)				

Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing. List at 18.75% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts used in launderies, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing, and also inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
City of Columbus	Furniture and fixtures	$21,106	18.75	$3,957
City of Columbus	Supplies	1,250	18.75	234
			18.75	
City of Bexley	Furniture and fixtures	26,625	18.75	4,992
City of Bexley	Supplies	250	18.75	47
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 5 on front of return)				9,230

Schedule 5 – New Investment Manufacturing Equipment. List by taxing district and cost all manufacturing equipment first used in business in Ohio after Jan. 1, 2005. See R.C. 5711.16 for a complete definition of a manufacturer, manufacturing equipment and manufacturing facility to determine if you qualify to list this equipment here or in Schedule 2.

Taxing District	Description	Date First Used in Business in Ohio	Cost
Total 2005 qualifying costs (carry cost by taxing district to line 13 on front of return)			
Qualifying costs reported in prior years			
Total (carry total cost to line 8c on form 921)			

Schedule 3 – Manufacturing Inventories – List at 18.75% of average value all inventories of raw materials, works in process and finished goods used in manufacturing or refining. Finished goods removed from the county of manufacture and inventory held for sale by a merchant must be listed in Schedule 3A. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 3. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.				
Taxing District Name & Number				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total Values				
Average Value				
List @ 18.75%				

Schedule 3A – Merchandising Inventories – List at 18.75% of average value all inventories held for resale and finished goods removed from the county of manufacture. Inventories carried at retail value must be restated at cost. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 4. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.	25	25		
Taxing District Name & Number	0010 Columbus	0140 Bexley		
January	31,423	28,899		
February	38,842	28,131		
March	56,658	33,016		
April	48,198	40,169		
May	44,682	35,097		
June	44,777	43,306		
July	34,877	39,851		
August	38,028	41,127		
September	37,711	47,274		
October	34,377	45,777		
November	47,575	42,512		
December	41,218	44,988		
Total Values	498,366	470,146		
Average Value	41,531	39,179		
List @ 18.75%	7,787	7,346		

Form 921 **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Fashion Spree, Inc. FEIN/social security number 31-1726431

Balance sheet as of Jan. 31 2005

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits		5,099	
2. Notes and accounts receivable		119,036	
3. Inventories			
A) Manufacturing			
B) Merchandising		60,322	
C) Supplies – manufacturing			
D) Supplies – other		1,500	
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. Investments		17,400	
5. Land			
6. Buildings			
A) Taxed as real estate	284,172	162,350	
B) Taxed as personal property			
7. Leasehold improvements			
A) Taxed as real estate			
B) Taxed as personal property			
8. Machinery and equipment			
A) Taxed as real estate			
B) Taxed as personal property			
C) Exempt manufacturing equipment H.B. 66			
9. Furniture and fixtures	89,589	22,147	
10. Personal property leased to others			
A) Taxable			
B) Nontaxable			
11. Capitalized leases			
12. Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area			
13. Certified exempt facilities			
14. Patterns, jigs, dies and drawings			
15. Construction in progress			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use			
16. Small tools			
17. Vehicles and aircraft			
A) Registered or licensed	15,638	4,291	
B) Other			
18. Other assets		3,289	
19. Total assets		395,434	

Liabilities and Net Worth	
20. Notes, accounts payable, bonds and mortgages	192,081
21. Accrued expenses	19,543
22. Other liabilities, deferred credits	
23. Preferred stock	
24. Common stock	
25. Additional paid-in capital	
26. Retained earnings	
27. Appropriated earnings	
28. Owner's capital	183,810
29. Other	
30. Total liabilities and net worth	395,434

2006 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

Exhibit A – Reconciliation of Balance Sheet Line Numbers 3, 8B, 9, 10, 13, 15B and 16

B/S Line No.	Book Value	Value Returned	Difference	Reconcile Differences
9	22,147	47,731	25,584	True Value Computation

Exhibit B – Please provide a brief description of leasehold improvements and machinery and equipment taxed as real (lines 7A and 8A).

B/S Line No.	Itemization	Amount

Exhibit C – Leased Property

List all tangible personal property held under lease on tax listing day.

Name and Address of Property Owner	Lease: Start Date	Lease: Ending Date	Type of Property	Gross Annual Rental

Exhibit D – Inventory Held Under Bailment, Consignment, Contract Agreement

List all inventories held on consignment or as bailment, or under contract, and in your possession during the reporting period and not listed in this return.

Name and Address of Inventory Owner	Inventory Type (Mfg or Mer)	Inventory Location Address	Estimated Average Value
King's Jewelry, Pittsburgh, PA	MER	1999 Carefree Lane	$1,000

Fashion Spree Inventory Schedule
Gross Profits Method

Columbus	Net Purchases	Net Sales	Sales at Cost – 57.68%	Estimated Monthly Inventory
Beginning inventory	$ 32,496			
February 2004	$ 16,945	$ 18,376	$ 10,599	$ 38,842
March 2004	28,612	18,717	10,796	56,658
April 2004	4,707	22,828	13,167	48,198
May 2004	11,607	26,219	15,123	44,682
June 2004	16,779	28,925	16,684	44,777
July 2004	3,167	22,654	13,067	34,877
August 2004	16,018	22,308	12,867	38,028
September 2004	16,118	28,493	16,435	37,711
October 2004	10,955	24,773	14,289	34,377
November 2004	26,067	22,311	12,869	47,575
December 2004	11,520	30,993	17,877	41,218
January 2005	2,556	21,413	12,351	31,423
Total	**$165,051**	**$288,010**	**$166,124**	**$498,366**

Average value, divide by 12			$41,531
List value, 18.75%			7,787
Beginning inventory	$ 32,496		
Plus purchases	165,051	$197,547	
Less ending inventory		31,423	
Cost of goods sold			$166,124

Cost of sales divided by net sales $166,124/$288,010 = 57.68%

Bexley	Net Purchases	Net Sales	Sales at Cost – 57.68%	Estimated Monthly Inventory
Beginning inventory	$ 27,856			
February 2004	10,115	$ 16,610	$ 9,840	$ 28,131
March 2004	17,797	21,796	12,912	33,016
April 2004	16,255	15,365	9,102	40,169
May 2004	5,745	18,261	10,818	35,096
June 2004	20,195	20,231	11,985	43,306
July 2004	9,737	22,269	13,192	39,851
August 2004	11,638	17,492	10,362	41,127
September 2004	20,295	23,883	14,148	47,274
October 2004	12,056	22,878	13,553	45,777
November 2004	10,554	23,327	13,819	42,512
December 2004	21,681	32,419	19,205	44,988
January 2005	1,691	30,013	17,780	28,899
Total	**$157,759**	**$264,544**	**$156,716**	**$470,146**

Average value, divide by 12			$ 39,179
List value, 18.75%			7,346
Beginning inventory	$ 27,856		
Plus purchases	157,759	$185,615	
Less ending purchases		28,899	
Cost of goods sold			$156,716

Cost of sales divided by net sales $156,716/$264,544 = 59.24%

Form 937
Rev. 11/05

True Value Computation

☐ Machinery and Equipment
☒ Furniture and Fixtures
☐ Public Utility Property
☐ Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Fashion Spree, Inc.	City of Columbus, 25-0010

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		5,562		5,562	93.2	5,184
2004	3,451			3,451	82.8	2,857
2003	1,675			1,675	72.4	1,213
2002	0			0	62.0	
2001	4,401		463	3,938	51.5	2,028
2000	2,942	1,342	149	4,135	42.2	1,745
1999	0			0	36.3	
1998	1,926		1,926	0	30.5	
1997	12,800			12,800	24.6	3,149
1996	4,463			4,463	18.8	839
1995	3,799		1,286	2,513	18.8	472
1994	27,482		8,234	19,248	18.8	3,619
prior years	0			0	18.8	
Totals	62,939	6,904	12,058	57,785		21,106

Remarks

List @ 18.75 **%** 3,957

Form 937
Rev. 11/05

True Value Computation

☐ Machinery and Equipment
☒ Furniture and Fixtures
☐ Public Utility Property
☐ Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Fashion Spree, Inc.	City of Bexley, 25-0140

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		2,806		2,806	93.2	2,615
2004	28,998			28,998	82.8	24,010
2003					72.4	
2002					62.0	
2001					51.5	
2000					42.2	
1999					36.3	
1998					30.5	
1997	1,342		1,342		24.6	
1996					18.8	
1995					18.8	
1994					18.8	
prior years					18.8	
Totals	30,340	2,806	1,342	31,804		26,625

Remarks

List @ 18.75 **%** 4,992

Sample 920 Tax Return of a Manufacturer

Jones Textile Mills, Inc., incorporated in Ohio in September 1941, is a manufacturer of industrial garments. There is a small office in front of the business and a small warehouse adjacent to the manufacturing site. Spinning, weaving, cutting, sewing and buttonhole machines comprise the majority of the machinery and equipment. Warehouse equipment consists of two forklift trucks and packing machinery. The office equipment includes desks, chairs, bookcases and artwork. Inventory consists of manufacturing inventory, office and warehouse supplies. A small inventory is stored out of state. New cutting, sewing and buttonhole machines were purchased on May 5, 1005, and immediately placed in service.

The accounting records are maintained on an accrual basis and consist of a general ledger, cash receipts and disbursement journal and depreciation schedules. Inventory records do not provide accurate month-end inventory values, but purchases, labor, overhead expenses and sales are maintained on a monthly basis and adjusted for variances as necessary.

An accountant is retained to prepare and file all personal property tax forms. The following pages display the completed tax returns and supporting schedules required to be filed by Jones Textile Mills, Inc. for 2006.

Form 920 **2006**

Rev. 11/05

Franklin County

County Return of Taxable Business Property

For accounting period 1/1/2005 to 12/31/ 2005

Taxpayer name Jones Textile Mills, Inc.
(If corporation, LP or LLC, as registered with the Ohio secretary of state)

Taxpayer address 1800 Fifth Avenue, Columbus, OH 43215

Business name

Physical location of taxable property 1800 Fifth Avenue

Date business started in Ohio October 1, 1941

Description of business Manufacturer of industrial garments

106932	32-0579617	315225
Ohio charter/registration number	Federal employer identification number	NAICS code number
9/5/1941		25-968574
Date incorporated or qualified in Ohio	Social security number	Ohio vendor's license number

Type of business: Corporation ☒ Partnership ☐ LP ☐ LLC ☐ Sole proprietor ☐ Other ☐

Filing includes: Form 902 ☐ Form 913EX ☐ Consolidated ☐ (submit list of company names)

File no.

