

**For Taxable Years
Ending in 2025**



**Department of
Taxation**

Tax.Ohio.gov

**Instructions for Filing:
IT 4708 Pass-Through Entity
Composite Income Tax Return**

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Federal Privacy Act Notice

Because we require you to provide us with a Social Security number, the Federal Privacy Act of 1974 requires us to inform you that providing us your Social Security number is mandatory. 42 U.S.C. 405 and Ohio Revised Code 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number to administer this tax.

Taxpayer Assistance

Contact Us

Examiners are available by phone and for in-person visits to the Welcome Center during the Department's normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.



Phone – Call 1-888-405-4039* to speak to an examiner during normal business hours.



Welcome Center – Get assistance in person by visiting us at:

4485 Northland Ridge Blvd
Columbus OH 43229-6596

All visitors to the Welcome Center must present a photo I.D. such as a current driver's license, state or military I.D., or passport.



Appointments - While appointments are not required, you can schedule a phone call back or a Welcome Center visit at tax.ohio.gov/help-center.



Email – Visit tax.ohio.gov/OHTAX to send a message from your OH|TAX account or visit tax.ohio.gov/email.

Send messages directly to the PTE & Fiduciary Income Tax Division at **Pass-ThroughEntity@tax.ohio.gov**.



Mail – Write to the Department at:

Ohio Department of Taxation
P.O. Box 181140
Columbus OH 43218-1140

Online Resources

OH|TAX eServices – Create a username and password to securely file returns, make payments, view and respond to notices, and more at tax.ohio.gov/OHTAX.

Forms – Find all pass-through entity and fiduciary income tax forms (including fill-in versions) at tax.ohio.gov/forms. You can also request forms anytime by calling 1-888-405-4039*.

Pilot – Pilot is a virtual assistant, available 24/7 to answer questions for all tax types.

Information Releases – Visit tax.ohio.gov/info to find detailed analyses of certain tax topics such as residency and taxation of military servicemembers.

Tax Alerts – Sign up at tax.ohio.gov/taxalerts to receive tax updates and reminders from the Department via email.

Ohio Virtual Tax Academy – View webinars presented by the Department on Ohio's state taxes at tax.ohio.gov/OVTA.

***Persons who use text telephones or adaptive telephone equipment** – Contact the Ohio Relay Service at 7-1-1 or 1-800-750-0750 and give the communication assistant the phone number you wish to contact.

Highlights for 2025

2025 Tax Rate

For PTE taxable reporting periods beginning in 2025, the tax rate is 3.125%.

NEW Transformational Mixed Use Development Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim this credit, you must attach a copy of the certificate from ODOD that indicates the amount of credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent that this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

Note: This credit cannot be claimed for certificates issued prior to September 30, 2025.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 122.09 and 5747.87.

NEW Pass-Through Entity and Fiduciary Income Tax Schedule of Credits

See the new PTE and Fiduciary Income Tax Schedule of Credits for a full list of nonrefundable and refundable business credits claimable on the IT 4708. The form is available at tax.ohio.gov/forms.

IT K-1

Each entity with Ohio income should prepare a separate IT K-1 for each investor/owner to include with the PTE's IT 4708 return and for the investor/owner to include with their own return.

For more information, see IT K-1 form and instructions at tax.ohio.gov/forms.

Electronic Filing

Starting November 12, 2025, fiduciary filers can file IT 4708 returns using the OH|TAX eServices portal. No fees exist for this filing option; however, an account is required for filing and account access. Visit tax.ohio.gov/login to start a return or create an account.

The IT 4708 can also be filed electronically through the federal e-file program overseen by the IRS (irs.gov/filing), or through a participating third-party tax preparation product. For a current list of approved software programs, please see the [Software Developers](#) page on the Ohio Department of Taxation website, and search for the most recent MeF Approval Status link.

A tax return preparer that prepares more than 11 original tax returns during any calendar year shall use electronic filing technology. This provision does not apply to a tax return preparer in any calendar year if, during the previous calendar year, the tax return preparer prepared not more than 10 original tax returns.

See R.C. 5747.082.

Should the PTE File the IT 4708?

A PTE must file an Ohio return to report and pay tax on behalf of its nonresident individual, trust, and PTE investors. The PTE can elect to file the IT 4708, the IT 4738 or the IT 1140. A PTE that changes forms from year to year must ensure all periods of income are reported and all related tax is timely and fully paid.

Note: Once the IT 4708 is filed for any given tax period, the PTE is not permitted to amend this return to change to an IT 1140 or IT 4738.

For more information regarding which form to file, see the following chart.

NEW Federal Partnership Adjustments Return (FPAR) Reporting Process

The Ohio Department of Taxation has updated state tax reporting procedures for partnerships subject to a final federal tax adjustment.

The 2025 IT 1140 and IT 4708 returns feature a new checkbox at top of page 1 indicating the entity is filing as a result of a federal partnership adjustment. The Sign Here section includes a new section identifying the State Partnership Representative, as required.

For additional details, see the Ohio Federal Partnership Adjustments Return (FPAR) form and instructions available at tax.ohio.gov/forms.

See R.C. 5747.10.

2025 Ohio PTE Returns Comparison Chart

	The <u>IT 4738</u> Income Tax Return	The <u>IT 4708</u> Composite Return	The <u>IT 1140</u> Withholding Return
Filing date	April 15th after year in which the entity's taxable year ends	April 15th after year in which entity's taxable year ends	15th day of fourth month after close of fiscal year
Can the return include resident investors?	Yes All investors (owners) must be included	Yes	No
Tax rate	3% For reporting periods that begin on or after 1/1/2023	3.125% For reporting periods that begin in 2025 3.5% For reporting periods that begin in 2024	3% For reporting periods that begin on or after 1/1/2023
Can the return claim business credits or refundable PTE credits for payments made by another PTE?	Effective for taxable years ending on or after January 1, 2025, refundable PTE credits are allowed. Other business credits cannot be claimed.	Yes	No
Individual Investor Filings	Nonresident May file Ohio IT 1040 Individual Income Tax Return Ohio resident Must file Ohio IT 1040 Individual Income Tax Return	Nonresident May file Ohio IT 1040 Individual Income Tax Return Ohio resident Must file Ohio IT 1040 Individual Income Tax Return	Nonresident Investors: Must file Ohio IT 1040 Individual Income Tax Return.

Credits cannot be claimed on the IT 1140. IT 4738 filers can claim **only** refundable PTE credits. A PTE can claim nonrefundable and refundable credits on the IT 4708.

Filing Tips

Use a Current Address

The Department uses the most up-to-date address on file to send correspondence, billings, assessments, and refunds. If the address is not correct, refunds and notices will be mailed to the incorrect address. To update an address, check the “Check below if address changed” box next to the zip code on page one when filing the return, login to your OH|TAX eServices account to update your address on file, or visit the Business Address Update page on tax.ohio.gov.

Verify the IT 4708 and OUPCs are for the Correct Tax Year

Do NOT cross out the year at the top of the IT 4708 or OUPC and write in a new one, as doing so will delay the processing of the IT 4708 or OUPC and could cause a reduced refund or billing notice to be issued. A PTE with taxable year ending in 2025 must file a 2025 IT 4708 (e.g., taxable year 07/01/2024 to 06/30/2025 would file a 2025 IT 4708). Complete the OUPC Tax Year as 2025.

Maintain a Bank Account

The Department cannot change the name on a refund check, or issue the check directly to an investor, due to the closing or termination of a business.

Reprint Corrected Software-Generated Paper Returns

If the printed software-generated return from a tax preparation program subsequently requires changes on the return, do not write in the changes. Instead, use the software to make the necessary changes, save, and reprint the return. The Department’s system will not pick up handwritten changes on returns generated by tax preparation software.

Complete All Applicable Schedules on the Return

When filing via a software program, complete all relevant schedules and **do not** override any line items. Information from schedules on the IT 4708 flows to other lines that are used to calculate the tax liability. If the schedules are not completed, a value of **zero** will flow to the corresponding lines, which will override any amounts that may have been entered. The return will be recalculated accordingly, resulting in a potential billing notice or reduced refund.

Report Apportionment Ratio and Ownership Percentage

Enter percentages and ratios in decimal format (e.g., report 30.09% as .3009; report 100% as 1.000). Enter apportionment ratios in decimal format and carry to six decimal places. In addition, do not enter text (e.g., “null” or “zero”) in numeric fields.

Enter Estimated Payments and Credits on Correct Lines

Incorrect reporting of the payments and credits may result in a denied/reduced refund or bill. If the entity receives an IT K-1 reporting a PTE payment or credit from another entity on its behalf, do not report these as estimated payments.

- Line 11: Nonrefundable business credits from PTE/FI Schedule of Credits (include copy and applicable certificate(s))
- Line 14: Report Ohio IT 4708, IT 1140, and/or IT 4738 estimated (OUPC/electronic) payments, prior year overpayments claimed on this return, and amounts previously paid with an original and/or amended 2025 return
- Line 15: Report refundable business credits total from PTE/FI Schedule of Credits (include copy and applicable certificate(s))

Use the new **Pass-Through Entity and Fiduciary Income Tax Schedule of Credits** to report all refundable and nonrefundable credits, calculate total amounts, then report totals on applicable lines of the IT 4708. The Schedule of Credits replaces the Schedule E form for reporting nonrefundable credits beginning in tax year 2025.

Provide Supporting Documents

Attach the appropriate documentation specified on the IT 4708 to validate the amounts reported, such as IT K-1s to verify income/withholding flowing from another PTE to the filer, and from the filer to an investor, copies of required certificates issued for nonrefundable credits, and any other documents providing clarification.

Report the Proportionate Share of Income and Credits

A PTE is only permitted to claim the portion of credits belonging to the investors whose income is reported on the IT 4708 return.

Example: Four individuals each own 25% of Entity B. Two of the individuals are Ohio residents (i.e., non-qualifying investors) and two are nonresidents of Ohio (i.e., qualifying investors). Entity B owns 100% of Entity A. Entity A pays \$1,000 in Ohio pass-through entity tax.

Entity B files an IT 4708, but only includes the nonresident investors and their share of the PTE's income on the return (50% of the total). While Entity B can claim taxes paid by Entity A as a credit on its IT 4708, Entity B is limited to claiming only the portion of the credit belonging to the investors included on the return of \$500 (50% of \$1,000). The resident investors should claim their share of the credit (\$250 each) when they file their Ohio IT 1040 returns.

Payment Options**First-Time Filers: Submit PTE Registration Form Before First Estimated Payment**

If the PTE is a first-time filer, submit the Pass-Through Entity and Fiduciary Income Tax Registration Form before submitting the first estimated payment. The form can be found at tax.ohio.gov/forms. **Failure to submit the registration form may result in a delay in processing the estimated payment(s), resulting in a billing notice or refund delay.**

Submit a Separate Check for Each Balance

A separate check is required for each tax return payment, estimated payment, billing/assessment payment, etc. The Department cannot apply a single check to multiple balances. The check or money order should be made payable to "Ohio Treasurer of State" with identifying information on the memo line, including:

- Federal employer identification number (**FEIN**)
- **Tax form** using the payment (IT 4708)
- **Tax year** end for the payment (mm-dd-yy)

Using Payment Coupons Created by Third-Party Software

Before submitting a payment coupon created by third party software, please verify the reporting period end date matches the software-generated Key ID numbers and the number string at the bottom of the payment coupon, in the format MMY. **If mismatched, the payment will be misdirected, causing a delay in processing the estimated payment(s), resulting in a billing notice or refund delay.** Please contact the third-party software company's support line to resolve.