County Auditor's Received Stamp

Time Extension Permit

No. granted

to 2006

1A. State taxing district number	250010		
1B. Taxing district name (township, city and school district)	City of Columbus		
2. Schedule 2 (nearest $10)	14,290		
3. Schedule 3 (nearest $10)	23,720		
4. Schedule 3A (nearest $10)	–		
5. Schedule 4 (nearest $10)	2,140		
6. Total Listed Value	40,150		
7. $10,000 exemption	10,000		
8. Taxable Value	30,150		
9. Tax rate	82.16		
10. Tax	2,477.12		
11. Amount paid with return	1,238.56		
12. Balance	1,238.56		
13. Schedule 5	20,000		

File this return in duplicate with your county auditor, with check attached, made payable to your county treasurer for at least one-half of tax, between Feb. 15 and April 30. If total listed value (line 6) is less than $10,000, no return is required. No payment is required if the total tax due is under $2.

☐ **By checking this box, assessments and bills associated with this return will be mailed to the tax representative named below. A letter from the taxpayer authorizing this action must also accompany this return.**

Declaration

I/we declare under penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me/us and to the best of my/our knowledge and belief is a true, correct and complete return and report.

Joe Rich – Rich & Associates		4/15/2006
Tax preparer/tax representative		Date
21 S. High Street, Columbus, OH 43215		
Address		
(614) 466-3280	jrich@richassoc.com	
Telephone	E-mail address	

Paul A. Jones	President	4/15/2006
Signature of taxpayer	Title	Date
Paul A. Jones		4/15/2006
Printed name		Date
(614) 466-6100	pajones@jtminc.com	
Telephone	E-mail address	

Schedule 2 – Manufacturing Machinery and Equipment. List at 18.75% machinery first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining. If the value of equipment is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
City of Columbus	Manufacturing equipment	$76,186	18.75	$14,290
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 2 on front of return)				14,290

Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing. List at 18.75% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts used in laundries, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing, and also inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	%	Listed Value
City of Columbus	Furniture and fixtures	$4,725	18.75	$890
City of Columbus	Warehouse equipment	5,692	18.75	1,070
City of Columbus	Supplies	973	18.75	180
			18.75	
			18.75	
			18.75	
			18.75	
Total (carry listed value **by taxing district** to line 5 on front of return)				2,140

Schedule 5 – New Investment Manufacturing Equipment. List by taxing district and cost all manufacturing equipment first used in business in Ohio after Jan. 1, 2005. See R.C. 5711.16 for a complete definition of a manufacturer, manufacturing equipment and manufacturing facility to determine if you qualify to list this equipment here or in Schedule 2.

Taxing District	Description	Date First Used in Business in Ohio	Cost
City of Columbus	Cutting, sewing, buttonhole machines	5-5-05	$20,000
Total 2005 qualifying costs (carry cost by taxing district to line 13 on front of return)			20,000
Qualifying costs reported in prior years			
Total (carry total cost to line 8c on form 921)			20,000

Schedule 3 – Manufacturing Inventories – List at 18.75% of average value all inventories of raw materials, works in process and finished goods used in manufacturing or refining. Finished goods removed from the county of manufacture and inventory held for sale by a merchant must be listed in Schedule 3A. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 3. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.	25			
Taxing District Name & Number	City of Columbus			
January	$102,493			
February	111,033			
March	121,993			
April	133,312			
May	168,252			
June	190,622			
July	188,931			
August	169,487			
September	99,698			
October	86,070			
November	69,400			
December	76,943			
Total Values	1,518,234			
Average Value	126,520			
List @ 18.75%	23,720			

Schedule 3A – Merchandising Inventories – List at 18.75% of average value all inventories held for resale and finished goods removed from the county of manufacture. Inventories carried at retail value must be restated at cost. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to line 4. Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory _____	FIFO cost _____ LIFO cost _____
Physical inventory _____	Standard cost _____ Other _____
Gross profits method _____	
Dates physicals taken _____	
Net sales $ _____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.				
Taxing District Name & Number				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total Values				
Average Value				
List @ 18.75%				

Form 921 **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Jones Textile Mills, Inc. FEIN/social security number 32-0579617

Balance sheet as of 12/31/ 2005

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. **Cash and deposits**		5,201	5,201
2. **Notes and accounts receivable**		37,591	37,591
3. **Inventories**			
A) Manufacturing		76,943	78,652
B) Merchandising			
C) Supplies – manufacturing			
D) Supplies – other		973	973
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. **Investments**		9,900	9,900
5. **Land**		5,172	5,172
6. **Buildings**			
A) Taxed as real estate	30,000	9,120	9,120
B) Taxed as personal property			
7. **Leasehold improvements**			
A) Taxed as real estate			
B) Taxed as personal property			
8. **Machinery and equipment**			
A) Taxed as real estate			
B) Taxed as personal property	191,432	76,456	76,456
C) Exempt manufacturing equipment H.B. 66	20,000	20,000	20,000
9. **Furniture and fixtures**	12,902	4,102	4,102
10. **Personal property leased to others**			
A) Taxable			
B) Nontaxable			
11. **Capitalized leases**			
12. **Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area**			
13. **Certified exempt facilities**			
14. **Patterns, jigs, dies and drawings**	2,500	2,500	2,500
15. **Construction in progress**			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use			
16. **Small tools**			
17. **Vehicles and aircraft**			
A) Registered or licensed	28,920	9,640	9,640
B) Other			
18. **Other assets**		4,248	4,248
19. **Total assets**		261,846	263,555

Liabilities and Net Worth	
20. **Notes, accounts payable, bonds and mortgages**	49,544
21. **Accrued expenses**	8,956
22. **Other liabilities, deferred credits**	2,743
23. **Preferred stock**	
24. **Common stock**	32,500
25. **Additional paid-in capital**	
26. **Retained earnings**	169,812
27. **Appropriated earnings**	
28. **Owner's capital**	
29. **Other**	
30. **Total liabilities and net worth**	263,555

2006 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

Exhibit A – Reconciliation of Balance Sheet Line Numbers 3, 8B, 9, 10, 13, 15B and 16

B/S Line No.	Book Value	Value Returned	Difference	Reconcile Differences
8B	76,456	76,186	270	True Value Computation
9	4,102	4,725	625	True Value Computation

Exhibit B – Please provide a brief description of leasehold improvements and machinery and equipment taxed as real (lines 7A and 8A).

B/S Line No.	Itemization	Amount

Exhibit C – Leased Property

List all tangible personal property held under lease on tax listing day.

Name and Address of Property Owner	Lease: Start Date	Lease: Ending Date	Type of Property	Gross Annual Rental

Exhibit D – Inventory Held Under Bailment, Consignment, Contract Agreement

List all inventories held on consignment or as bailment, or under contract, and in your possession during the reporting period and not listed in this return.

Name and Address of Inventory Owner	Inventory Type (Mfg or Mer)	Inventory Location Address	Estimated Average Value

Jones Textile Mills, Inc.
Manufacturing Inventory Schedule – Gross Profits Computation

	Labor	Burden	Net Purchases	Total	Net Sales	Cost of Sales	Monthly Inventory
Beginning inventory				$ 74,276			
January 2005	$ 8,834	$ 16,245	$ 27,773	$ 52,402	$ 27,608	$ 24,185	$ 102,493
February 2005	4,884	9,464	16,180	30,528	25,100	21,988	111,033
March 2005	3,352	6,495	11,106	20,953	11,408	9,993	121,993
April 2005	7,030	13,620	23,285	43,935	37,233	32,616	133,312
May 2005	11,918	23,090	39,477	74,485	45,143	39,545	168,252
June 2005	9,651	18,698	31,968	60,317	43,318	37,947	190,622
July 2005	9,630	18,658	31,899	60,187	70,637	61,878	188,931
August 2005	21,055	40,795	69,745	131,595	172,419	151,039	169,487
September 2005	37,594	72,838	124,528	234,960	347,887	304,749	99,698
October 2005	27,053	52,415	89,612	169,080	208,571	182,708	86,070
November 2005	17,203	33,331	56,984	107,518	141,767	124,188	69,400
December 2005	4,619	8,949	15,299	28,867	24,343	21,324	76,943
Total	**$162,373**	**$314,598**	**$537,856**	**$1,014,827**	**$1,155,434**	**$1,012,160**	**$1,518,234**
Average inventory	$126,520						
Listing %	18.75%						
List value	$ 23,720						

Calculation for Cost of Sales Percent

Beginning inventory Jan. 1, 2005		$ 74,276	
Plus labor, burden and purchases		1,014,827	$1,089,103
Less ending inventory Dec. 31, 2005			76,943
Cost of goods sold			$1,012,160
Cost of sales divided by net sales	$1,012,160/$1,155,434 = 87.6%		

Form 937
Rev. 11/05

True Value Computation

- [X] **Machinery and Equipment**
- [ ] **Furniture and Fixtures**
- [ ] **Public Utility Property**
- [ ] **Stand-Alone Computers**

State of Ohio

Class VI **Return Year** **2006**

Company	**Taxing District Name and Number**
Jones Textile Mills, Inc.	City of Columbus, 25-0010

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year Acquired	**Cost At End Of 2004**	**Additions and Transfers In 2005**	**Disposals and Transfers Out 2005**	**Cost At End Of 2005**	**Per Cent**	**True Value Amount $**
2005		19,746		19,746	94.4	18,640
2004	22,519			22,519	88.9	20,019
2003	10,571			10,571	83.3	8,806
2002	1,643			1,643	77.8	1,278
2001	2,417			2,417	72.2	1,745
2000	3,598			3,598	66.7	2,400
1999	1,117			1,117	61.1	682
1998	1,367		465	902	55.6	448
1997	3,123			3,123	50.0	1,562
1996	1,008			1,008	44.4	502
1995	4,063			4,063	38.9	1,581
1994	2,212			2,212	33.3	737
1993	1,751			1,751	28.9	506
1992	1,423		912	511	26.2	134
1991	1,014			1,014	23.5	238
1990	5,196			5,196	20.8	1,081
1989	23,454		1,521	21,933	18.1	3,970
Prior	84,193		7,209	76,984	15.4	11,856
Totals	170,669	19,746	10,107	180,308		76,186