Methods for Making PTE and Fiduciary Income Tax Payments

- 1 OH|TAX eServices: Pass-through entity and fiduciary income tax filers can make and schedule payments in the OH|TAX eServices system as both a logged-in user and as a guest user. At this time, PTE and fiduciary filers do not have the option to make an online credit card payment. Taxpayers can use an electronic check (ACH debit) to make the following payments online:
 - Bill & Assessment Payment – Select to pay a specific bill
 - Estimated, Extension, or Return Payment – Select to make a payment for a specific tax year
 - Note: Taxpayers making payments for their current year tax balance due should use the "Return Payment" option
 - Audit Payment – Select to pay towards an audit
 - Account Payment – Select to pay multiple outstanding balances at once

Please allow 2-3 business days for recent payment activity to be applied to your account. For specific instructions for making an electronic payment in OH|TAX eServices, see the Make and Schedule Payments job aid at tax.ohio.gov.

- 2. Electronic Funds Transfer (EFT):** Payments may be remitted by EFT (ACH credit) via the Ohio Treasurer of State (TOS). Any questions about the EFT payment process should be directed to the Ohio Treasurer of State by calling (877)338-6446.
 - **This is an ACH credit option; the entity initiates the payment through its own bank. No online credit card payment or ACH debit option exists at this time through the Ohio Treasurer of State (TOS).**
 - Visit the Ohio Treasurer of State website at tos.ohio.gov to access the applicable IT 4708 form-specific information page with TOS routing/account numbers and codes/format the financial institution must use to issue the ACH credit.
- 3. Check or Money Order:** Make check or money order payable to “Ohio Treasurer of State.” A payment made by a check or money order must be submitted with the appropriate Ohio Universal Payment Coupon (OUPC) based on the form filed. All OUPCs can be found on the tax.ohio.gov website in the searchable [Tax Forms](#) section by entering “OUPC” in the Form Title or Number field. Please mail the payment and OUPC to the address on the OUPC or hand deliver to our self-service walk-in center.
- 4. Electronic Check:** When filing electronically through an approved software program, the PTE or fiduciary has the option to make a payment by electronic check in the form of an Electronic Funds Withdrawal, or direct debit. The direct debit option is only available for e-filed returns. For mailed returns created from an approved software program, the options for payment are 1. make and schedule payments in the OH|TAX eServices system as both a logged-in user and as a guest user, 2) Electronic Funds Transfer (EFT) via Ohio Treasurer of State (TOS), or 3. check or money order, as listed above.

For a current list of approved software programs, please see the [Software Developers](#) page on the Ohio Department of Taxation website, and search for the most recent “MeF Approval Status” link.

Please contact the software companies directly for their electronic payments support.

Completing the Universal Payment Coupon (OUPC)

Each payment made by check or money order must be submitted with the appropriate Ohio Universal Payment Coupon (OUPC). Application of payments is driven by the OUPC used and is based on which form is filed (i.e., IT 1041, IT 4708, IT 4738 or IT 1140). Separate OUPCs allow the Taxpayer to make either an estimated payment or a return payment. **Only one type of payment can be made on each OUPC submitted.**

All OUPCs can be found at tax.ohio.gov/forms by entering “OUPC” in the Form Title or Number field.

When completing the “Estimated Payment” or “Return Payment” OUPC:

- Enter the year that coincides with the tax year **start** date in the format yyyy
- Specify the appropriate payment type:
 - Return Payment or Estimated Payment, PTE Income Tax IT 4708
- Enter the amount of payment as a whole number without a decimal, as the OUPC features a preprinted “.00.”

Sample IT 4708 OUPC: This form must be included with each check or money order.

Ohio Universal Payment Coupon (OUPC)

Return Payment

PTE Income Tax IT 4708 4 6 4

ID Type 08 **Coupon Type** 54

First name	M.I.	Last name
Address		
City, State, ZIP code		

Note: Pay online at tax.ohio.gov/pay
Make payment payable to: Ohio Treasurer of State
Mail to: Ohio Department of Taxation,
P.O. Box 181140, Columbus, OH 43218-1140

Tax Year

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Amount of Payment → \$

Taxpayer's FEIN

									00

222

Include a Check or Money Order with each IT 4708 OUPC

Payable to "Ohio Treasurer of State" with identifying information on the memo line, including:

- Federal employer identification number (**FEIN**)
- **Tax form** using the payment (IT 4708)
- **Tax year** end for the payment (mm-dd-yy)

2025 Ohio IT 4708 General Instructions

Note: Ensure tax return pages are in numerical order. Include any attachments after the return. The return and supporting schedules are available at tax.ohio.gov/forms.

What is a Pass-Through Entity (PTE)?

A “pass-through entity” is an S corporation, partnership, or limited liability company (LLC). A PTE is also any other person, except an individual, trust, or estate, that is not classified as a C corporation for federal tax purposes. See R.C. 5747.01(K) and 5733.04(O).

Who Should File Form IT 4708?

The IT 4708 is a composite income tax return a PTE elects to file on behalf of its qualifying investors. It is filed in lieu of the IT 1140 Pass-Through Entity & Trust Withholding Tax Return. An entity cannot file the IT 4708 if it has elected to file the IT 4738 for the taxable year. Unlike the IT 1140, a PTE can use the IT 4708, and an EPTE can use the IT 4738, to claim credits or payments made on its behalf by other PTEs. The election to file the IT 4708 applies only for one tax year and, once made, is binding and irrevocable.

Note: A trust **cannot** file the IT 4708. See R.C. 5747.08(D).

Which Investors Can Be Included on Form IT 4708?

The PTE can elect to include **any qualifying investor**, other than a C Corporation or other exempt entity, on form IT 4708. This includes individuals (both residents and nonresidents), estates, trusts, and other PTEs. The PTE can include an investor on the IT 4708, regardless of how another PTE files on the investor’s behalf.

If a nonresident investor’s only Ohio-sourced income is included on the IT 4708, the investor is not required to file an Ohio individual income tax return for the tax year. However, the investor may choose to file an income tax return and claim a refundable credit for taxes paid by the PTE on the IT 4708.

See R.C. 5747.08(D)(1)(a); 5747.08(I).

How Does Ohio Law Define Business and Nonbusiness Income?

“Business income” is income, including gain/loss arising from any of the following:

- Transactions, activities, and sources in the regular course of a trade or business operation
- Real, tangible, and intangible property if the acquisition, rental, management, and disposition

of the property constitute integral parts of the regular course of a trade or business operation

- A partial or complete liquidation of a business, including gain or loss from the sale or other disposition of goodwill
- A sale of an equity or ownership interest in a business if the sale is treated for federal income tax purposes as the sale of assets and/or the seller materially participated, as described in 26 C.F.R. 1.468-5T, in the activities of the business during the taxable year in which the sale occurs or during any of the five preceding taxable years
- Compensation and guaranteed payments paid by a pass-through entity, or a professional employer organization on its behalf, to an investor who directly or indirectly owns 20% or more of the entity

Nonbusiness income is any income other than business income.

How Does an Entity Determine What Income is Business Income?

Business income can be determined by using either of two tests:

- Transactional Test: Looks to the nature, frequency and regularity of the transaction;
- Functional Test: Looks to whether the property was integral to the trade or business, or if it generated business income in the past.

Generally, all income from a PTE is presumed to be business income.

See R.C. 5747.01(B).

Can a PTE Claim a Net Operating Loss (NOL) on the IT 4708?

PTEs are not permitted to claim an NOL deduction on the IT 4708. Instead, investors who want to utilize an NOL deduction must file the IT 1040.

How Does a PTE Determine Its Ohio Taxable Year?

A PTE’s taxable year for Ohio income tax purposes is the same as its taxable year for federal income tax purposes.

However, when filing the IT 4708 return the PTE must file a single return that includes all tax periods and aggregates all income and expenses for the investor(s). Multiple IT 4708 returns (including short-period returns) cannot be filed in the same year.

When is the Return Due?

A PTE with a taxable year end during calendar year 2025 must file its 2025 IT 4708, including copies of its IT K-1s, by April 15, 2026.

Filing Extensions

The extension due date for filing the IT 4708 is September 15, 2026, provided the PTE qualifies for an IRS extension of time to file. Ohio does not have an extension request form but honors the IRS extension. Include a copy of the IRS extension or IRS acknowledgement, and/or the extension confirmation number if electronically filed. However, if the PTE has a fiscal year end, it may have a different extension due date. If your due date falls on a Saturday, Sunday, or legal holiday, the due date is moved to the next business day.

An extension of time to file does not extend the time for payment of the tax due. The PTE must make extension payments by April 15, 2026 with the required IT 4708 OUPC available at tax.ohio.gov/forms. Interest will accrue on any tax not paid by April 15, 2026, and penalties may also apply.

See R.C. 5747.08(G) and Ohio Admin Code 5703-7-05.

Estimated Tax Payments

The PTE must make estimated tax payments with the IT 4708 Ohio Universal Payment Coupon (OUPC) for the entity’s taxable year if the PTE’s estimated tax liability after credits is greater than \$500. The interest penalty applies to estimated payments not timely made. For more information, see page 10.

Due Dates for Estimated Tax Payments

If any filing due date set forth below falls on a weekend or on a holiday, then the due date becomes the first business day thereafter.

Due Date for Estimated Payments	% Cumulative Estimated Payments Made
On or before the 15th day of the 4th month of the taxable year.	22.5% of the current year tax liability
On or before the 15th day of the 6th month of the taxable year.	45% of the current year tax liability
On or before the 15th day of the 9th month of the taxable year.	67.5% of the current year tax liability
On or before the 15th day after the close of the taxable year.	90% of the current year tax liability

For more information, see the Payment Tips on page 3.

Does Ohio Follow the Alternative Preparer Signature Procedures?

The Department follows federal Notice 2004-54. However, the paid preparer **must** print (not sign) his/her name if the PTE authorizes the preparer to

discuss the return with the Department. Preparers with a Preparer Tax Identification Number (PTIN) must provide it on all returns.

See R.C. 5703.262(B) and 5747.08(F).

Can the PTE’s Tax Preparer Contact the Department About the IT 4708?

The PTE can check the box below the tax preparer’s name on page 2 of the return to authorize the preparer to:

- Contact the Department about the status of the PTE return, payments, or refund
- Provide the Department with information missing from the PTE’s return, AND
- Respond to inquiries or notices from the Department related to the return

See R.C. 5747.08(J).

How Does a PTE Determine its Ohio Method of Accounting?

A PTE’s method of accounting on its Ohio return is the same method it used for federal income tax purposes.

See R.C. 5747.45(B).

When Should the PTE Complete the IT K-1?

The IT K-1 allows the PTE to report its income, adjustments, credits, and apportionment information to its investors. The information is used by the PTE’s investors when completing the IT 1040, IT 1041, IT 4708, IT 4738 or IT 1140.

The PTE must complete two copies of the IT K-1 for each investor whose income is included on the IT 4708. One copy of the IT K-1 must be included when filing the IT 4708. The other copy should be provided to the investor.

The IT K-1 is available at tax.ohio.gov/forms.

Amended Returns

When to Amend

The PTE can file an amended IT 4708 to report changes to the originally filed return(s). An amended return can result in either a tax due or a refund based on the changes. Under certain circumstances, an amended return may be required. To amend the IT 4708 the PTE should file a new return showing the original amounts for any item that remains unchanged and reflecting all proposed changes; indicate that it is amended by checking the box at the top of page 1.

Please include a copy of the following with the amended return:

- Any canceled checks used as payment on the originally filed return, AND
- Supporting documentation that reflects the reason(s) for filing the amended return

When Not to Amend Your Return

Some common mistakes may not require an amended return. Some examples include:

- Math errors
- Missing pages or schedules
- Demographic errors
- Missing income statements (W-2, 1099, K-1) or credit certificates

In these situations, the Department will either make the corrections to the return or contact the PTE to request the needed documentation.

Requesting a Refund

The PTE may want to amend the return to request an additional credit, deduction or payment. Such changes may result in a refund. The PTE has four years from the date of the payment to request a refund. The PTE must include supporting documentation to substantiate the changes reported on the amended return. Some common required documentation includes:

- Federal return, including applicable schedules and attachments
- Copies of the income statements (W-2, 1099, etc.)
- IT K-1s or credit certificates (ODOD, OHFA, other)

Reporting Additional Tax Due

The PTE should amend the return to report additional income or reduce a previously claimed credit or deduction. Such changes may result in additional tax due. Payment should be included with the amended return using an IT 4708 OUPC payment coupon.

Changes to the Federal Return

If the IRS makes changes to the federal return, either based on an audit or an amended return, and those changes affect the Ohio return, the PTE is required to file an amended IT 4708. **DO NOT** file your amended Ohio return until the IRS has finalized the changes to the federal return. Once the changes are finalized, please include a copy of all the following:

- Federal amended 1065 OR 1120S, AND
- Date on a refund check issued by the IRS, OR
- IRS acceptance letter

Note: Instead of including a copy of these documents, the PTE may submit a copy of the IRS Tax Account Transcript reflecting the updated federal return information.

The amended IT 4708 should be filed no later than 90 days after the IRS completes its review of the federal return. Failure to file the return within this time period may result in an assessment or a denial of the refund claim.

The 90 days begins to run when:

- Period for the federal appeal has expired, **OR**
- Date a federal settlement agreement is signed

See R.C. 5747.10.

Taxable Income, Tax, Payments and Net Amount Due Calculations

Generally, all income from a PTE is presumed to be business income.

Note: Amounts reflected in Schedule I are the combined amounts of income, adjustments and credits **ONLY** for those investors who are participating in the filing of this return.

Line 1 – Total Income (loss) from Schedule I, line 38

This line must equal line 38 (the sum of lines 24 through 37); a discrepancy will delay processing of the return and may result in a billing or reduced refund.

Line 2 – Total Deductions from Schedule II, line 44

This line must equal line 44 (the sum of lines 39 through 43); a discrepancy will delay processing of the return and may result in a billing or reduced refund.

Line 4 – Net Allocable Nonbusiness Income (Loss)

Generally, income earned by a PTE is apportionable business income. If income is shown on this line, the PTE must provide a narrative and schedule explaining the types of income included on this line and why they are nonbusiness income.

The types of income which MAY be excluded are all types and classifications of income from an investment pass-through entity (IPTE) attributable to the distributive shares of income from other PTEs and certain other net income items as listed in R.C. 5733.401(C)(1).

Failure to include the explanation will delay processing of the return and may result in a billing or reduced refund.

Line 8 – Net Nonbusiness Income (Loss) Allocated to Ohio

If income is shown on this line, the PTE must provide a narrative and schedule explaining the types of income included on this line and why they are nonbusiness income.

An investment pass-through entity (IPTE) can include Ohio income from other PTEs as listed on the IT

K-1, line 2a, Ohio portion; include the IT K-1s for verification. Failure to include this information will delay processing of the return and may result in a billing or reduced refund.

See R.C. 5747.20, 5747.21, 5747.212, 5747.221 and 5747.231; 5733.401.

Line 10 - Tax Liability Before Credits

For reporting periods beginning in 2025,, the tax rate is 3.125%. Multiply line 9 "Ohio taxable income" by the tax rate and enter the amount as a whole number.

Line 11 – Nonrefundable Business Credits

A PTE claiming nonrefundable business credits must include the Ohio PTE & Fiduciary Schedule of Credits when filing its return. The PTE can only claim the distributive share of direct and indirect nonrefundable business credits attributable to those investors whose income is included on this return.

Line 13 – Interest Penalty on Underpayment of Estimated Tax

A PTE that does not make timely, sufficient estimated payments may be subject to the 2210 interest penalty. A PTE filing the IT 4708 should use pages 1 and 2 of the Ohio IT/SD 2210 to determine if an interest penalty is due, and if so the interest penalty amount. This form is available at tax.ohio.gov/forms.

Note: A PTE may be subject to the interest penalty even if it is due a refund when filing its return.

See R.C. 5747.09(D) and (E).

Line 14 - Ohio IT 4708, IT 1140, IT 4738 Estimated Payments, Prior Year Overpayments, Amounts Previously Paid with Original/Amended Return

Enter sum of all estimated (OUPC/electronic) IT 4708, IT 1140, or IT 4738 payments and/or prior year overpayments being claimed on this return, and amounts previously paid with a current year original and/or amended return.

Line 15 – Total Refundable Business Credits

This line must equal line 40 from the Ohio PTE & Fiduciary Schedule of Credits; a difference will delay processing of the return and may result in a billing or reduced refund.

NOTE: The PTE can only claim the distributive share of direct and indirect refundable business credits attributable to those investors whose income is

included on this return. Provide IT K-1s or applicable certificates to verify credits claimed.

Line 19 – Amount of Line 18 to be Credited Toward Next Year’s Liability

A credit carryforward is only allowed on a timely-filed, original return; otherwise, any overpayment will be refunded.

Enter the amount on line 18 (overpayment) as a credit you would like carried forward to the next tax period. The overpayment can be split between the credit carryforward and the refunded amount.

Line 20 – Amount of Line 18 to be Refunded

Enter the amount of Line 18 (overpayment amount) you would like refunded to you.

Interest on Overpayments. Once the return has been verified, if the refund exceeds one dollar it will be refunded to the PTE. The PTE will receive interest on the refund from the date of payment until the date of the refund if the amount is not refunded within 90 days of the later of the return’s due date, or the date the return was filed.

During calendar year 2026, interest accrues on overpayments at an annual rate of 7%.

See R.C. 5747.11(B) and (C)(1).

Line 22 – Interest Due on Late Payment of Tax

Interest is due on any unpaid tax exceeding one dollar from the unextended due date until the date the tax is paid. An extension of time to file does not extend the payment due date. The interest rate for calendar year 2026 is 7%.

See R.C. 5747.08(G).

Line 23 – Total Amount Due

Make payments by:

- Electronic check payment in OH|TAX eServices portal by logging into account or making a payment as a guest
- Electronic check through an approved software program when filing electronically
- Electronic funds transfer (EFT) as ACH credit (initiated by bank) via the Ohio Treasurer of State, OR
- Sending a personal check / money order with the Ohio OUPC

For questions regarding the EFT payment program, see the Electronic Funds Transfer information on the Ohio Treasurer of State website at tos.ohio.gov.

Schedule I – Income and Adjustments

Note: Amounts reflected on Schedule I are the combined amounts of income and adjustments **ONLY** for those investors who are participating in the filing of this return. The amounts included are those which, pursuant to the Constitution of the United States, the Constitution of Ohio, or any other Ohio or federal law, are subject to a tax measured by net income.

Generally, all income from a PTE is presumed to be business income. See R.C. 5747.01(B).

Line 25 – Related Member Adjustments

All pass-through entities are required to add back **expenses or losses** paid or incurred with respect to transactions involving **related members**. A “related member” is:

- Any person described in IRC §1563(e) that owns at least 40% of the PTE
- Any individual investor, or the investor’s spouse, child, grandchild, or parent if combined they own at least 50% of the PTE
- An investor that is a partnership, estate, trust, or corporation, or the investor’s partnership, estate, trust, or corporation if combined they own at least 50% of the PTE, OR
- A corporation, or a party related to the corporation that would require an attribution of stock from the corporation to the party or from the party to the corporation if the PTE owns at least 50% of the corporation

Ownership includes: direct, indirect, constructive, and beneficial.

- **Direct** – Investor owns a PTE with no other owners in between
- **Indirect** – Investor owns a PTE that owns another PTE
- **Constructive** – Person is not an investor but is deemed to own the PTE through attribution because of their relationship to one of the PTE’s investors
- **Beneficial** – Person is a beneficiary of a trust or estate, and thus is treated as an “owner” of the asset

Note: The attribution rules in IRC §318 apply for purposes of evaluating the ownership requirements.

Common expenses and losses subject to add back when paid to a related member include:

- Management fees

- Interest expenses
- Rents and royalties
- Compensation paid to an individual investor’s family members or other entities
- Expense sharing, or “common paymaster” arrangements

For more information, see the Information Release [Meaning of “Indirect” Ownership](#).

See R.C. 5733.40(A)(3) and (4) and R.C. 5733.40(P), IRC §1563(e), and IRC §318.

Lines 26 and 27 – Guaranteed Payments and Compensation

Enter compensation or guaranteed payments the PTE paid, or a professional employer organization (PEO) paid on behalf of the PTE, to an investor who directly or indirectly owns at least 20% of the profits or capital of the PTE at any point during the tax year. These amounts are reclassified from guaranteed payments/compensation to a distributive share of income.

Note: Agreements that Ohio has with Kentucky, West Virginia, Pennsylvania, Michigan, and Indiana relating to the taxation of compensation do not apply. Compensation paid to a 20% or more investor **must** be included on this line.

Example 1: Jim is a Kentucky resident who owns 30% of PTE A. He provides services for PTE A in Kentucky and is paid a wage for his services. Since Jim owns at least 20% of PTE A, his wages are reclassified as a distributive share of income. Thus, the wages are required to be included on PTE A’s return as a compensation add-back, even though Jim is a Kentucky resident.

Example 2: Karen is an Iowa resident who owns 19% of PTE A. Karen receives wages from PTE A. However, since Karen does not own at least 20% of PTE A, her wages are not reclassified as a distributive share of income or added back onto the return as a compensation add-back.

See R.C. 5733.40(A)(7).

Lines 29 through 33- Portfolio Income

Exclude from net long-term capital gain (loss) line any capital loss carryforward amount.

If the sum of Line 32 and Line 33 results in an overall loss, the amount on Line 33 is limited to \$3,000 per participating investor.

Line 35a-Line 35c (Schedule VI): IRC §168K Bonus Depreciation and §179 Expense Add-back

Add 5/6 of IRC §168(k) bonus depreciation allowed under the IRC. Also, add 5/6 of any qualifying §179 depreciation expense. **However:**

- Replace “5/6” with “2/3” for employers who increase their Ohio income taxes withholding by an amount equal to or greater than 10 percent over the previous year, OR
- Replace “5/6” with “6/6” for taxpayers who incur a net operating loss (NOL) for federal income tax purposes if the loss was a direct/indirect result of the §168(k) and/or §179 depreciation expenses.