Remarks

List @ 18.75 **%** 14,285

Form 937
Rev. 11/05

True Value Computation

- [ ] Machinery and Equipment
- [X] Furniture and Fixtures
- [ ] Public Utility Property
- [ ] Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Jones Textile Mills, Inc.	City of Columbus, 25-0010

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		1,324		1,324	93.2	1,234
2004	907			907	82.8	751
2003	1,732		713	1,019	72.4	738
2002	118			118	62.0	73
2001	569			569	51.5	293
2000	427			427	42.2	180
1999	132			132	36.3	48
1998	2,277			2,277	30.5	694
1997	620		620		24.6	
1996	6,120		2,320	3,800	18.8	714
Totals	12,902	1,324	3,653	10,573		4,725

Remarks

List @ 18.75 **%** 886

Form 937
Rev. 11/05

True Value Computation

- [X] **Machinery and Equipment**
- [ ] **Furniture and Fixtures**
- [ ] **Public Utility Property**
- [ ] **Stand-Alone Computers**

State of Ohio

Class III **Return Year** **2006**

Company	**Taxing District Name and Number**
Jones Textile Mills, Inc.	City of Columbus, 25-0010

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005					93.2	
2004	4,486			4,486	82.8	3,714
2003					72.4	
2002					62.0	
2001					51.5	
2000					42.2	
1999					36.3	
1998	4,318			4,318	30.5	1,317
1997					24.6	
1996	3,516			3,516	18.8	661
Totals	12,320			12,320		5,692

Remarks

List @ 18.75 **%** 1,067

Definitions and General Instructions for Form 945

Taxpayer – A personal property taxpayer includes every person or business entity owning or having a beneficial interest in taxable personal property that is located and used in business in Ohio as of Jan. 1. When a taxpayer first engages in Ohio business after Jan. 1, a new taxpayer return is due within 90 days of commencing business. Contact the department for additional instructions for filing a new taxpayer return.

Inter-County Return of Taxable Business Property – Form 945. Use of this tax return is restricted to businesses having taxable personal property in more than one county and is filed with the Ohio Department of Taxation.

County Return of Taxable Business Property – Form 920. Is to be used by businesses with taxable personal property in only one county. This form is filed in duplicate with the auditor of the county in which business is being conducted.

Ohio Balance Sheet – Form 921. This form must be completed and filed with the tax return. When a consolidated tax return is filed, a consolidating balance sheet covering all corporations and in the format of form 921 must be included. Column headings must reflect each corporation's assets located in and out of Ohio, and both intercompany eliminations and consolidated totals in and out of Ohio.

Filing Dates – The taxable business property return and balance sheet, plus any additional computations and exhibits, must be filed with the appropriate authority between February 15 and April 30. Application for inter-county and single county time extensions for filing are made to the Ohio Department of Taxation and county auditor, respectively, before April 30. If approved, the extension will be granted until June 15. If the last date of the filing period (April 30th or as extended) occurs on a nonbusiness day, the next succeeding business day becomes the last date of the filing period. Ohio law provides a maximum penalty of 50% for failure to file a timely return or failure to list or disclose taxable property. Any extension that has been issued should be attached to the inside cover of the tax return at the time of filing.

To be timely filed, the return must be received by the tax commissioner on or before the due date. The mailing of a return, except by certified mail, does not constitute filing. To ensure timely delivery to and receipt by the tax commissioner, certified mail, personal delivery or an approved delivery service should be used, or the return may be filed in person with the tax commissioner.

Classification of Property – Personal property is defined as every tangible thing that is the subject of ownership, excepting real property. Real property is defined as land, growing crops, and unless specified as primarily devoted to the business rather than the land itself, all buildings, structures, improvements and fixtures on the land. Contractors' (construction in progress) building components, machinery and equipment, materials, etc., that will become real property upon completion, are to be considered personal property until they are incorporated into the real estate. Personal property owned by a contractor is not considered construction-in-progress during construction.

Listing Date – All tangible personal property used in business must be listed and assessed unless specifically exempt. The tax listing date for all personal property used in business is the close of business on Dec. 31. However, a taxpayer using a fiscal year end for federal income tax purposes must employ the last preceding fiscal year end for listing personal property used in business. If such taxpayer has not been engaged in business in Ohio a full 12 months preceding the fiscal year end, they must employ Dec. 31. (Ohio Adm. Code 5703-04)

True Value – The Ohio Revised Code (R.C. 5711.18) specifies that the true value of tangible personal property is its depreciated book value, unless the assessor finds otherwise. The tax commissioner has prescribed valuation methods for both depreciable assets and inventory. The taxpayer may report his property at a value other than that which is determined by the prescribed valuation methods, but any deviation from these prescribed valuation methods must be substantiated by the taxpayer with probative evidence. Any value that is below the net book value of the property must also be reported on form 902, filed with the tax return. Other valuation methods, such as accelerated depreciation or last-in-first-out (LIFO) inventory valuations, are subject to review by the tax commissioner. The rejection of the valuation method used by the taxpayer when reporting his property may result in additional taxes and interest owed by the taxpayer.

Inventories – Ohio law (R.C. 5711.15 and 5711.16) requires inventories of manufacturers and merchants to be listed on the average monthly basis. The average value shall be determined by dividing the aggregate of the month-end inventories by the number of months engaged in business in Ohio. (Ohio Adm. Code 5703-3-16) Expanding to new locations or movement to another taxing district during a year will result in partial year's inventory in multiple districts. Example: A merchant moving from taxing district "A" to taxing district "B" at midyear would report value in each taxing district by totalling the inventory in each district separately and dividing by 12 (the number of months in business in Ohio). If the books do not provide those monthly values, the gross profits method may be used, provided purchases and sales are accrued properly.

A manufacturer is defined as a person who purchases, receives or holds personal property for the purpose of adding to its value by manufacturing, refining, rectifying or combining different materials with a view of making a gain or profit (R.C. 5711.16). A merchant is defined as a person who owns or has possession or subject to his control personal property that is held for sale with a view of making a gain or profit (R.C. 5711.15). Supply inventories of a merchant and inventories of taxpayers other than manufacturers and merchants must be listed as of end of business year. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops,

garages, etc. The listing percentage is 18.75% for the year 2006.

Depreciable Assets – Depreciable assets should be listed in the appropriate schedule by taxing district at true value, which may be greater or less than book value, as of the taxpayer's listing date. The tax commissioner has prescribed composite annual allowances and the method of application, by type of business activities, to be used in lieu of book depreciation for computing the true value of depreciable assets. For further instructions refer to page 21. In those instances where true value is less than book value, form 902 must be filed with the tax return.

Leased Property – Must be listed by the owner, regardless of the terms of the lease agreement concerning tax liability. If the lessee is obligated to purchase the property, they are deemed to be the owner; otherwise, the lessor is deemed to be the owner (Ohio Adm. Code 5703-3-14). If you lease property to a public utility, contact the Ohio Department of Taxation, Property Tax Division, for instructions for listing and valuing that property.

Listed Value – Listed value is true value times the applicable listing percentage. For tax return year 2006, the listing percentage for both fixed assets and inventories is 18.75%. If you have property used for generating and distributing electricity to others, contact the Property Tax Division for instructions for listing that property. All listed values are to be rounded to the nearest $10 and carried forward to the recapitulation (pages 15-16).

$10,000 Exemption – The first $10,000 of listed value of taxable personal property owned by a taxpayer is exempt from taxation to the owner. The exemption is applied in the taxing district with the highest listed value. If that is less than $10,000, the remaining amount is applied in the taxing district with the next highest value until either the $10,000 exemption is exhausted or a net taxable value of zero is reached. This exemption is not transferable to another taxpayer and cannot be carried forward or back to any other year. If the list value is $10,000 or less, a return is not required to be filed.

Exempt Property – Depreciable assets classified as personal property and excluded or exempted from taxation include: motor vehicles registered and licensed in the name of the owners; aircraft registered and licensed in the name of the owner; property for which an exempt facility certificate has been applied for or certified exempt; patterns, jigs, dies and drawings when held for use and not for sale or lease in the ordinary course of business; construction in progress while under construction or installation and not capable of operation; harvested crops belonging to the producer thereof, depreciable assets, and domestic animals used in agriculture and leased personal property used exclusively for agricultural purposes; merchandising inventory owned by a merchant consisting of machinery and equipment and accessories therefore, which are new or used, and designed or built for agriculture use (Ohio Adm. Code 5703-3-30); manufacturing equipment purchased and placed in service after Jan. 1, 2005 and not previously used in business in Ohio; all personal property located in an urban jobs and enterprise zone that is exempt by agreement, inventory or display items located in a foreign trade zone; and personal property located on lands ceded to the federal government. **Form 913EX must be filed by taxpayers, who have personal property in an enterprise zone or hazardous substance reclamation area, with this return.** Do not include exempt or nontaxable tangible personal property values in the taxable values carried forward to the recapitulation pages.

Taxing Districts – Tangible personal property is required to be listed in the taxing district where it is physically located on the listing date. It is important that the correct and complete name and number of each taxing district be shown to ensure correct billing. Taxing district names normally consist of the name of a township, city or village, and a school district. If the exact name is unknown, refer to the assessment certificates from the previous year, your real estate tax bills or contact the auditor of the county in which the property is located. (see telephone numbers on back cover). In most cases, inter-county taxing district numbers differ from those used by individual counties for form 920. All inter-county taxing district numbers are four digits and are all numerical. The four-digit taxing district number can be obtained from your last year's inter-county assessment certificates (form 947), the Rates of Taxation book, which is published annually by this department and is available on the Internet at www.tax.ohio.gov, or by calling the local county auditor, being sure to notify them that you are filing an inter-county return.

Note: Do not use the tax district numbering system established by the individual counties. Use of county taxing district numbers will lead to processing delays and could result in the rejection of the return as unacceptable.

Payment of Taxes – Do not send payment with this return. Taxes are due and payable upon receipt of the tax bills from the county treasurer. A late payment penalty and interest may be charged on taxes not timely paid.

Instructions for Preparing Form 945

These instructions have been designed to assist the taxpayer in preparing the Inter-County Return of Taxable Business Property (form 945). While these instructions set forth the general requirements, they are not intended as a substitute for the law itself.