The amount subject to the add-back is the taxpayer’s total §179 expense less \$25,000 plus all of the taxpayer’s §168(k) depreciation expense. If the amount of qualifying §179 depreciation expense is greater than \$200,000, the \$25,000 deduction is reduced dollar for dollar by any amount over \$200,000, per the IRC as it existed as of December 31, 2002.

Using the following lines from federal form 4562, the add-back formula is (line 12 - \$25,000) + line 14 + line 25. The sum of these lines is multiplied by the appropriate ratio.

Additionally, there is **no** requirement to make Ohio’s depreciation add-back in **either** of the following circumstances:

- The depreciation is from a PTE, and the investor owns **less than 5%** of the PTE. This is true even if the PTE performed the add-back on its Ohio filing (i.e., the IT 1140, IT 4708 or IT 4738), OR
- A PTE that increases its Ohio income taxes withheld over the previous year’s by an amount **greater than or equal to** the sum of §168(k) and/or §179 depreciation amounts.

Example 1: PTE A has a total of \$180,000 subject to add-back for the current tax year. The \$100,000 of §179 depreciation is from PTE A’s business operations. The \$80,000 of §168(k) depreciation is from its distributive share of bonus expense from PTE B.

Source of Depreciation	Add-back Amount (\$179-\$25,000)	§168(k)	Add-back Ratio	Add-back Amount
PTE A - operations	\$75,000	\$0	5/6	\$62,500
PTE B - distributive share/ bonus expense		\$80,000	5/6	\$66,667
Total add-back for tax year:				\$129,167

Example 2: PTE A owns 100% of PTE B. PTE A has \$180,000 subject to add-back for the current tax year including \$100,000 of §179 depreciation from PTE A’s business operations and \$80,000 of §168(k) depreciation from its distributive share of bonus expense from PTE B. PTE B increased its Ohio employer withholding for its employees by at least 10% over the previous tax year. PTE A must use a different add-back ratio for each source of depreciation, and calculates its depreciation add-back as follows:

Add-Back - Combined add-back				
Source of Depreciation	Add-back Amount (\$179-\$25,000)	§168(k)	Add-back Ratio	Add-back Amount
PTE A - operations	\$75,000	\$0	5/6	\$62,500
PTE B - distributive share/ bonus expense	\$0	\$80,000	2/3	\$53,333
Total add-back for tax year:				\$115,833

Example 3: PTE A still has \$180,000 subject to add-back for the current tax year, but its federal taxable income is (\$100,000) (i.e. PTE A has a federal net operating loss). PTE A would calculate its depreciation add-back as follows:

Add-Back - NOL				
Source of Depreciation	Add-back Amount (\$179-\$25,000)	§168(k)	Add-back Ratio	Add-back Amount
PTE A - operations	\$75,000	\$0	6/6	\$75,000
PTE B - distributive share/ bonus expense	\$0	\$80,000	6/6	\$80,000
Total add-back for tax year:				\$155,000

See R.C. 5733.40(A)(5) and 5747.01(A)(17)(a)(i-v).

Line 36 – Other Income or Deduction

Enter income or deductions not otherwise reported on Schedule II that are part of an investor’s distributive share from the PTE. Include a supporting schedule detailing each amount reported on this line, as well as an explanation of why each amount is included on this line. Failure to provide this information may delay the processing of the return.

The following generally **can be included** on this line:

- Section 59(e)(2) – depletion amortized on federal Schedule E; include federal form 4562
- Deductions allocable to royalties appearing on federal Schedule E
- §754 election – made to adjust the basis of partnership property in the event of a sale or exchange of partnership interest, a partner’s death, or certain distributions to partners
- §743(b) – 743(b) provides certain adjustments in the case of a sale or exchange of a partnership interest in which a §754 election is in place

The following generally **cannot be included** on this line:

- Charitable contributions
- Any state or federal credit amount, including the research and development tax credit and the work opportunity credit
- Wage expenses not deducted on the federal return related to work opportunity credit from Ohio Schedule of Adjustments
- Itemized deductions from federal Schedule A

Line 37 – Federal Conformity Additions

This line is for federal conformity adjustments. For updates on Ohio Conformity, see [Ohio Conformity Updates](#) at tax.ohio.gov and R.C. 5701.11.

Line 38 – Total Income (Loss)

This line **must** equal the sum of line 24 through line 37. A difference will delay processing of the return and may result in a billing or reduced refund.

Schedule II – Deductions

Lines 39-43 are allowable deductions for those investors that participate in the filing of the IT 4708. Do not include deductions that have already been used to reduce income items included on Schedule I. DO NOT include deductions solely because they are available to an individual on the federal 1040 or the Ohio IT 1040.

Line 40 – Ohio Depreciation Deduction

Calculate the deduction based on prior year add-backs on Ohio PTE returns filed with the same FEIN. Deduct:

- 1/5 of prior year 5/6 add-backs
- 1/2 of prior year 2/3 add-backs, AND/OR
- 1/6 of prior year 6/6 add-backs

of applicable IRC §168(k) bonus depreciation and \$179 expense add-backs on a prior year filed IT 4708, IT 1140 or IT 4738.

Note: Deduct only amounts that were added by the PTE under this FEIN on a prior year's IT 1140, IT 4708 or IT 4738. This deduction is available even if the asset is no longer owned by the PTE.

The deduction must be taken in equal increments in consecutive tax years. If the deduction is missed in a taxable year, any unused portion from any given tax year is not eligible to be carried forward. Instead, the PTE would have to amend the prior returns to claim the deduction.

If there is an NOL, the deduction cannot be claimed for that year and will be carried forward to the next year without an NOL.

See R.C. 5733.40(A)(5) and 5747.01(A)(18).

Line 41 – Net Federal Interest and Dividends Exempt from State Taxation

Enter interest and dividend income from obligations issued by the United States government or its possessions/territories that are exempt from Ohio tax under federal law. A comprehensive list of deductible interest and dividends can be found in [Information Release IT 1992-01 – Exempt Federal Interest Income](#).

Examples of interest income that are not deductible:

- Interest paid by the IRS on a federal income tax refund;
- Interest income from Fannie Maes or Ginnie Maes.

See R.C. 5747.01(A).

Line 42 – Federal Conformity Deductions

This line is for federal conformity deductions.

Note: Do not enter any federal adjustments solely because the deduction is available to an individual on the federal 1040 or the Ohio IT 1040. For more information, see [Ohio Conformity Updates](#) at tax.ohio.gov.

See R.C. 5701.11.

Line 43 – Exempt Gains from the Sale of Ohio State or Local Government Bonds

If included in federal income:

- **Deduct** interest income and gains from the sale or disposition of Ohio public obligations and Ohio purchase obligations and income from a certain transfer agreement or an enterprise transferred under that agreement.
- **Add** any loss from the sale or disposition of Ohio obligations.

See R.C. 5747.01(A)(8).

Line 44 – Total Deductions

This line **must** equal the sum of line 39 through line 43. A difference will delay processing of the return and may result in a billing or reduced refund.

Schedule III – Apportionment Formula

The three apportionment factors are property and payroll, each weighted at 20%, and sales, weighted at 60%, for a total of 100%. However, if any factor's "total everywhere" is zero, the weights of the remaining factors must be proportionately increased so that the total remains 100%.

Example: ABC LLC is a single-member LLC with no employee payroll. In calculating its Ohio apportionment ratio, ABC LLC must reweight its property factor to 25% and its sales factor to 75%.

If a PTE owns an interest in other PTEs, when calculating its apportionment ratio, the PTE **must** include its proportionate share of other PTEs “Within Ohio” portion and the “Total Everywhere” portion of property, payroll and sales. These amounts will be reported by the other PTEs in the “Entity Apportionment Percentage” section of the Ohio IT K-1 issued to the PTE-owner.

Note: A PTE may request, in writing with a timely filed original return or amended return, an alternative form of apportionment instead of the method listed above. Such request is only valid if approved by the Department.

See R.C. 5747.231, 5747.21 and 5733.05(B)(2).

Property Factor

The Property Factor is the ratio of:

$$\frac{\text{Average value of property in Ohio}}{\text{Average value of property everywhere}}$$

“Property” includes any real and tangible personal property that is owned, rented, subrented, leased and/or subleased in the course of a trade or business by the PTE or other PTEs owned by the PTE. Property does not include any of the following:

- Construction in progress
- Property not used in a trade or business
- Property for which Ohio has issued an air, noise, or industrial water pollution control certificate
- Property used exclusively during the tax year for qualified research

Note: The original cost of qualifying improvements to property in an enterprise zone, for which Ohio has issued a Tax Incentive Qualification Certificate, should only be included in Total Everywhere.

The “average value” of business property is calculated by averaging the total value of all applicable property owned or rented at the beginning and end of the tax year.

See R.C. 5747.21(B), 5733.05(B)(2) and 5709.65.

Line 45a - Property Owned

Within Ohio: Enter the average value of all Ohio property owned by the business during the tax year.

Total Everywhere: Enter the average value of all property owned by the business during the tax year.

Property owned by the business is valued at its original cost.

Line 45b - Property Rented

Within Ohio: Enter the average value of all Ohio property rented by the business during the tax year.

Total Everywhere: Enter the average value of all property rented by the business during the tax year.

Property rented by the business is valued at eight times the net annual rental rate (annual rental expense less subrental receipts).

Payroll Factor

The payroll factor is the ratio of:

$$\frac{\text{Total compensation in Ohio}}{\text{Total compensation everywhere}}$$

“Compensation” means any form of remuneration paid by the PTE, or other PTEs owned by the PTE, to an employee for personal services. Compensation does not include any of the following:

- Amounts paid to employees for services unrelated to a trade or business
- Amounts reclassified as a distributive share of income from a PTE under R.C. 5733.40(A)(7), AND
- Amounts paid to employees who are primarily engaged in qualified research

Note: Compensation paid to certain employees at an urban job and enterprise zone facility, for which Ohio has issued a Tax Incentive Qualification Certificate, should be included only in total compensation everywhere.

See R.C. 5747.21(B), 5733.05(B)(2)(b) and 5709.65.

Line 46 - Payroll

Within Ohio: Enter the total compensation paid in Ohio during the tax year. Compensation is paid in Ohio if:

- The employee’s job is entirely in Ohio.
- The employee’s job is primarily in Ohio with only incidental work outside Ohio.
- The employee performs services in Ohio and either the headquarters, or, if no headquarters exists, the place from which the service is directed or controlled, is in Ohio, OR

- The employee is a resident of and performs some services in Ohio, and the headquarters or the place from which the service is directed or controlled is not in any state in which some part of the service is performed.

Compensation paid to any employee of a common or contract motor carrier who performs regularly assigned duties in more than one state should be assigned to Ohio by the ratio of mileage traveled by the employee in Ohio to the total mileage traveled by the employee everywhere during the taxable year.

Total Everywhere: Enter the total compensation paid everywhere during the tax year.

Sales Factor

The sales factor is the ratio of:

$$\frac{\text{Sales in Ohio}}{\text{Sales Everywhere}}$$

“Sales” includes gross business receipts earned by the PTE or other PTEs owned by the PTE, such as:

- Receipts from the sale of real property, tangible personal property, or services
- Receipts from rents and royalties from real and tangible personal property, OR
- Receipts from the transfer of or the right to use intellectual property such as trademarks, trade names, patents, and copyrights

“Sales” does not include:

- Interest and dividends
- Receipts from the transfer of intangible property other than trademarks, trade names, patents, copyrights or other similar intellectual property
- Receipts from the transfer of real or tangible personal property that is either a capital asset or an Internal Revenue Code section 1231 asset, AND
- Receipts from sales to certain public utilities, insurance companies, and financial institutions described in R.C. 5733.05(B)(2)(c)

Note: Income amounts excluded from the sales factor may still be considered business income under Ohio law.

See R.C. 5747.21(B) and 5733.05(B)(2)(c).

Line 47 – Sales

Within Ohio: Enter gross receipts from sales within Ohio during the tax year. Sales within Ohio include all the following:

- Receipts from sales of tangible personal property, less returns and allowances, to the extent the property was received by the purchaser in Ohio
- Receipts from services to the extent the purchaser ultimately used or received the benefit of the services in Ohio
- Rents and royalties from tangible personal property to the extent the property was used in Ohio
- Receipts from the transfer of certain intellectual property to the extent the property was used in Ohio
- Receipts from the right to use certain intellectual property to the extent the receipts are based on the right to use the property in Ohio
- Receipts from the sale of real property located in Ohio, AND
- Rents and royalties from real property located in Ohio

Note: For tangible personal property, where the property is “received by the purchaser” is not the same as where the purchaser takes physical or legal possession. Instead, it is considered “received” where it is ultimately used by the purchaser.

See R.C. 5733.05(B)(2)(c)(i) and (ii).

Total Everywhere: Enter the gross receipts from sales everywhere during the tax year.

Investor Information

Complete investor information should be reported as follows:

- Include with the IT 4708 return copies of Ohio IT K-1s for all investors, reporting their proportionate or distributive share of income, adjustments, and credits.
- Provide a copy of the Ohio IT K-1 to each investor.
- Visit tax.ohio.gov/forms to obtain a copy of the Ohio IT K-1 form.

Ohio PTE & Fiduciary Schedule of Credits

The credits listed below may not be applicable to all pass-through entity (PTE) and fiduciary income tax filers. The Ohio PTE & Fiduciary Schedule of Credits is only available for the IT 4708 and IT 1041 and should not be completed for the IT 1140 or IT 4738. The Schedule of Credits indicates whether a credit is available for trusts, estates, and/or PTEs. See R.C. 5747.08(D).

Nonrefundable Credits

The nonrefundable business credit schedule lists the nonrefundable business credits in the order in which the entity may claim them as well as the carryover period for each credit. The order is important if the entity is entitled to more than one credit and the entity is unable to use some portion of the total credit in the year generated.

Read all of the following instructions carefully for each section to determine if the entity is eligible to claim that particular credit.

An entity must include the Schedule of Credits and any supporting documentation when filing the return. All other supporting schedules or documentation are subject to examination by the Ohio Department of Taxation.

Trust/estate is only entitled to the portion of the nonrefundable credit that relates to the retained earnings in the trust/estate.

Line 2 – Retirement Income Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

To qualify for this credit, all of the following must be true:

- The decedent must have received retirement income from a pension, profit sharing or retirement plan (such as traditional IRAs, 401(k) plans).
- This income is included in the estate’s federal taxable income (e.g., it was not distributed to any beneficiary).
- This income was received on account of the decedent’s retirement, AND
- The decedent has not previously taken the Ohio lump sum retirement credit.

The credit is based on the total retirement income included the estate’s taxable income. The maximum credit per return is \$200.

Credit Amount			
Retirement income included in Estates' taxable income			Retirement Income Credit
\$ 0	–	\$ 500	0
\$ 501	–	\$ 1,500	\$ 25
\$ 1,501	–	\$ 3,000	\$ 50
\$ 3,001	–	\$ 5,000	\$ 80
\$ 5,001	–	\$ 8,000	\$ 130
\$ 8,000	or	more	\$ 200

See R.C. 5747.055(B).

Line 3 – Lump Sum Retirement Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

Note: If the estate takes this credit, it **cannot** take the retirement income credit on this year’s return or any future return.

To qualify for this credit, all of the following must be true:

- The decedent must have received a total lump sum distribution on account of retirement.
- The distribution must have come from a qualified pension, retirement or profit sharing plan.
- This income was included in the estate’s federal taxable income (e.g. it was not distributed to any beneficiary), AND
- The decedent has not previously claimed this credit.

Use the Lump Sum Worksheet on Appendix A to calculate this credit.

See R.C. 5747.055(C).

Line 4 – Senior Citizen Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

To qualify for this credit, both of the following must be true:

- The decedent was at least 65 as of the date of death, AND
- The decedent has not previously taken the Ohio lump sum distribution credit.

The credit is equal to \$50 per return.

See R.C. 5747.055(F).

Line 5 – Lump Sum Distribution Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

Note: If the estate takes this credit, it **cannot** take the \$50 senior citizen credit on this year’s return or any future return.

To qualify for this credit, all of the following must be true:

- The decedent was at least 65 as of the date of death.
- The decedent must have received a total lump sum distribution from a qualified pension, retirement or profit sharing plan.
- This income was included in the estate’s federal taxable income (e.g., it was not distributed to any beneficiary), AND
- The decedent has not previously claimed this credit.

Use the Lump Sum Worksheet on Appendix A to calculate this credit.

See R.C. 5747.055(G).

Line 6 – Child Care and Dependent Care Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

To qualify for this credit the decedent must have claimed the federal “credit for child and dependent care expenses” on federal form 2441. See Child and Dependent Care Credit Worksheet on Appendix A.

See R.C. 5747.054.

Line 7 – Campaign Contribution Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line. For IT 1041 filers, this credit is **only** available to estate filers. Trust filers should enter zero on this line.

To qualify, you must have contributed money to the campaign committee of a candidate for any of the following Ohio offices:

- Governor or lieutenant governor
- Secretary of state
- Auditor of state
- Treasurer of state
- Attorney general
- Chief justice of the Ohio Supreme Court
- Justice of the Ohio Supreme Court
- Ohio Board of Education

- Ohio Senate
- Ohio House of Representatives

The credit equals the amount contributed during the tax year up to \$50 per return, or \$100 if you are filing jointly. Contributions to local candidates (such as city or county officials) or federal candidates (such as President or U.S. Senator) **do not** qualify for this credit.

Note: This credit will no longer be available after tax year 2025.

See R.C. 5747.29.

Line 10 – Scholarship Donation Credit

To qualify, you must make a monetary donation directly to an eligible scholarship granting organization (SGO). The credit equals the lesser of \$750 or the total amount you donated to SGOs during the tax year.

You may also include amounts donated in 2026, prior to April 16. However, the same contribution cannot be used to claim the credit in two different tax years.

You may also qualify if a pass-through entity, in which you have ownership interest, made a monetary donation to an eligible SGO. You may claim your proportionate or distributive share of the credit to the extent it does not exceed \$750 per investor.

For a list of eligible SGOs, see tax.ohio.gov/SGO. See also R.C. 5747.73.

Line 11 - Credit for Work-Based Learning Experiences

This credit is granted by the Ohio Department of Education (ODE). To claim the credit, you must attach a copy of the certificate from ODE that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit.

For more information about the requirements for this credit, visit education.ohio.gov. See R.C. 5747.057.

Line 12 – Ohio Adoption Credit Carryforward

The Ohio adoption credit was repealed and is no longer available. However, this nonrefundable credit had a five-year carryforward. Therefore, you may continue to claim any unused credit for the five-year period or until it is fully utilized.

Important: For IT 4708 filers, this credit **was not** available. Enter zero on this line. For IT 1041 filers, this credit was **only available** to estate filers. Trust filers should enter zero on this line.

See former R.C. 5747.37, repealed in 2023 Am. Sub. H.B. No. 45.

Line 13 – Nonrefundable Job Retention Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to three years.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 122.171(B) and 5747.058(B).

Line 14 – Credit for New Employees in an Enterprise Zone

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to three years.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5709.66(B)(1).

Line 15 - Credit for Commercial Vehicle Operator Training Expenses

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

This credit **cannot** be claimed based on the amount of estimated tax credit-eligible training expenses approved by ODOD prior to the application for the credit.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5747.82.

Line 16 – Welcome Home Ohio Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 122.633.

Line 17 – Credit for Transformational Mixed-Use Development

This credit is granted by the Ohio Department of Development (ODOD). To claim this credit, you must attach a copy of the certificate from ODOD that indicates the amount of credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent that this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

Note: This credit cannot be claimed for certificates issued prior to September 30, 2025.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 122.09 and 5747.87.

Line 18 – Credit for Sale/Rental of Agricultural Assets to Beginning Farmers

This credit is granted by the Ohio Department of Agriculture (ODA). To claim the credit, you must attach a copy of the certificate from ODA that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds

the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to seven years.

For more information about the requirements for this credit, visit agri.ohio.gov. See R.C. 901.61(D) and 5747.77(A).

Line 19 – Grape Production Credit

To qualify, you must be engaged in the business of producing grapes and purchase qualifying property during the tax year. “Qualifying property” means any property, plant, or equipment used to produce grapes in Ohio.

The credit equals 10% of the cost of purchasing and installing or constructing the qualifying property. If the producer is a pass-through entity, each investor in the pass-through entity may claim a proportionate share of the credit.

To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to seven years. The credit is subject to recapture if the taxpayer disposes of the property or ceases to use it as qualifying property within seven years of placing it in operation.

See R.C. 5747.28.

Line 20 – InvestOhio Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to seven years.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5747.81.

Line 21 - Lead Abatement Credit

Important: For IT 4708 filers, this credit **is not** available. Enter zero on this line.

This credit is granted by the Ohio Department of Health (ODH). To claim this credit, you must attach a copy of the certificate from ODH that indicates the amount of the credit and the tax year for which the credit is based.

To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to seven years.

For more information about the requirements for this credit, visit odh.ohio.gov. See R.C. 5747.26.

Line 22 – Opportunity Zone Investment Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim this credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 122.84.

Line 23 – Technology Investment Credit Carryforward

Effective Sept. 29, 2013, the technology investment credit was repealed, and thus is no longer available. However, this nonrefundable credit had a 15-year carryforward. Therefore, you may continue to claim any unused credit for the 15-year period or until it is fully utilized. See R.C. 122.152 and former R.C. 5747.33.

Line 24 – Enterprise Zone Day Care and Training Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward until fully utilized.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5709.65(A)(4) and (5).

Line 25 – Research and Development Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the

amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward until fully utilized.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 166.21 and 5747.331.

Line 26 – Nonrefundable Ohio Historic Preservation Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

Important: If you received an amended certificate for a project approved between June 30, 2020 and September 13, 2022 that qualifies for the enhanced credit or an original certificate issued after September 13, 2022 and before July 1, 2024, this credit is fully refundable up to \$10,000,000 claimed per project in any tax year and should be reported on line 34 of the Ohio PTE & Fiduciary Schedule of Credits.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 149.311, 5747.76(D), and Sub. S.B. 225.