Important – The Department of Taxation will not accept tax returns that are:

1. **Filed on incorrect forms,**
2. **Incomplete or illegible, or**
3. **That display information in a manner other than that prescribed**.

Tax returns that are rejected will receive a late filing penalty if not resubmitted correctly by the filing deadline. To avoid this situation, read and carefully follow the instructions.

Return Cover – Enter all information requested on the face of the tax return. All correspondence, assessment certificates and tax bills will be mailed to the taxpayer address unless otherwise requested.

Page 5 – Form 993 A, Application for an Extension of Time to File Form 945 – This form should be used in requesting an extension of time to file the Inter-County Return of Taxable Business Property from the tax commissioner. An extension of time to June 15 can be granted. A copy of this form is included in this booklet. This form must be received by the tax commissioner before April 30 for the extension request to be considered.

Page 7 – Consolidated Returns, Taxpayer Identification – A corporation that owns or controls at least 51% of the common stock of one or more corporations may file a consolidated tax return. Notice of intent to file a consolidated return must be made with the tax commissioner on or before April 30, or within the filing time as extended.

Once authorized to file a consolidated return, the parent corporation must continue to do so each year until it notifies the tax commissioner, in writing by April 20, that it no longer intends to file on a consolidated basis. The consolidated return must include all subsidiary corporations except financial institutions, dealers in intangibles, public utilities, insurance companies and those corporations that do not employ the same listing date as the parent.

Property within a consolidated return must be separately listed in each owner's name.

Page 8 – Ohio Business Locations – Provide a brief description of the business activities conducted within each taxing district. If a corporate consolidated return, provide this information separately by owner.

Schedules 2, 3, 3A, 4 and 5

Tangible personal property reflected in the schedules must be separately identified by county and taxing district therein. The counties are to be listed numerically. Refer to the county designation numbers located on the back cover. The taxing districts are to be listed alphabetically by exact name. Property reflected in a consolidated tax return must, in addition to the above, be identified as to the owning corporation.

Page 9 – Schedule 2 – Machinery and Equipment – Enter all engines, machinery, equipment, implements, small tools, machinery repair parts and other tangible personal property first used in business in Ohio **before** Jan. 1, 2005, that is used in manufacturing or mining at their true value and listed value.

Note: Listing of property in this schedule does not qualify it for the state investment tax credit. To qualify the property must be used in the business of manufacturing or refining as defined in Ohio Revised Code (R.C.) 5711.16 and 5711.17.

Page 10 – Schedule 3 – Manufacturing Inventory – Enter the monthly values of all inventories used in manufacturing by taxing district. The value must include manufacturing supplies, cost of raw material, goods-in-process and finished goods. Goods-in-process and finished goods must include all factory burden and overhead costs attributable to the manufacturing facilities and process. Such costs include, but shall not be limited to, indirect labor, insurance, utilities, taxes, transportation, rents and leases, repairs and maintenance, depreciation and amortization (Ohio Adm. Code 5703-3-27). Inventory values maintained on the direct cost or last-in-first-out (LIFO) basis must be restated. Consigned manufacturing inventory must be listed by the owner.

Page 11 – Schedule 3A – Merchandising Inventory – Enter by taxing district the monthly values of all inventory acquired and held for sale and any finished goods inventory of a manufacturer not held in the county of manufacture.

The value of merchandising inventory must include the costs to acquire the inventory, taxes and freights. Inventories carried at retail value must be restated at cost (Ohio Adm. Code 5703-3-17).

Consigned merchandising inventory must be listed by the owner-consignor; except that inventory consigned to an Ohio merchant by a nonresident owner must be listed by the merchant-consignee if the owner-consignor is not required to file an Ohio return (Ohio Adm. Code 5703-3-09).

Page 12 – Schedule 4 – Furniture and Fixtures – Enter all furniture, machinery, equipment and supplies used in laundries, towel and linen supply and dry-cleaning plants, stone and gravel plants, and radio and television broadcasting, other business not constituting manufacturing, and all inventories of other than manufacturers or merchants and all domestic animals not used in agriculture. Inventories of repair and maintenance parts, as well as equipment held as spare parts, are valued at 100% of the cost of the amount on hand at year end, reported in Schedule 4, and listed at 18.75%. The supply items

of a manufacturer, the costs of which are not absorbed in the cost of the final product, and supply items of all other taxpayers are to be valued at the cost of the amount on hand at year end, reported in Schedule 4, and listed at 18.75%. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. This also includes office supplies and supplies used in the normal business activities.

Page 13 – Schedule 5 – Enter by taxing district the cost of all manufacturing equipment not previously used in business in Ohio by the owner, a related member or a predecessor owner of the equipment before Jan. 1, 2005. This property should be listed at 0% of its true value.

Page 14 – Guidelines for Preparation of Recapitulation Page

Page 15 – Sample of a completed recapitulation page.

Pages 16, 17 – Recapitulation of Listed Values – Carry the information from the various schedules forward to the recapitulation pages and enter it under the appropriate column headings. **All personal property owned by one taxpayer and located in the same taxing district must be combined and listed on a single line in the recapitulation schedule.** Arrange the counties numerically and taxing districts alphabetically therein. In a consolidated tax return the property must be assessed in the name of the owning corporation. To identify the property by its owner, enter the name of the corporation first, followed by a numerical listing of the counties, an alphabetical listing of taxing districts with the corresponding four-digit inter-county taxing district number in which that corporation owns property, and the corresponding listed values. Repeat this step for each corporation in the consolidation.

All renditions must have this department's approval prior to filing. Any rendition not having the exact format and spacing as the recapitulation pages in form 945 will not be accepted.

The amount of the $10,000 exemption claimed must be entered in the right-hand column of the recapitulation pages. Only one $10,000 exemption is allowed per taxpayer. The deduction is made from the taxing district with the largest listed value. Do not deduct the exemption from the Listed Value totals column. The deduction will be computed by the department at the time of assessment. (See general information on $10,000 exemption.)

The columns on each page must be totalled horizontally and vertically, and grand totals of all columns from all pages must be shown at the end. A sample recapitulation page is shown on page 14.

Page 18 – Schedule 6 – Grains – List by county number and exact taxing district name and number the amount of bushels of wheat, flax, and all other grains that were purchased, received or transferred to an Ohio taxing district.

Page 19 – Recapitulation – Grains – List by county number and exact taxing district name and number the totals from Schedule 5.

Pages 20, 21 – Form 921 – Ohio Balance Sheet

Page 22, 23, 24 – Form 937, True Value Computation – To be used by taxpayers valuing tangible personal property based on prescribed composite annual allowance. See page 21.

Supplemental Forms

The following forms must accompany the tax return if applicable.

Page 26 – Form 902, Claim for Deduction from Book Value – To be used by taxpayers claiming values less than book value. This form must accompany the tax return at the time of filing. This deduction must be reflected in the "true value" as represented on the return schedules and recapitulation of listed values.

Pages 28, 29 – Form 913EX, Return of Exempt Personal Property Located in an Enterprise Zone or Hazardous Substance Reclamation Area – To be used by a taxpayer who is claiming an exemption for personal property located in an enterprise zone as defined in RC 5709.61, et seq., and 5709.88.

Page 32 – Form 945S, County Supplemental Return – This form must be filed directly with the auditor of each county in which the total listed value in any taxing district increased or decreased by $500,000 or more from that reported in the previous year. Failure to file this form may result in a penalty as provided for in RC 5703.99. Copies of these forms are available upon request to the department at the address indicated on the inside rear cover.

Page 38 – Declaration – Signature – When the taxpayer is a corporation, partnership or proprietorship, the declaration must be signed by a corporate officer, partner or proprietor respectively. Provide identification of the individual to be contacted at the taxpayer's address in Section 1. Complete Section 2 and submit written authorization on the taxpayer's stationery if the assessments and bills associated with this return are to be mailed to a tax representative.

Publications – Additional filing and valuation information can be obtained by requesting the following publications.

***Rates of Taxation* –** This annual publication contains a current year's listing of taxing district names, numbers and the tax rates for each Ohio county.

***True Value of Tangible Personal Property* –** The tax commissioner has prescribed composite annual allowances for use in determining true value of tangible personal property used in business. This publication lists by North American Industry Classification the prescribed Class Life for your business activity.

***Guidelines for Filing Ohio Personal Property Tax Returns* –** This book contains completed examples of the inter-county form 945, single county form 920, balance sheet form 921 and various other supplemental forms and instructions (current edition 2006). This information can be obtained from the Department of Taxation's website at **tax.ohio.gov.**

Sample Tax Return of a Taxpayer Filing a Consolidated Inter-County Return

Associated Manufacturing Co., incorporated in Ohio in May 1954, manufactures and sells die-cutting machines. The company has its manufacturing plant in Cleveland and maintains sales offices in Cleveland, Columbus, Cincinnati and Indianapolis. The corporation owns real property and personal property in Ohio and Indiana. It maintains inventory at all locations.

Associated Manufacturing Co. also owns 100% of the capital stock of Acme Sales Corp. Acme is a distributor of machine tool supplies and has sales offices in Cleveland and Toledo.

The accounting records of the companies are computerized. The monthly inventory values include all fixed, semi-variable costs and expenses incurred in the manufacturing of the inventory. The year-end values reflect adjustments from book inventory to physical inventory. Five new die-cutting machines were purchased and placed in service during 2005 to replace older, less-efficient machines.

The following represents the completed 2006 tax return and supporting schedules required to be filed by Associated Manufacturing Company and its subsidiary. The return was prepared by an outside accounting firm, and the taxpayer wants the assessment and all bills associated with this return mailed to that accounting firm.

Ohio Department of TAXATION

2006
Form 945
Rev. 11/05

State of Ohio Inter-County Return of Taxable Business Property

Additional copies of this form may be downloaded from our Web site at **tax.ohio.gov.**

Current <u>taxpayer</u> business information (required).

Name Associated Manufacturing Company

Address* 54671 Long Blvd.