Line 27 - Ohio Low-Income Housing Credit

This credit is granted by the Ohio Housing Finance Agency (OHFA). To claim the credit, you must attach a copy of the credit certificate from OHFA that indicates the annual amount of the credit and the period for which the credit is awarded. If available, include a copy of the report from the designated reporter that indicates the amount of the annual credit allocated to you. The credit cannot be claimed unless you are included on this report. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

For more information about the requirements for this credit, visit ohiohome.org or call 1-888-362-6432. See R.C. 175.16 and 5747.83.

Line 28 - Affordable Single-Family Housing Credit

This credit is granted by the Ohio Housing Finance Agency (OHFA). To claim the credit, you must attach a copy of the credit certificate from OHFA that indicates the annual amount of the credit and the period for which the credit is awarded. If available, include a copy of the report from the designated reporter that indicates the amount of the annual credit allocated to you. The credit cannot be claimed unless you are included on this report. To the extent this credit exceeds your tax liability, any remaining balance can be carried forward up to five years.

For more information about the requirements for this credit, visit ohiohome.org or call 1-888-362-6432. See R.C. 175.17 and 5747.84.

Residency Credits

Line 31: Estates Ohio Nonresident Credit

Nonresident estates should enter the portion of Ohio taxable income on line 3 that is not apportioned or allocated to Ohio. To determine the portion of the Ohio taxable income (IT 1041, line 3) that is not apportioned or allocated to Ohio, the estate must use form IT NRCE obtained at tax.ohio.gov/forms. Include this form with the IT 1041.

See R.C. 5747.05(A), 5747.20, 5747.21 and 5747.231.

Line 32 - Estate/Trust Ohio Resident Credit

Estate Ohio Resident Credit

To determine the income taxes paid to another state or the District of Columbia, the estate must use form IT RCTE obtained at tax.ohio.gov/forms. Include the form when filing the IT 1041.

The credit equals the lesser of the income taxes paid to another state or the District of Columbia, or the portion of the Ohio tax liability attributable to income taxed by another state. Nonresident estates are not entitled to this credit.

See R.C. 5747.05(B)

Trust Ohio Resident Credit

Note: The credit must be taken prior to taking any other credit.

To determine the income taxes paid to another state or the District of Columbia, the trust must use the IT RCTE form available at tax.ohio.gov.

The credit equals the lesser of the income taxes paid to another state or the District of Columbia, or the portion of the Ohio tax liability attributable to nonbusiness income taxed by another state. Nonresident portions of the trust are not entitled to this credit.

See R.C. 5747.02(C)(2).

Refundable Credits

If you received an Ohio IT K-1 from a pass-through entity that includes one or more of the credits listed in this section, include a copy of the IT K-1 with your return.

Line 34 – Refundable Ohio Historic Preservation Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit.

This amount can be refunded to the extent that it exceeds your total Ohio tax liability. If your certificate was issued on or before September 13, 2022, or after June 30, 2024, and the credit exceeds \$3,000,000, your credit must be taken as a nonrefundable credit (Ohio PTE & Fiduciary Schedule of Credits).

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5747.76 and Sub. S.B. 225.

Line 35 – Refundable Job Creation Credit and Job Retention Credit

These credits are granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. This amount can be refunded to the extent that it exceeds your total Ohio tax liability.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-

1300. See R.C. 5747.058(A), 122.17, and former R.C. 122.171(B).

Line 36 – Pass-Through Entity Credit

Important: Electing pass-through entities filing the IT 4738 should not claim the pass-through entity credit on this line. This credit must be taken by an electing pass-through entity on **line 14 of the IT 4738**.

This credit is for taxes paid on your behalf by a pass-through entity (PTE) on Ohio forms IT 4708, IT 4738, and/or IT 1140. To claim this credit, attach a copy of the Ohio IT K-1 issued to you by the PTE reporting:

- Income taxes paid by the PTE (IT K-1, line 3), AND/OR
- Indirect PTE credits (IT K-1, line 4) from taxes paid by a PTE you indirectly own

If you do not have an IT K-1, you must provide a narrative and/or diagram, including ownership percentages and FEINs, detailing the ownership structure of the PTEs.

See R.C. 5747.08(I), 5747.059, and 5747.39.

Line 37 – Motion Picture and Broadway Theatrical Production Credit

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. This amount can be refunded to the extent that it exceeds your total Ohio tax liability.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5747.66.

Line 38 - Credit for Film and Theater Capital Improvement Projects

This credit is granted by the Ohio Department of Development (ODOD). To claim the credit, you must attach a copy of the certificate from ODOD that indicates the amount of the credit and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. This amount can be refunded to the extent that it exceeds your total Ohio tax liability.

For more information about the requirements for this credit, visit development.ohio.gov, or call 1-800-848-1300. See R.C. 5747.67.

Line 39 – Venture Capital Credit

This credit is granted by the Ohio Venture Capital Authority. To claim the credit, you must attach a copy of the certificate that indicates the amount of the credit

and the tax year for which the credit is awarded. Additionally, if this credit is based on your ownership of a pass-through entity that holds the certificate, you must also include documentation showing your portion of the credit. This amount can be refunded to the extent that it exceeds your total Ohio tax liability.

Ohio IT K-1

- **Preparers completing the IT K-1:** Start immediately below.
- **Investors receiving an IT K-1:** Start following “Preparers” section.

Preparers Completing the IT K-1

A PTE, EPTE, or fiduciary should issue the IT K-1 to each investor, owner, or beneficiary that receives income, adjustments, and/or credits. Use the IT K-1 to report the proportionate or distributive share of income, adjustments, and/or credits for any investor, owner, or beneficiary.

Provide a copy to each investor, owner, or beneficiary and include copies of each IT K-1 when filing the IT 1140, IT 4708, IT 4738, or IT 1041. The IT K-1 can be issued for any tax year, even when the PTE, EPTE, or fiduciary is not required to file a return.

See tax.ohio.gov/forms to obtain a copy of the form.

Part I – Investor / Owner / Beneficiary and Entity Information

Enter the calendar year or a fiscal year period used on the entity’s federal return.

Check the box to indicate which Ohio return the PTE, EPTE, or trust is filing. If the PTE, EPTE, or trust does not file the IT 1140, IT 4738, or IT 4708, check “Not included on entity return.” Additionally, check the box to indicate an amended IT K-1, if applicable.

Investor / Beneficiary Information

Use the same investor/owner/beneficiary information reported on the federal K-1. Enter the full SSN or FEIN on the copy of the IT K-1 provided to the Department.

Ownership %

PTEs/EPTEs: Enter the same investor/owner ownership information reported on the federal K-1 for the tax year.

Fiduciaries: Enter the percentage of income distributed to the beneficiary during the tax year.

Part II - Entity Information

Use the same entity information reported on the federal K-1. Enter the full FEIN on the copy of the IT K-1 provided to the Department.

Enter the 6-digit North American Industry Classification System (NAICS) code related to the entity’s activity. Completing this field on the Ohio IT K-1 is optional. Find detailed information at census.gov/naics.

Entity type: Enter the entity type reported on the IT 1140, IT 4708, or IT 4738. If the PTE, EPTE, or fiduciary does not file an Ohio return, enter one of the following: S corporation (01), limited liability company (02), partnership (03), or trust (04).

Apportionment Ratio

If the PTE, EPTE, or fiduciary is filing an Ohio return, enter the apportionment information from Schedule

III of the IT 4708 or IT 4738, Schedule II of the IT 1140 or Schedule V of the IT 1041.

If the PTE, EPTE, or fiduciary is not filing an Ohio return, see detailed instructions on calculating the Ohio apportionment ratio in the IT 1140, IT 4708, IT 4738 or IT 1041 instructions. Calculate Ohio property and payroll, each weighted at 20%, and Ohio sales, weighted at 60%, versus property, payroll and sales everywhere. If any factor’s “total everywhere” is zero, the weights of the remaining factors must be proportionately increased so that the total remains 100%. Report the apportionment ratio to six (6) decimal places.

Important: If the PTE/EPTE is an investor/owner in another PTE(s), it **must** combine its property, payroll and sales amounts with the amounts reported on any IT K-1 it receives.

See R.C. 5747.21, 5747.231, and 5733.05(B)(2).

Part III – Investor’s / Owner’s / Beneficiary’s Depreciation Adjustments

Line 1a - Current Year 168(k) and 179 Depreciation Expense Ohio Add-Back

Total Column: Enter the investor’s/owner’s/beneficiary’s proportionate or distributive share of the current year 168(k) and 179 depreciation expense add-back reported on:

- IT 1140 - Schedule I (A) or (B)
- IT 4738 - Schedule I
- IT 4708 - Schedule I, OR
- IT 1041 - Schedule I; Note: IT 1041 filers, only: For taxable years ending on or after October 3, 2023 and before January 1, 2025, do not enter any amount on Line 1a of the IT K-1.

Ohio Column: Multiply the amount in the “Total” column by the apportionment ratio on the IT K-1.

R.C. 5733.40(A)(5), 5747.01(A)(18) and 5747.01(S)(14).

Line 1b – Total Deduction of Prior Year 168(k) and 179 Depreciation Expense Ohio Add-Backs

Calculate the total deduction based only on prior year add-back amounts reported on the Ohio PTE or fiduciary return filed.

Note: Only report prior-year depreciation add-backs for years that (1) the person was an investor, owner, or beneficiary, and (2) the PTE, EPTE or fiduciary filed an Ohio return.

See R.C. 5733.40(A)(5), 5747.01(A)(18) and 5747.01(S)(14).

Schedule IV - Investor's/Owner's/Beneficiary's Share of Ohio Income

Line 2a - PTE / EPTE / Trust & Estate Income

Total Column: Enter the investor's/beneficiary's proportionate or distributive share of the income reported on the Ohio return as follows:

- IT 4708 – The income to be allocated or apportioned, excluding Internal Revenue Code 168(k) and 179 depreciation expense adjustments, and guaranteed payments and compensation reported on Schedule I
- IT 1140 (PTEs only) – The “sum of distributive shares” plus any “related member” adjustments from Schedule I
- IT 4738 – The income to be allocated or apportioned, excluding Internal Revenue Code 168(k) and 179 depreciation expense adjustments, and guaranteed payments and compensation reported on Schedule I
- IT 1140 (Trusts only) – The “sum of all distributions” from Schedule III

For the specific lines related to these amounts, see the IT 4708, IT 4738, or IT 1140 for the applicable tax year.

Ohio Column: Multiply the amount of business income from the “Total” column by the apportionment ratio on the IT K-1 and/or enter the distributive share of any non-apportioned amounts allocated to Ohio.

See R.C. 5733.40(A), 5747.08(D) and 5747.38.

Line 2b - Guaranteed Payments and/or Compensation (20% or Greater Investors Only)

Total Column: If, at any time during the tax year, the investor held at least a 20% interest in the profits or capital of the entity, enter total guaranteed payments (reported in box 4 of a federal K-1) or compensation (reported in box 1 of a W-2) paid to the investor.

Important: Enter these amounts even if the investor is a resident of Indiana, Kentucky, West Virginia, Michigan or Pennsylvania.

Ohio Column: Multiply the amount in the “Total” column by the apportionment ratio on the IT K-1.

See R.C. 5733.40(A)(7).

Line 2c - Net Depreciation Adjustment

For each column, line 1a minus line 1b.

Line 2d – Total Taxable Income

For each column, enter the sum of lines 2a through 2c.

Part V - Investor's/Owner's/Beneficiary's Share of Ohio Tax Credits

The Ohio IT K-1 is issued by a PTE, EPTE, or fiduciary to its investors, owners, or beneficiaries (individuals, trusts, estates, PTEs, or EPTEs). It contains the investor's, owner's, or beneficiary's distributive share of income, adjustments, and/or credits.

The IT K-1 is commonly used by:

- Individuals filing an IT 1040 and claiming the nonresident credit (using form IT NRC), or refundable / nonrefundable business credits (including the pass-through entity credit) on the Ohio Schedule of Credits
- PTEs and fiduciaries claiming refundable / nonrefundable business credits on the IT 4708 and/or IT 1041
- Electing PTEs claiming a refundable PTE credit on line 14 of the IT 4738 (taxable years starting on or after 1/1/25)

Investors claiming credits should include a copy of the IT K-1 when filing their return.

Line 3 - Direct pass-through entity credit (Ohio tax paid by this entity after nonrefundable business credits and refunds).

Enter the investor's/owner's/beneficiary's proportionate or distributive share of the tax paid and not otherwise refunded to the PTE:

- IT 4708 - “Tax liability after nonrefundable business credits,” line 12
- IT 4738 - “Tax liability,” line 9
- IT 1140 - “Tax due” from Schedule I, line 27, columns A and B or line 39 from Schedule III

Line 3a - Total Amount to be Added Back from Direct Tax Paid on an IT 4738

Enter the total direct IT 4738 tax paid amount reported on line 1 of the Ohio IT K-1 EPTE Add-back Schedule.

Line 3b - Total Amount to be Added Back from Direct Entity Income Tax Paid to Other States

Enter the total direct tax paid to other states amount reported on line 1 of the Ohio IT K-1 EPTE Add-back Schedule.

Line 4 - Indirect pass-through entity credits or withholding (attach IT K-1/W2/1099)

Enter the investors/owner's/beneficiary's proportionate or distributive share of taxes paid by another PTE/EPTE on behalf of this PTE/EPTE/fiduciary entity. Enter the FEIN of each PTE tier to the PTE that paid the tax (attach a schedule or flowchart, if necessary).

Also enter any tax withheld on a W-2 and/or 1099. Provide each investor, owner, or beneficiary with a copy of the IT K-1, W-2, and/or 1099 form. Enter the FEIN for **each** PTE/EPTE that paid tax in the space provided. **Note:** Exclude PTE credit amounts included as a direct PTE credit amount on line 3.

Line 4a - Total Amount to be Added Back from Indirect Tax Paid on an IT 4738

Enter the total from line 2, total indirect IT 4738 tax paid on the Ohio IT K-1 EPTE Add-back Schedule, "Ohio IT 4738 specified income tax payments reported by an entity directly or indirectly owned by this entity for federal income tax purposes" section, to the extent not included in federal or Ohio adjusted gross income or in federal taxable income (trusts/estates).

4b. Total Amount to be Added Back from Indirect Entity Tax Paid to Other States

Enter the total from line 2, total indirect tax paid to other states, on the Ohio IT K-1 EPTE Add-back Schedule, "other states entity income tax reported by an entity directly or indirectly owned by this entity for federal income tax purposes" section, to the extent not included in federal or Ohio adjusted gross income or in federal taxable income (trusts/estates).

Lines 5 - Refundable Business Credits

Each investor or beneficiary is entitled to its proportionate or distributive share of direct and indirect refundable business credits from the PTE, EPTE, or fiduciary. The credits are not available to an investor or beneficiary if the PTE, EPTE, or fiduciary claims the credit when calculating its Ohio income tax. Provide each investor or beneficiary with a copy of the credit certificate.

Lines 5a, 5b and 5c

Specify any refundable credits claimed by the investor/owner/beneficiary, excluding direct and indirect pass-through entity (PTE) credits reported on lines 3 and 4 above, using the applicable credit type code(s) below:

- A. Refundable Ohio historic preservation credit
- B. Refundable job creation credit & job retention credit
- C. Motion picture & Broadway theatrical production credit
- D. Film and theater capital improvements credit
- E. Venture capital credit

Line 6 - Nonrefundable Business Credits

Each investor, owner, or beneficiary is entitled to its proportionate or distributive share of direct and indirect nonrefundable business credits from the PTE, EPTE, or fiduciary. Provide each investor, owner, or beneficiary with a copy of the credit certificate.

Investors Receiving an IT K-1

Part I - Investor / Owner / Beneficiary and Entity Information

Tax year: If the PTE, EPTE, or fiduciary completing the IT K-1 files on a calendar year basis, the investor/owner should use the IT K-1 for the same calendar year. If the PTE, EPTE, or fiduciary files on a fiscal year basis, the investor should use the IT K-1 for the return year that includes the fiscal year's ending date.

Entity FEIN: Individuals must report the entity's FEIN on:

- Form IT NRC, Section II, AND/OR
- Ohio Schedule of Business Income, part 4

PTEs and fiduciaries are **not** required to report this number when completing the IT 4738, IT 4708, IT 1140, or the IT 1041.

Apportionment %: The investor/owner/beneficiary **must** include these amounts in the "Within Ohio" portion and the "Total Everywhere" portion of the property, payroll, and sales factor calculations on:

- Form IT NRC, Section III, Part A
- Form IT NRCE Section III, Part A
- IT 4738, Schedule III
- IT 4708, Schedule III
- IT 1140, Schedule II, OR
- IT 1041 Schedule V

Note: If the PTE, EPTE, or fiduciary has received multiple IT K-1s, it must aggregate the apportionment information from each IT K-1 when completing the IT 4738, IT 4708, IT 1140, and/or IT 1041.

Note: Certain individuals may not be required to complete Form IT NRC, Section III. See the instructions for the IT NRC.

Part II - Investor's / Owner's / Beneficiary's Ohio Depreciation Adjustments

Line 1a - Current Year Depreciation Add-Back

If the IT K-1 reports an amount on this line:

Individuals: Generally there will be an IRC 168(k) and 179 depreciation expense add-back on the Ohio Schedule of Adjustments.

PTEs, EPTEs, and fiduciaries: PTEs and fiduciaries should add the total amount to Schedule I of the IT 4738, IT 4708, IT 1140, and/or IT 1041. For taxable years ending on or after October 3, 2023 through tax-

able years ending on or before December 31, 2024, the depreciation add-back was not required on the IT 1041.

Note (trusts only): If a trust retains 100% of its earnings, then this amount should be reported on its IT 1041. However, if a trust distributes 100% of its earnings, then this amount should be reported to its beneficiaries on an IT K-1. If a trust retains only a portion of its earnings, the trust will split this amount between its IT 1041 and the IT K-1s it issues to its beneficiaries.

Exception: If an investor/owner owns less than 5% of this PTE, the investor is not required to add back this amount.

Line 1b – Deduction of Prior-Year Depreciation Add-Backs

If the IT K-1 reports an amount on this line:

Individuals: Generally there will be a deduction of prior year IRC 168(k) and 179 depreciation expense add-back on the Ohio Schedule of Adjustments, provided the individual made the add-back on their own return.

- IT 1040, Schedule of Adjustments

Note: Pursuant to R.C. 5747.01(A)(18), the individual's add-back is not transferable to the entity; thus, the Department will disallow any attempt by the entity to report a deduction based on the individual's IT 1040 add-back.

PTEs, EPTes, and fiduciaries: PTEs and fiduciaries should add the total amount to the applicable line if the corresponding add-backs were made on the prior years' returns:

- IT 4708, Schedule II
- IT 4738, Schedule II
- IT 1140, Schedule I, columns A and/or B, OR
- IT 1041, Schedule I

Note: Add-back and deduction adjustments are reported on separate lines on the IT 1040, IT 4738, IT 4708, IT 1140 and IT 1041. **Do not net these amounts.**

Part III - Investor's / Owner's / Beneficiary's Ohio Income

Line 2a –PTE / EPTE / Trust & Estate Income

This is the total and Ohio portion of this PTE's, EPTE's, or fiduciary's income.

Individuals: Add the Ohio portion of this line to the Ohio portion of line 2b and report the total on the IT NRC in Section II, Column C, "Ohio Apportioned Income".

PTEs: Do **not** report these amounts when completing the IT 4708 or IT 1140.

EPTes: Do **not** report these amounts when completing the IT 4738.

Trusts: Report the total portion of this line on Schedule III of the IT 1041. Do **not** report the Ohio portion of this line when completing the IT 1041.

Estates: Report the total portion of this line on the IT NRCE in Section II, column A and the Ohio portion in column C.

Line 2b – Guaranteed Payments / Compensation

If an investor/owner directly owns at least 20% of this entity, this line is the total and Ohio portion of any guaranteed payments or compensation paid by this entity.

Individuals: Add the Ohio portion of this line to the Ohio portion of line 2a and report the total on the IT NRC in Section II, Column C, "Ohio Apportioned Income".

PTEs, EPTes, and trusts: The PTE, EPTE, or trust should add the total amount as applicable:

- IT 4708, Schedule I
- IT 4738, Schedule I, OR
- IT 1140, Schedule I

Trusts and estates are **not** required to report this number when completing the IT 1041.

Note: If an investor/owner directly or indirectly owns at least 20% of this entity, it is required to report any guaranteed payment or compensation paid by this entity, even if an amount is not reported on this line.

Line 2c – Net Ohio Depreciation Adjustment (Individual Investors and Estates ONLY)

This is generally line 1a minus line 1b. An individual should report the total on the IT NRC in Section II, Column B, Ohio Depreciation Adjustment. An estate should report the total on the IT NRCE in Section II, Column B, Ohio Depreciation Adjustment.

Part IV - Investor's / Owner's / Beneficiary's Ohio Tax Credits

Lines 3 and 4 – Direct / Indirect Pass-Through Entity Credits

Line 3 is the portion of income tax paid, after nonrefundable credits and refunds, by this entity on its investor's behalf (the "direct pass-through entity" credit). Line 4 is the portion of tax paid by another entity on this entity's behalf (the "indirect pass-through entity" credit). Nonrefundable and refundable credits can be claimed on the IT 1040, IT 4708 and IT 1041; only the refundable PTE credit can be claimed on the IT 4738 (line 14). Nonrefundable/refundable credits cannot be claimed on the IT 1140. Add lines 3 and 4 together and report the total on the "pass-through entity credit" line of one of the following:

- Individuals: IT 1040, Ohio Schedule of Credits
- Electing PTEs: IT 4738 filers report only refundable PTE credits on line 14 of the IT 4738
- PTEs: IT 4708, PTE/FI Schedule of Credits, OR
- Trusts: IT 1041, PTE/FI Schedule of Credits

Note: A PTE or trust can only claim these credits to the extent it also reports any income reflected on the IT K-1 on its return. If the income is reported by an investor or a beneficiary, these credit amounts should be reported as an “indirect” credit on the IT K-1 issued to them.