Cleveland, OH 44199

FEIN or SSN 34-0416940 Ohio charter number 333515

NAICS code 106626

*Mailing address of the taxpayer's corporate headquarters is required. All assessments and billings will be mailed to the address above. If assessments and billings are to be mailed to a tax representative, check the box at right, include a written request with this return – on company stationery – and complete Section 2 of the contact and signature page with the mailing information. **The information above is still required.** X

Type of Entity: Corporation X Partnership ____ LP ____ Ltd. liability co. ____ Sole proprietor ____ Other ____

Date of incorporation or qualification in Ohio 5/1/1954 Date business commenced in Ohio 6/15/1954

<u>Tax return due date is April 30th – Extended due date is June 15th</u>
or next business day if the 30th or 15th falls on a weekend

Filing extension granted? Yes X **No** ____ **Confirmation enclosed? Yes** X **No** ____
If a single county extension was granted, the confirmation must be enclosed in this return or a late-filing penalty will be assessed.

Total list value of tangible personal property (before $10,000 exemption) $ 636,530

For Use by the Department of Taxation Only – Do Not Write in the Area Below

Taxing District/ Preassessment Verification	Consolidated	Claim	913 EX	Penalty ____ %

Office Audited	Field Audited	Data Entry Label or
Agent ____ Date ____	Agent ____ Date ____	Assessment date ____ By ____
Supr. ____ Date ____	Supr. ____ Date ____	

This return is not filed in duplicate.
If listed value is $10,000 or less, this return is not required to be filed.
This form is also used for filing an inter-county new taxpayer return.

Taxpayer Identification for Consolidated Returns

The information requested on this page must be supplied so that credit for filing may be given to all corporations included in this return. In listing subsidiary corporations, list only those that hold an Ohio charter or license, or those that have Ohio sitused tangible personal property. **A consolidating balance sheet showing intercompany eliminations is required.**

Name Associated Manufacturing Co.

Address 54671 Long Blvd., Cleveland, OH 44199

Ohio charter # 333515 Federal employer # 34-0416940 NAICS industry code # 106626

Subsidiary Corporations — **All subsidiary corporations must also be listed on the recapitulation pages as per example on page 63.**

Name	Ohio Charter Number	Federal Employer Number	NAICS Industry Code Number	Do Not Use This Column
Acme Sales Corp.	601262	34-0416941	421830	

Ohio Business Locations

List the exact county and taxing districts in which this business holds property in Ohio. If a consolidated return, list corporations by owning corporation.		Sufficient description of business operations in each county and taxing district is necessary for classification and use of proper tangible property schedule, especially when manufacturing classification is claimed.
County	**Taxing District Name and Number**	**Description of business, name and address under which business was conducted in each location**
Cuyahoga	Cleveland CSD 18-0740	Description Manufacture and Sales of Die-Cutting Machines Associated Manufacturing Co. Address 54671 Long Blvd., Cleveland, OH 44199
Franklin	City of Columbus 25-0010	Description Sales Office Associated Manufacturing Co. Address 30 East Broad St., Columbus, OH 43215
Hamilton	Cincinnati Corp – Cincinnati CSD 31-1110	Description Sales Office Associated Manufacturing Co. Address 900 Dalton St., Cincinnati, OH 45202
Franklin	City of Columbus Southwestern SD 25-0090	Description Warehouse Associated Manufacturing Co. Address 3130 Briggs Road, Columbus, OH 43204
Cuyahoga	Cleveland CSD 18-0740	Description Sales Office Acme Sales Corp. Address 54671 Long Blvd., Cleveland, OH 44199
Lucas	Toledo City – Toledo CSD 48-0300	Description Sales Office Acme Sales Corp. Address 420 South Reynolds Rd., Toledo, OH 43602
		Description Address
		Description Address
		Description Address
		Description Address
		Description Address
		Description Address

Schedule 2 – Machinery and Equipment – List at 18.75% machinery first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining. List property separately in each taxing district. Use the county number and correct number and name of taxing district. If the value of equipment is based on other than book value, attach details of the computation. **Round listed values to the nearest $10 and carry forward to the recapitulation, column (4).**

County No.		Taxing District Number and Name	Description of Property	True Value	Listed Values List @ 18.75%
1	8	0740 – Cleveland CSD	Machinery and equipment	743,345	139,380
1	8	0740 – Cleveland CSD	Small tools	5,500	1,030

Note: Listing of tangible personal property in Schedule 2 does not qualify it for the investment tax credit. To qualify, the property must be used in the business of manufacturing or refining, as defined in Ohio Revised Code section 5711.16 and 5711.17.

Schedule 3 – Inventories

Schedule 3 – Manufacturing Inventories – List at 18.75% of average value all inventories of raw materials, works in process and finished goods used in manufacturing or refining. Finished goods removed from the county of manufacture and inventory held for sale by a merchant must be listed in Schedule 3A. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to the recapitulation column (5).**
Ohio law requires monthly inventories to be listed.

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory ____	FIFO cost X LIFO cost ____
Physical inventory X	Standard cost X Other ____
Gross profits method ____	
Dates physicals taken ____	
Net sales $ ____	

Book Adjustments	Date	Amount	DR/CR
Book to physical	12/31/05	1,754	CR
LIFO reserve			
Other reserves			

County No.	18			
Taxing District Number & Name	0740 – Cleveland CSD			
January	1,568,489			
February	1,476,929			
March	1,464,616			
April	1,745,560			
May	1,800,514	Owned by Associated Manufacturing Co.		
June	1,946,796			
July	2,248,279			
August	2,341,678			
September	2,177,885			
October	1,795,494			
November	1,026,959			
December	1,656,837			
Total Values	21,250,036			
Average Value	1,770,836			
List @ 18.75%	332,030			

County No.				
Taxing District Number & Name				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total Values				
Average Value				
List @ 18.75%				

Schedule 3A – Merchandising Inventories – List at 18.75% of average value all inventories held for resale and finished goods removed from the county of manufacture. Inventories carried at retail value must be restated at cost. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest $10 and carry forward to the recapitulation, column (6).**

Ohio law requires monthly inventories to be listed.

Source of Values Listed	Method of Valuing Inventories Listed
Perpetual inventory ____	FIFO cost X LIFO cost ____
Physical inventory X	Standard cost ____ Other ____
Gross profits method ____	
Dates physicals taken ____	
Net sales $ ____	

Book Adjustments	Date	Amount	DR/CR
Book to physical			
LIFO reserve			
Other reserves			

County No.	25	31	25	
Taxing District Number & Name	0010 – City of Columbus	1110 – Cincnnati CSD	0090 – Columbus Southwestern SD	
January	217,616	201,987	104,567	
February	234,921	211,345	106,473	
March	275,444	198,065	113,587	
April	267,381	183,515	109,236	
May	271,485	200,213	108,642	
June	287,345	276,671	115,843	
July	229,123	278,541	124,287	
August	228,991	300,002	150,201	
September	275,161	250,709	142,881	
October	200,262	170,941	130,012	
November	189,675	184,615	131,005	
December	210,465	195,113	105,627	
Total Values	2,887,870	2,651,717	1,442,361	
Average Value	240,656	220,976	120,197	
List @ 18.75%	45,120	41,430	22,540	

County No.	18	48		
Taxing District Number & Name	0740 – Cleveland CSD	0300 – Toledo CSD		
January	64,713	46,120		
February	63,898	47,240		
March	65,171	47,515		
April	68,290	46,872		
May	67,111	46,550	Owned by ACME Sales Corp.	
June	68,171	47,901		
July	68,890	48,089		
August	67,908	46,127		
September	65,677	45,236		
October	66,543	47,170		
November	68,321	47,877		
December	65,876	46,299		
Total Values	800,569	562,996		
Average Value	66,714	46,916		
List @ 18.75%	12,510	8,800		

Schedule 4 – Furniture, Fixtures, Machinery, and Equipment and Supplies Not Used in Manufacturing – List at 18.75% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts used in laundries, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing, inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. List property separately in each taxing district. Use the county number and correct name and number of taxing district. If the value is based on other than book value, attach details of the computation. **Round listed values to the nearest $10 and carry forward to the recapitulation, column (7).**

County No.		Taxing District Number and Name	Description of Property	True Value	List at 18.75%	Listed Values (Nearest $10)	Taxing District Total Listed Values
		Associated Manufacturing Co.					
1	8	0740 – Cleveland CSD	Furniture and fixtures	137,457		25,770	
1	8	0740 – Cleveland CSD	Supplies	576		110	25,880
2	5	0010 – City of Columbus	Furniture and fixtures	5,370		1,010	1,010
3	1	1110 – Cincinnati CSD	Furniture and fixtures	11,910		2,230	2,230
		Acme Sales Co.					
1	8	0740 – Cleveland CSD	Furniture and fixtures	15,408		2,890	2,890
4	8	0300 – Toledo – Toledo CSD	Furniture and fixtures	8,941		1,680	1,680

Schedule 5 – New Investment Manufacturing Equipment. List by county and taxing district the cost of all manufacturing equipment first used in business in Ohio after Jan. 1, 2005. See Ohio Revised Code 5711.16 for a complete definition of a manufacturer, manufacturing equipment and manufacturing facility. Carry the cost forward to the recapitulation, column (10).

County No.		Taxing District Number and Name	Description and Function of Property	Date First Used in Business in Ohio	Cost
		Associated Manufacturing			
1	8	0740 – Cleveland CSD	Die-cutting machinery	Feb. 21, 2005	$800,000

Instructions for Computer Preparation of Recapitulation Page

Below are **instructions that *must* be followed** in the preparation of the recapitulation pages. Returns submitted in a manner not conforming to these instructions will be considered not acceptably filed, could be rejected and will be returned to the taxpayer for correction of the omissions or errors. A late filing penalty can be applied if an acceptable return is not received by April 30 (June 15 if extended).

1. **Number each line.** Do not use a line number greater than 99; instead, start over with number 1. Also, number each page if more than one is used.
2. Do not reduce or compress printing; **use full-size print**, preferably 12-point font. If handwritten, numbers must be legible.
3. **Triple space lines.** Include horizontal lines between each taxing district.
4. In columns (1) and (2), use the **two-digit** county designation (see page 76) and the proper four-digit inter-county taxing district number. Use last year's assessment certificate, the online tax rate book, or contact each county for the inter-county taxing district number. ***Do not*** use the counties' two- or three-digit taxing district number with additional digits.
5. **Use commas in number values** (nnn,nnn,nnn). Use whole dollars only, *do not* show cents. **Do not use dollar signs.**
6. In columns (4) through (8), **round values to the nearest $10.**
7. **Combine values in common taxing districts** *unless* owned by separate legal entities and reported in a consolidated return. ***Do not*** show different store locations within the same taxing district as separate line items.
8. **Provide a grand total** of value in column (8). Also provide a line total for each taxing district in column (8).
9. In column (10) enter the cost – by taxing district – of all manufacturing equipment first used in business in Ohio after Jan. 1, 2005, and reported in Schedule 5.
10. Do not shade any data area.
11. Omit or draw a line through taxing districts containing ***no*** taxable values. Start at the line number and continue the line through all columns.
12. If you are reprinting the recapitulation page from a prepackaged program it must be reprinted and submitted in **landscape** format (lengthwise on the paper).

Sample Recapitulation

Taxpayer name Associated Manufacturing Co. **Page** 1 **of** 1

NOTE: The recapitulation pages must be properly completed for the return to be accepted.

LINE No.	(1) County No.	(2) State Taxing District Number	(3) Taxing District (By Exact Name)	(4) From Schedule 2 (Nearest $10)	(5) From Schedule 3 (Nearest $10)	(6) From Schedule 3A (Nearest $10)	(7) From Schedule 4 (Nearest $10)	(8) Taxing District Listed Value Totals	(9) $10,000 Exempt	(10) From Schedule 5
1			**Parent Company – Associated Manufacturing Co.**							
2	18	0740	Cleveland CSD	140,410	332,030	- 0 -	25,880	498,320	10,000	800,000
3	25	0010	City of Columbus	- 0 -	- 0 -	45,120	1,010	46,130		
4	31	1110	Cincinnati CSD	- 0 -	- 0 -	41,430	2,230	43,660		
5	25	0090	Columbus – Southwestern SD	- 0 -	- 0 -	22,540	- 0 -	22,540		
6										
7			**Subsidiary – Acme Sales Co.**							
8	18	0740	Cleveland CSD	- 0 -	- 0 -	12,510	2,890	15,400	10,000	
9	48	0300	Toledo City – Toledo CSD	- 0 -	- 0 -	8,800	1,680	10,480		
10										
11										
12										
13										
14										
15										
16										
17										
			Totals	140,410	332,030	130,400	33,690	636,530	20,000	800,000

Sample of Consolidated Recapitulation Page
1. Taxing district name must be complete and accurate.
2. Enter only one taxing district per line.
3. Show grand totals of all columns of all pages.
4. Each subsidiary must be listed separately.
5. Subsidiaries must also be listed on page 1 of return.
6. Any deviation must have prior approval.

Form 921 **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Associated Manufacturing Co. FEIN/social security number 34-0416940

Balance sheet as of Sept. 30, 2005

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits		24,676	25,176
2. Notes and accounts receivable		579,536	662,554
3. Inventories			
A) Manufacturing		2,177,885	2,177,885
B) Merchandising		668,751	744,098
C) Supplies – manufacturing			
D) Supplies – other		576	576
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. Investments		125,000	125,000
5. Land		98,761	98,761
6. Buildings	Ohio Cost		
A) Taxed as real estate	1,143,767	764,514	830,690
B) Taxed as personal property			
7. Leasehold improvements			
A) Taxed as real estate			
B) Taxed as personal property			
8. Machinery and equipment			
A) Taxed as real estate	94,422	31,761	31,761
B) Taxed as personal property	1,404,327	620,612	620,612
C) Exempt manufacturing equipment H.B. 66	800,000	800,000	800,000
9. Furniture and fixtures	385,068	147,639	167,891
10. Personal property leased to others			
A) Taxable			
B) Nontaxable			
11. Capitalized leases			
12. Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area			
13. Certified exempt facilities	651,467	251,631	251,631
14. Patterns, jigs, dies and drawings			
15. Construction in progress			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use			
16. Small tools	11,000	5,500	5,500
17. Vehicles and aircraft			
A) Registered or licensed	131,767	56,433	66,183
B) Other			
18. Other assets		109,398	109,388
19. Total assets		6,462,673	6,737,706

Liabilities and Net Worth	
20. Notes, accounts payable, bonds and mortgages	1,591,113
21. Accrued expenses	275,032
22. Other liabilities, deferred credits	726,637
23. Preferred stock	100,000
24. Common stock	250,000
25. Additional paid-in capital	
26. Retained earnings	3,794,924
27. Appropriated earnings	
28. Owner's capital	
29. Other	
30. Total liabilities and net worth	6,737,706

2006 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

Exhibit A – Reconciliation of Balance Sheet Line Numbers 3, 8B, 9, 10, 13, 15B and 16

B/S Line No.	Book Value	Value Returned	Difference	Reconcile Differences
8B	620,612	743,345	122,733	True Value Computation
9	147,639	154,737	7,098	True Value Computation

Exhibit B – Please provide a brief description of leasehold improvements and machinery and equipment taxed as real (lines 7A and 8A).

B/S Line No.	Itemization	Amount
8A	Machinery and equipment used in general building service, heating and cooling, electrical service	94,422

Exhibit C – Leased Property

List all tangible personal property held under lease on tax listing day.

Name and Address of Property Owner	Lease: Start Date	Lease: Ending Date	Type of Property	Gross Annual Rental

Exhibit D – Inventory Held Under Bailment, Consignment, Contract Agreement

List all inventories held on consignment or as bailment, or under contract, and in your possession during the reporting period and not listed in this return.

Name and Address of Inventory Owner	Inventory Type (Mfg or Mer)	Inventory Location Address	Estimated Average Value
Jones Textile Mills, Inc. 1800 Fifth Ave., Columbus Oh 43215	MFG	5461 Long Blvd. Cleveland, OH 44199	5,485

Form 921 **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Acme Sales Corp. FEIN/social security number 34-0416941

Balance sheet as of Sept. 30, 2005

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits		10,242	
2. Notes and accounts receivable		8,335	
3. Inventories			
A) Manufacturing			
B) Merchandising		110,913	
C) Supplies – manufacturing			
D) Supplies – other			
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. Investments			
5. Land			
6. Buildings			
A) Taxed as real estate			
B) Taxed as personal property			
7. Leasehold improvements			
A) Taxed as real estate	3,700	1,243	
B) Taxed as personal property			
8. Machinery and equipment			
A) Taxed as real estate			
B) Taxed as personal property			
C) Exempt manufacturing equipment H.B. 66			
9. Furniture and fixtures	42,563	14,295	
10. Personal property leased to others			
A) Taxable			
B) Nontaxable			
11. Capitalized leases			
12. Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area			
13. Certified exempt facilities			
14. Patterns, jigs, dies and drawings			
15. Construction in progress			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use			
16. Small tools			
17. Vehicles and aircraft			
A) Registered or licensed	17,862	2,621	
B) Other			
18. Other assets		1,600	
19. Total assets		149,249	

Liabilities and Net Worth	
20. Notes, accounts payable, bonds and mortgages	6,532
21. Accrued expenses	810
22. Other liabilities, deferred credits	9,190
23. Preferred stock	
24. Common stock	1,000
25. Additional paid-in capital	124,000
26. Retained earnings	7,717
27. Appropriated earnings	
28. Owner's capital	
29. Other	
30. Total liabilities and net worth	149,249

Form 921 **2006**

Rev. 11/05

Ohio Balance Sheet

(Required to be filed with tax forms 920 and 945)

Name Associated Manufacturing Co. and Sub. FEIN/social security number 34-0416940

Balance sheet as of Sept. 30, 2005

Assets	Ohio Cost	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits		34,918	34,418
2. Notes and accounts receivable		587,871	670,990
3. Inventories			
A) Manufacturing		2,177,885	2,177,885
B) Merchandising		779,664	885,101
C) Supplies – manufacturing			
D) Supplies – other		576	576
E) Consigned			
F) Agricultural machinery and equipment (merchandise)			
G) Exempted inventory (including foreign trade zone)			
H) Other inventory			
4. Investments		125,000	125,000
5. Land		98,761	118,761
6. Buildings			
A) Taxed as real estate	1,143,767	764,514	830,690
B) Taxed as personal property			
7. Leasehold improvements			
A) Taxed as real estate	3,700	1,243	1,243
B) Taxed as personal property			
8. Machinery and equipment			
A) Taxed as real estate	94,422	31,761	31,761
B) Taxed as personal property	1,404,327	620,612	620,612
C) Exempt manufacturing equipment H.B. 66	800,000	800,000	800,000
9. Furniture and fixtures	427,631	161,934	182,186
10. Personal property leased to others			
A) Taxable			
B) Nontaxable			
11. Capitalized leases			
12. Exempt personal property located in an enterprise zone (attach form 913EX) or a hazardous substance reclamation area			
13. Certified exempt facilities			
14. Patterns, jigs, dies and drawings	651,467	251,631	251,631
15. Construction in progress			
A) Real property			
B) Personal property capable of use			
C) Personal property not capable of use	11,000	5,500	5,500
16. Small tools			
17. Vehicles and aircraft			
A) Registered or licensed	149,629	59,054	68,804
B) Other			
18. Other assets		110,998	110,998
19. Total assets		6,611,922	6,916,156

Liabilities and Net Worth	
20. Notes, accounts payable, bonds and mortgages	1,597,645
21. Accrued expenses	275,842
22. Other liabilities, deferred credits	726,637
23. Preferred stock	100,000
24. Common stock	250,000
25. Additional paid-in capital	
26. Retained earnings	3,966,032
27. Appropriated earnings	
28. Owner's capital	
29. Other	
30. Total liabilities and net worth	6,916,156

Form 937
Rev. 11/05

True Value Computation

[X] **Machinery and Equipment**
[ ] **Furniture and Fixtures**
[ ] **Public Utility Property**
[ ] **Stand-Alone Computers**

State of Ohio

Class V **Return Year** **2006**

Company	**Taxing District Name and Number**
Associated Manufacturing Company	Cleveland CSD, 18-0740