Lines 3a and 4a - Total Amount to be Added Back from Tax Paid on an IT 4738

Lines 3a and 4a are the owner’s/investor’s/beneficiary’s proportionate share of IT 4738 tax paid by another entity that was included on the entity’s IRS return as a specified income tax payment for the taxable year. An individual taxpayer is required to add back their proportionate share of IT 4738 tax paid on the IT 1040 if not included in federal or Ohio adjusted gross income. A trust or estate is required to add back its proportionate share of IT 4738 tax paid on the IT 1041 if not included in federal or Ohio taxable income. Add lines 3a and 4a together and report the total on one of the following:

- Individuals: IT 1040, Ohio Schedule of Adjustments
- Trusts and Estates: IT 1041, Schedule I

See R.C. 5747.01(A)(36) and 5747.01(S)(15).

Lines 3b and 4b - Total Amount to be Added Back from Entity Income Tax Paid to Other States

Line 3b and 4b are the owner’s/investor’s/beneficiary’s proportionate share of other states entity income tax paid by another entity that was included on the entity’s IRS return as a specified income tax payment for the taxable year. An individual taxpayer is required to add back their proportionate share of other states entity income tax paid on the IT 1040 if not included in federal or Ohio adjusted gross income. A trust or estate is required to add back its proportionate share of other states entity income tax paid on the IT 1041 if not included in federal or Ohio taxable income. Add lines 3b and 4b together and report the total on one of the following:

- Individuals: IT 1040, Ohio Schedule of Adjustments
- Trusts and Estates: IT 1041, Schedule I

See R.C. 5747.01(A)(41) and 5747.01(S)(16).

Line 5 - Refundable Business Credits

Enter the total proportionate and distributive share of any refundable business credits granted to the entity by the Ohio Department of Development (ODOD).

Include a copy of the ODOD certificate and this IT K-1 when filing the return. Refundable business credits include:

- Job creation and job retention tax credits
- Ohio historic preservation tax credit
- Ohio venture capital credit
- Motion picture and Broadway theatrical production credit, AND
- Film and theater capital improvements credit

Individuals: Report these credits on the corresponding lines of the “Refundable Credits” section of the Ohio Schedule of Credits.

PTEs and fiduciaries: To the extent the PTE or fiduciary reports the income from this IT K-1, it can also report these credits on the corresponding lines of:

- IT 4708, page 2
- IT 1041, page 2

These credits **cannot** be claimed on an IT 4738 or IT 1140.

Line 6 – Nonrefundable Business Credits

This is the portion of any nonrefundable business credits granted to the entity. The specific credits will be listed in the space provided.

Individuals: Report these amounts on the corresponding lines of the “Nonrefundable Credits” section of the Ohio Schedule of Credits.

PTEs and fiduciaries: To the extent the PTE or fiduciary reports the income from this IT K-1, it can also report these credits on the corresponding lines of:

- IT 4708, page 2
- IT 1041, page 1

These amounts **cannot** be claimed on an IT 4738 or IT 1140.

EPTE Add-Back Schedule

Attach this schedule to the Ohio IT K-1 to report the tax paid by this entity or by an electing pass-through entity directly or indirectly owned by this entity on the Ohio IT 4738, Electing Pass-Through Entity Income Tax Return and/or another states entity income tax return. Include the electing pass-through entity tax paid (IT 4738 payments submitted) and income tax paid to other states in this schedule if it was included as a specified income tax payment and reflected in the partner’s or shareholder’s distributive or pro-rata share of non-separately stated income or loss reported on IRS Schedule K-1 or a similar form pursuant to IRS Notice 2020-75 or any similar guidance issued by the Internal Revenue Service.

An individual taxpayer is required to add back their proportionate share of IT 4738 and other state entity taxes paid on the IT 1040, Ohio Schedule of Adjustments, if not included in federal or Ohio adjusted gross income.

A trust or estate is required to add back its proportionate share of IT 4738 and other state entity taxes paid on the IT 1041, Schedule I, if not included in federal or Ohio taxable income. Reporting this information to your partners or shareholders will assist in the proper determination of the add-back.

See R.C. 5747.01(A)(36), (A)(41), (S)(15), and (S)(16).

Line 1 - Direct IT 4738 and Other States Entity Tax Paid

Enter the FEIN of this entity and the investor's/owner's/beneficiary's proportionate share of IT 4738 and other states entity payments included as specified income tax payments on the IRS return by this entity if the payments are not included in the partner's or shareholder's federal or Ohio adjusted gross income or in federal taxable income (trusts/estates).

Line 2 - Indirect IT 4738 and Other States Entity Tax Paid

Enter the FEIN and the investor's/owner's/beneficiary's proportionate share of IT 4738 and other states entity payments included as specified income tax payments on the IRS return(s) by each entity directly or indirectly owned by this entity if the payments are not included in the partner's or shareholder's federal or Ohio adjusted gross income or in federal taxable income (trusts/ estates).

Line 3 - Total IT 4738 Tax Paid

Enter the total amount of IT 4738 payments included as specified income tax payments on the IRS return by this entity and/or by an entity directly or indirectly owned by this entity reported as direct tax paid on line 1 and total indirect tax paid on line 2.

Line 4 - Total Tax Paid to Other States

Enter the total amount of other states entity payments included as specified income tax payments on the IRS return by this entity and/or by an entity directly or indirectly owned by this entity reported as direct tax paid to other states on line 1 and total indirect tax paid to other states on line 2.

Apportionment Formula for Financial Institution Pass-Through Entities

For a pass-through entity that is a financial institution, the apportionment formula should be calculated in accordance with Ohio Revised Code (R.C.) 5733.056. Use this worksheet to calculate the apportionment formula for a pass-through entity that is a financial institution. **Note:** All ratios are to be carried to six decimal places.

Apportionment Ratio	(1) Ohio	(2) Everywhere	(3) Ratio
Sales Factor – R.C. 5733.056(F)			
1. Receipts from the lease, sublease or rental of real property.....	_____	_____	
2. Receipts from the lease or rental of tangible personal property.....	_____	_____	
3. Interest from loans secured by real property.....	_____	_____	
4. Interest from loans not secured by real property.....	_____	_____	
5. Net gains from the sale of loans secured by real property.....	_____	_____	
6. Net gains from the sale of loans not secured by real property.....	_____	_____	
7. Interest and fees charged to credit card holders.....	_____	_____	
8. Net gains from the sale of credit card receivables.....	_____	_____	
9. Credit card issuer's reimbursement fees.....	_____	_____	
10. Receipts from merchant discount.....	_____	_____	
11. Loan-servicing fees from loans secured by real property.....	_____	_____	
12. Loan-servicing fees from loans not secured by real property.....	_____	_____	
13. Loan-servicing fees for servicing the loans of others.....	_____	_____	
14. Receipts from services not otherwise apportioned.....	_____	_____	
15. Interest, dividends, net gains and other income from both investment assets and activities and trading assets and activities.....	_____	_____	
Check method: <input type="checkbox"/> Avg. value method <input type="checkbox"/> Gross income method			
16. Certain other receipts.....	_____	_____	
17. Total. Enter ratio here and on Summary, line 1, below.....	_____	÷ _____	= _____ .

Property Factor – R.C. 5733.056(D)	Ohio	Everywhere	
18. Average cost of real property and tangible personal property owned	_____	_____	
19. Gross rents payable on real and tangible personal property x 8	_____	_____	
20. Loans and credit card receivables	_____	_____	
21. Total. Enter ratio here and on Summary, line 2, below	_____	÷ _____	= _____ .

Payroll Factor – R.C. 5733.056(E)	Ohio	Everywhere	
22. Compensation paid to employees. Enter ratio here and on Summary, line 3, below	_____	_____	= _____ .

Apportionment Ratio Summary	(1) Factor	÷	(2) Weight	=	(3) Weighted Factor
1. Sales (line 17)	_____	x	.70	=	_____ .
2. Property (line 21).....	_____	x	.15	=	_____ .
3. Payroll (line 22)	_____	x	.15	=	_____ .
4. Total weighted apportionment ratio					_____ .

If the denominator of any factor is zero, the weight given to the other factors must be proportionately increased so that the total weight given to the combined factors used is 100%.

Appendix A

Investment Pass-Through Entities (IPTE)

What is an IPTE?

An IPTE is a PTE that meets both of the following:

- 90% of its gross income from intangible sources, which may include the following: loan and financing fees, dividend income, interest income, net capital gains from the sale or exchange of intangible property and distributive share of income from other PTEs (list is not all inclusive); AND
- 90% of its net book value classified as intangible assets.

The percentages are based upon quarterly averages calculated during the PTE's tax year.

For additional types of intangible income and more information, see R.C. 5733.401.

What are the Benefits of Being an IPTE?

An IPTE can exclude from its adjusted qualifying amount certain investment income and income it receives from other PTEs, such as all types and classifications of income from an investment pass-through entity (IPTE) attributable to the distributive shares of income from other PTEs and certain other net income items.

See R.C. 5733.401

How Should an IPTE File the IT 4708?

To receive a refund of refundable business credits including payments made by another PTE (refundable PTE credit), the PTE should file the IT 4708. The return should include only the income and credits in proportion to those investors included on the return.

To verify the income and credits of the investor(s) an IPTE should complete the return as follows:

- Report income received by the IPTE on line 1 and the deductions on line 2 (complete Schedules I and II to populate lines 1 and 2).
- Deduct certain investment income, described in R.C. 5733.401(C), not subject to tax because the PTE is an IPTE on line 4.
- Use line 8 to proportionately allocate the income to Ohio.
- Any income and credits will be distributed proportionately to the qualifying investors directly on line 3 of the IT K-1; any overpayment is refunded to the entity.

Please attach the following:

- Copy of the federal return
- IT K-1 for each investor that shows the proportionate share of the income and credits being passed to the IPTE's investors from another PTE. Direct credits should be listed on line 3 of the IT K-1
- IT K-1(s), federal K-1(s) and/or other supporting documentation and statements showing the source of income and credits from each PTE included on the IPTE's return

See R.C. 5747.221.

VISION

To create a seamless and **user-centric experience** for all Ohio taxpayers.

MISSION

ONE TEAM providing education, innovation, outreach, and exceptional service to **our customers.**



**Department of
Taxation**

Tax.Ohio.gov

Go Paperless and File Electronically! with OH|TAX eServices

You can file your Ohio pass-through entity (PTE) or fiduciary income tax returns for free using the Department's online portal at tax.ohio.gov/OHTAX.

With OH|TAX eServices, you can create a secure account with a username and password to:

- Secure identity verification
- Online filing and payment of taxes
- View account balances
- Direct deposit your refund
- Update name and address information
- Access filing and payment history
- Request a transcript
- Electronic delivery and viewing of tax notices
- Respond to notices online
- Web messaging with tax examiners
- Real-time screen sharing assistance with the Ohio Department of Taxation

Pay Electronically

Electronic Check: Make and schedule payments in the OH|TAX eServices system as both a logged-in user and as a guest user.

Electronic Funds Transfer (EFT): Payments may be remitted by EFT (ACH credit) via the Ohio Treasurer of State (TOS).

Electronic Check: When filing electronically through an approved software program, the PTE or fiduciary has the option to make a payment by electronic check in the form of an Electronic Funds Withdrawal, or direct debit. **The direct debit option is only available for e-filed returns.**

For mailed returns created from an approved software program, the options for payment are 1. Electronic check by logging into OH|TAX eServices system or making a guest payment, 2. Electronic Funds Transfer (EFT) through the Ohio Treasurer of State, or 3. check or money order with universal payment coupon (OUPC).