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year Acquired	**Cost At End Of 2004**	**Additions and Transfers In 2005**	**Disposals and Transfers Out 2005**	**Cost At End Of 2005**	**Per Cent**	**True Value Amount $**
2005		130,593		130,593	94.3	123,149
2004	78,218			78,218	88.1	68,910
2003	75,445			75,445	81.8	61.714
2002	78,409			78,409	75.6	59,277
2001	163,468			163,468	69.3	113,283
2000	84,014			84,014	63.1	53,013
1999	118,338			118,338	56.9	67,334
1998	82,401			82,401	50.6	41,695
1997	98,004			98,004	44.4	43,514
1996	75,881		7,500	68,381	38.2	26,122
1995	54,324			54,324	32.8	17,818
1994	34,899			34,899	29.5	10,295
1993	5,925			5,925	26.2	1,552
1992	21,767			21,767	22.9	4,985
1991	4,457		461	3,996	19.6	783
1990	42,831			42,831	16.3	6,981
1989	51,730		1,500	50,230	16.3	8,187
1988	240,701		27,617	213,084	16.3	34,733
Totals	1,310,812	130,593	37,078	1,404,327		743,345

Remarks

List @ 18.75 **%** 139,377

Form 937
Rev. 11/05

True Value Computation

- [ ] Machinery and Equipment
- [X] Furniture and Fixtures
- [ ] Public Utility Property
- [ ] Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Associated Manufacturing Company	Cleveland CSD, 18-0740

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		15,514		15,514	93.2	14,459
2004	32,040			32,040	82.8	26,529
2003	17,972			17,972	72.4	13,012
2002	31,982			31,982	62.0	19,829
2001	37,880			37,880	51.5	19,508
2000	8,963		710	8,253	42.2	3,483
1999	20,688			20,688	36.3	7,510
1998	23,817			23,817	30.5	7,264
1997	7,820			7,820	24.6	1,924
1996	15,600			15,600	18.8	2,933
1995	11,700			11,700	18.8	2,200
1994	100,034			100,034	18.8	18,806
Totals	308,496	15,514	710	323,300		137,457

Remarks

List @ 18.75 **%** 25,770

Form 937
Rev. 11/05

True Value Computation

☐ Machinery and Equipment
☒ Furniture and Fixtures
☐ Public Utility Property
☐ Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Associated Manufacturing Company	City of Columbus, 25-0010

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005					93.2	
2004	1,746			1,746	82.8	1,466
2003					72.4	
2002	413			413	62.0	256
2001	536			536	51.5	276
2000	741		741		42.2	
1999	214		214		36.3	
1998	808			808	30.5	246
1997	2,170			2,170	24.6	534
1996	13,893			13,893	18.8	2,612
Totals	20,521		955	19,566		5,370

Remarks

List @ 18.75 **%** 1,010

Form 937
Rev. 11/05

True Value Computation

- ☐ Machinery and Equipment
- ☒ Furniture and Fixtures
- ☐ Public Utility Property
- ☐ Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Associated Manufacturing Company	Cincinnati CSD, 31-1110

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		1,122		1,122	93.2	1,046
2004					82.8	
2003	1,091			1,091	72.4	790
2002					62.0	
2001	1,301			1,301	51.5	670
2000	1,013			1,013	42.2	427
1999	5,248			5,248	36.3	1,905
1998	3,102			3,102	30.5	946
1997	10,566			10,566	24.6	2,599
1996	125			125	18.8	24
1995	18,634			18,634	18.8	3,503
Totals	41,080	1,122		42,202		11,910

Remarks

List @ 18.75 **%** 2,230

Form 937
Rev. 11/05

True Value Computation

- ☐ Machinery and Equipment
- ☒ Furniture and Fixtures
- ☐ Public Utility Property
- ☐ Stand-Alone Computers

State of Ohio

Class III **Return Year** **2006**

Company	Taxing District Name and Number
Acme Sales Corporation	Cleveland CSD, 18-0740

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		4,780		4,780	93.2	4,455
2004					82.8	
2003					72.4	
2002	8,760			8,760	62.0	5,431
2001					51.5	
2000	2,358			2,358	42.2	995
1999	12,472			12,472	36.3	4,527
Totals	23,590	4,780		28,370		15,408

Remarks

List @ 18.75 **%** 2,890

Form 937
Rev. 11/05

True Value Computation

☐ Machinery and Equipment
☒ Furniture and Fixtures
☐ Public Utility Property
☐ Stand-Alone Computers

State of Ohio

Class III Return Year **2006**

Company	Taxing District Name and Number
Acme Sales Corporation	Toledo City, 48-0300

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		1,713		1,713	93.2	1,597
2004	2,468			2,468	82.8	2,044
2003					72.4	
2002	1,370			1,370	62.0	849
2001	8,642			8,642	51.5	4,451
Totals	12,480	1,713		14,193		8,941

Remarks

List @ 18.75 **%** 1,680

Associated Manufacturing Company
54671 Long Blvd.
Cleveland, OH 44199

June 10, 2006

Ohio Department of Taxation
Personal Property Tax Division
P O Box 530
Columbus, OH 43216-0530

Gentlemen:

Please mail all assessments and bills associated with the 2006 inter-county tax return for Associated Manufacturing Company and subsidiary to the tax representative identified in Section 2.

Sincerely,

Delmar Loz

Delmar Loz
President
Associated Manufacturing Company

Contact and Signature Page

Section 1: Taxpayer Identification

Provide the name of the person at the business entity who should be contacted in the event of problems or questions regarding this return. Please type or legibly print the requested information on this page.

Contact person's name C.P. Alexander Title Controller

Mailing address 54671 Long Blvd., Cleveland, OH 44199

Telephone number (216) 555-3178 E-mail address cpalexander@Assocmfg.com

Section 2: Tax Representative Identification

Provide the information in this section if the box on the front of the return has been checked to have assessments and bills sent to a tax representative AND a letter of authorization on company stationery is included with this return. *The information below applies to the mailing of the assessments and bills associated with this tax return only and does not replace the need for form TBOR 1 concerning other issues.*

Representative name Joe Rich Firm name Rich & Associates

Representative mailing address 21 S. High Street, Suite 405

Columbus, OH 43215

Representative telephone number (614) 466-3280 E-mail address jrich@richassoc.com

Did the representative prepare this tax return? Yes X No _____

Section 3: Declaration by Taxpayer

This return **must** be signed by an officer/partner/owner of this business entity per RC 5711.05 – not by a representative or agent – for the tax return to be considered acceptably filed. Failure of an officer/partner/owner of this business entity to sign this declaration will result in the rejection of this tax return as unacceptable and could result in the application of a late filing penalty on the subsequent acceptable filing of this tax return.

I declare, under penalty of perjury, that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return and report.

Signature of officer Delmar Loz Title President

Officer name Delmar Loz Date 6/10/06

Mail this return, Ohio balance sheet, accompanying exhibits and any inquiries to:

Ohio Department of Taxation
Personal Property Tax Division
P.O. Box 530
Columbus, OH 43216-0530

Do not send payment with this tax return.
Tax is payable to the respective county treasurers.

Ohio Department of
TAXATION
P.O. Box 530
Columbus, OH 43216-0530

Ohio has more than 4,000 taxing districts, each with a different tax rate. If you are unsure of the taxing district where your business and property is located, contact your county auditor at the number listed below. Telephone assistance is provided to the hearing impaired through the Ohio Relay Service (ORS). TTY/TDD users may contact county auditors or the tax department's Taxpayer Service Centers by contacting ORS operators at 1-800-750-0750.

No.	County	Telephone No.	No.	County	Telephone No.
01	**Adams**	937-544-2364	45	**Licking**	740-349-6033
02	**Allen**	419-228-3700 #8805/#8807	46	**Logan**	937-599-7215
03	**Ashland**	419-282-4218	47	**Lorain**	440-329-5216/5217
04	**Ashtabula**	440-576-3794	48	**Lucas**	419-213-4338
05	**Athens**	740-592-3227	49	**Madison**	740-852-9717
06	**Auglaize**	419-739-6705	50	**Mahoning**	330-740-2010
07	**Belmont**	740-699-2131	51	**Marion**	740-223-4020
08	**Brown**	937-378-3998	52	**Medina**	330-725-9760
09	**Butler**	513-887-3160	53	**Meigs**	740-992-2698
10	**Carroll**	330-627-2250	54	**Mercer**	419-586-6402
11	**Champaign**	937-484-1600	55	**Miami**	937-440-5944
12	**Clark**	937-328-2427	56	**Monroe**	740-472-0873/2500
13	**Clermont**	513-732-8149	57	**Montgomery**	937-225-4315
14	**Clinton**	937-382-2250	58	**Morgan**	740-962-4475
15	**Columbiana**	330-424-9515	59	**Morrow**	419-946-4060
16	**Coshocton**	740-622-1243	60	**Muskingum**	740-455-7109
17	**Crawford**	419-562-7941	61	**Noble**	740-732-4044
18	**Cuyahoga**	216-443-7165	62	**Ottawa**	419-734-6740
19	**Darke**	937-547-7310	63	**Paulding**	419-399-8205/8206
20	**Defiance**	419-782-1926	64	**Perry**	740-342-2074/1627
21	**Delaware**	740-833-2900	65	**Pickaway**	740-474-4765
22	**Erie**	419-627-6650	66	**Pike**	740-947-4125/2713
23	**Fairfield**	740-687-7027	67	**Portage**	330-297-3573
24	**Fayette**	740-335-6461	68	**Preble**	937-456-8148
25	**Franklin**	614-462-3230	69	**Putnam**	419-523-6686
26	**Fulton**	419-337-9200	70	**Richland**	419-774-5507
27	**Gallia**	740-446-4612 #217	71	**Ross**	740-702-3080
28	**Geauga**	440-285-2222 #3930	72	**Sandusky**	419-334-6127
29	**Greene**	937-562-5074	73	**Scioto**	740-355-8232
30	**Guernsey**	740-432-9248	74	**Seneca**	419-447-0692
31	**Hamilton**	513-946-4100	75	**Shelby**	937-498-7202
32	**Hancock**	419-424-7019	76	**Stark**	330-451-7350
33	**Hardin**	419-674-2239/2290	77	**Summit**	330-643-2669
34	**Harrison**	740-942-8861	78	**Trumbull**	330-675-2420
35	**Henry**	419-592-1956	79	**Tuscarawas**	330-365-3220 #3321
36	**Highland**	937-393-1915	80	**Union**	937-645-3003
37	**Hocking**	740-385-2127	81	**Van Wert**	419-238-6285/0843
38	**Holmes**	330-674-1896	82	**Vinton**	740-596-4571 #232
39	**Huron**	419-668-8464	83	**Warren**	513-695-1234
40	**Jackson**	740-286-4231	84	**Washington**	740-373-6623, #338
41	**Jefferson**	740-283-8590	85	**Wayne**	330-287-5444
42	**Knox**	740-393-6750	86	**Williams**	419-636-5639 #340
43	**Lake**	440-350-2533	87	**Wood**	419-354-9153
44	**Lawrence**	740-533-4310	88	**Wyandot**	419-294-1531

Sample Tax Report of a Taxpayer With Property in an Enterprise Zone or Hazardous Substance Reclamation Area

Taxpayers who own personal property located in an enterprise zone or hazardous substance reclamation area may be eligible for abatement of personal property tax on that property, provided an agreement has been entered into with the local governmental jurisdiction. All taxpayers who have entered into an agreement are required to file form 913EX with each personal property tax return filed while the agreement is in effect, reporting an informational return for the property eligible for tax abatement. This return shall identify the property and state the cost and values that are eligible for abatement pursuant to the agreement, as well as those that are still subject to tax.

Form 913EX has been prescribed by the tax commissioner for the purpose of meeting this requirement. This form is to be filed with form 920 or form 945.

The following pages display the completed form 913EX required to be filed by a taxpayer for 2006, for its property located in an enterprise zone.

Form 913EX **2006**

Rev. 11/05

Montgomery County

Return of Exempt Personal Property Located in an Enterprise Zone or Hazardous Substance Reclamation Area

For accounting period 1/1/2005 to 12/31 2005

Taxpayer name Acme Business Concepts Inc.

Address of business in zone or area 7925 Short Street

City Dayton State OH ZIP 45706

Taxing district name and number Dayton City/Dayton CSD | 5 | 7 | 0 | 6 | 4 | 0 |

State taxing district number

Type of Agreement	Date Agreement Effective	Percent of Exemption	Period of Exemption
___ Reclamation area		%	Years
___ Municipal enterprise zone		%	Years
X County enterprise zone	June 30, 2002	75 %	5 Years

Time period for acquisition of eligible assets from 6/30/2002 to 12/31/2005

Any taxpayer who is party to an enterprise zone or hazardous substance reclamation area agreement must complete and submit this form with their taxable business property tax form 920/945. Taxable values should be determined as prescribed by the tax commissioner. Refer to R.C. 5709.62 (I), 5709.63 (I), and 5709.88 (H).

Enterprise Zone Property – Listed Value Summary

All enterprise zone exemptions are limited per the terms of the agreement

	(A) Total List Value	(B) Exempt List Value	(C) Taxable Value (Deduct B from A) List on Form 920 or 945
1. Schedule 2 (nearest $10)	28,110	21,080	7,030
2. Schedule 3 (nearest $10)	332,030	189,300	142,730
3. Schedule 3A (nearest $10)			
4. Schedule 4 (nearest $10)			
5. **Total listed value**	360,140	210,380	149,760

File a separate form 913EX for each agreement and taxing district in which exempt property is claimed. File this form with form 920 or form 945. Remember to list the taxable portion of value (column C) on form 920 or form 945.

Declaration

I/we declare under penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me/us and to the best of my/our knowledge and belief is a true, correct and complete return and report.

Person, other than taxpayer, preparing return Date

A. D. Cee, President 4/30/2006

Signature of taxpayer Title Date

Address

Printed name

Schedule 2 – Manufacturing Machinery and Equipment. List at 18.75% machinery first used in business in Ohio before Jan. 1, 2005, that is used in manufacturing or mining. If the value of equipment is based on other than book value, attach details of the computation.

Taxing District	Description	Total True Value	%	Listed Value	%	Exempt Listed	Taxable Listed
Dayton	Machinery	$149,923	18.75	$28,110	75	$21,080	$7,030
			18.75				
			18.75				
			18.75				
			18.75				
			18.75				
			18.75				
				Column A		Column B	Column C

Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing. List at 18.75% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts used in launderies, dry cleaning, towel and linen supply, stone and gravel plants, radio and television broadcasting, and any other business not constituting manufacturing, and also inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	Total True Value	%	Listed Value	%	Exempt Listed	Taxable Listed
			18.75				
			18.75				
			18.75				
			18.75				
			18.75				
			18.75				
			18.75				
				Column A		Column B	Column C

Schedule 5 – New Investment Manufacturing Equipment. List by taxing district and cost all manufacturing equipment first used in business in Ohio after Jan. 1, 2005. See R.C. 5711.16 for a complete definition of a manufacturer, manufacturing equipment and manufacturing facility to determine if you qualify to list this equipment here or in Schedule 2.

Taxing District	Description	Date First Used in Business in Ohio	Cost
Total 2005 qualifying costs (carry cost by taxing district to line 13 on front of return)			
Qualifying costs reported in prior years			
Total (carry cost to page 1, "Listed Value Summary" as indicated)			

Column A

Schedules 3 and 3A – Exempt Inventories. List total amount of inventory located within the enterprise zone; monthly inventories are required.

Source of Values Listed	Method of Valuing Inventories Listed			
Perpetual inventory _____	FIFO cost _____		Retail _____	
Physical inventory _____	LIFO cost _____		Other _____	
Gross profits method _____	**Book Adjustments**	**Date**	**Amount**	**DR/CR**
Dates physicals taken _____	Book to physical			
	LIFO reserve			
Net sales $ _____	Other reserves			

	Schedule 3 Manufacturing Inventories		Schedule 3A Merchandising Inventories		
	Taxing District	**Taxing District**	**Taxing District**	**Taxing District**	**Taxing District**
	Dayton City – CSD				
Months in Business	**Book Value**	**Book Value**	**Book Value**	**Book Value**	**Book Value**
January	$1,568,489				
February	1,476,929				
March	1,464,616				
April	1,745,560				
May	1,800,514				
June	1,946,796				
July	2,248,279				
August	2,341,678				
September	2,177,885				
October	1,795,494				
November	1,026,959				
December	1,656,837				
Total Values	21,250,036				
A. Average Values – Divide by No. of Months	1,770,836				
B. Total List Value at 18.75%	332,030				
C. Average Value – Inventory at Same Location for Year Preceding Agreement (100% Taxable)	424,693				
D. Average Value – Inventory Subject to Exemption (A-C)	1,346,143				
E. Average Value of Exempt Inventory (Line D X % of Exemption)	1,009,608				
F. List Value of Exempt Inventory (Line E @ 18.75%)	189,300				

(Carry line B to page 1, "Listed Summary," line 2 or 3, column A. Carry line F to page 1, "Listed Value Summary," line 2 or 3 to column B.

Form 937EX

Rev. 11/05

True Value Computation

- [X] **Machinery and Equipment**
- [ ] **Furniture and Fixtures**
- [ ] **Public Utility Property**
- [ ] **Stand-Alone Computers**

State of Ohio

Class VI **Return Year** **2006**

Company	**Taxing District Name and Number**
Acme Business Concepts Inc.	Dayton City – Dayton CSD, 57-0640

(1) Year Acquired	(2) Cost At End Of 2004	(3) Additions and Transfers In 2005	(4) Disposals and Transfers Out 2005	(5) Cost At End Of 2005	(6) Per Cent	(7) True Value Amount $
2005		42,973		42,973	94.4	40,567
2004	123,010			123,010	88.9	109,356
Totals	123,010	42,973		165,983		149,923

Remarks

List @ 18.75 **%** 28,110

Form 945S **2006**

Rev. 11/05

County Supplemental Return

George Steel Company

Name

3101 North Murphy St.

Address

Columbus, OH 43200

City, State, ZIP code

To the auditor of Franklin County:

In accordance with RC 5711.131, the above corporation reports the following change(s) in taxable value for the year 2005:

Taxing District (enter exact name and number)	Taxable Value Previous Year	Taxable Value Current Year	Difference
City of Columbus, 25-0010	5,676,140	3,873,670	(1,802,470)
City of Westerville, 25-0020	100,310	1,767,480	1,667,170

Filing Instructions

This form is required to be filed with the auditor of each affected county when there has been an increase (or decrease) in value of $500,000 or more in a taxing district by a business entity. The increase or decrease in value shall be determined by comparing the current year's to last year's values.

The County Supplemental Return must be filed with the auditor of each county affected at the same time the Inter-County Corporation Return of Taxable Property is filed with the tax commissioner. Additional copies of this form may be reproduced or obtained from the tax commissioner or county auditors. Failure to receive blank forms does not excuse a taxpayer from timely filing all required returns.

Declaration

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is a true, correct and complete report.

June 10, 2006

Date

John E. Leonard, Treasurer

Officer's signature

Form 902

Rev. 11/05

Return Year

Claim for Deduction from Book Value

Name Acme, Inc. Date (mm/dd/yy) 6/10/06

Address 123 Long Street, Defiance, OH 45178

The undersigned taxpayer hereby makes claim for the assessment of taxable personal property, or portions thereof as herein stated, on basis of its true value, instead of the book value, less book depreciation.

Taxing District	Tangible Property	Schedule 2	Schedule 3	Schedule 4	Totals
1 Defiance County	Book Value	97,500			97,500
Defiance City	Deduction Claimed	14,700			14,700
Defiance CSD	Claimed True Value	82,800			82,800
2	Book Value				
	Deduction Claimed				
	Claimed True Value				
3	Book Value				
	Deduction Claimed				
	Claimed True Value				
4	Book Value				
	Deduction Claimed				
	Claimed True Value				
5	Book Value				
	Deduction Claimed				
	Claimed True Value				
6	Book Value				
	Deduction Claimed				
	Claimed True Value				
7	Book Value				
	Deduction Claimed				
	Claimed True Value				
8	Book Value				
	Deduction Claimed				
	Claimed True Value				
Totals	Book Value	97,500			97,500
	Deduction Claimed	14,700			14,700
	Claimed True Value	82,800			82,800

Claims for any deduction from the depreciated book value of personal property may not be considered or allowed unless made in writing by the taxpayer at the time of making return. Claims made in returns required to be filed in duplicate should be made in duplicate. Such claim must be accompanied by detailed information in support thereof, specifying by taxing district and schedule, the book value, deduction claimed and the claimed true value. Show, in detail, the computation of the claimed true value.

A. D. Cee

Taxpayer signature

President 6/10/06

Title **Date**