



*Ohio Department of*  
**TAXATION**

Personal Property Tax Division  
30 E. Broad St., 21st Floor • Columbus, OH 43215

# **Guidelines for Filing Ohio Personal Property Tax Returns**



**2005 Edition**

This booklet is published to apprise persons of the manner in which property taxes are levied in Ohio. It was prepared to convey general information about such taxes, with emphasis on personal property tax. The booklet does not apply to all situations, and is not intended as a substitute for the law itself or for professional tax advice. (Revised 12/04)

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## What's New for 2005

### Reminders

- A personal property tax return (form 920 or form 945) is no longer required to be filed if the listed value before exemption is \$10,000 or less.
- The requirement was not met for 2005 to reduce the listing percentage of inventories. Therefore, the listing percentage for inventories only will remain at **23% for the 2005 tax return.**
- For those using a software package to create the inter-county return, remember to incorporate into your data any amended assessments showing taxing district changes made subsequent to filing the original 2004 inter-county return. Also, make sure that the recapitulation page is printed and submitted in landscape view. Recapitulation pages printed and submitted in portrait view are unacceptable and will be returned to the taxpayer for correction.

### New

- Taxpayers having tangible personal property used in business and located in only **one** Ohio county must file form 920. Any inter-county tax return filed showing personal property values in only one county will be forwarded by the department to the appropriate county; the taxpayer will be notified of this action. At least one-half of the total tax due must be paid within 10 days of the county's receipt date to avoid a late filing penalty.
- The taxpayer address is required to be disclosed on the cover of the return for mailing of the assessments and bills. If the taxpayer wishes to have the assessment and bills associated with this return mailed to a tax representative or agent, the box on the front of this return must be checked, a letter of authorization on the taxpayer's stationery must accompany the return, and Section 2 of the contact and signature page must be completed.
- The contact and signature page now contains three separate sections that must be completed. Taxpayer contact

information is to be provided in Section 1; Section 2 must be completed if the taxpayer wishes to have all correspondence – including assessments and bills – associated with this return mailed to a tax representative. In the last section, Ohio law requires the signature of a corporate officer, partner or owner of the business entity filing the tax return.

- Form TBOR 1, Declaration of Tax Representative, is now included in the inter-county tax booklets.
- When filing a consolidated return, any use of divisions must be properly identified by the legal entity owning the property. The parent or subsidiary company must first be identified at the top of the recapitulation page with all divisions belonging to that entity being listed beneath. Failure by the taxpayer to properly identify entities owning property being reported by a division on the recapitulation page may result in the department's disallowance of the taxpayer reporting divisions on future returns.
- Guidelines for the proper completion of the recapitulation page are now included in the tax booklet (page 13).
- ✓ Commonly used 2005 tax forms and schedules are available on our Web site at [www.tax.ohio.gov](http://www.tax.ohio.gov), most in both downloadable and fill-in formats.
- ✓ Applications for an extension of time to file the inter-county return can be sent by e-mail to: [extensions@tax.state.oh.us](mailto:extensions@tax.state.oh.us). All extension requests, regardless of the format submitted, must be received by the tax commissioner on or before April 30 to be considered.
- ✓ The 2005 Tax Rate Booklet and Guidelines Book will not be available as printed publications. However, both publications will be available on our Web site by March 2005. For the first time the tax rate booklet will contain both the county and state taxing district numbers required to be used when filing the tax return.

## Frequently Asked Questions

- What is personal property?** Personal property is every tangible thing that is owned, except real property. Real property is defined as land, growing crops, all buildings, structures, improvements and fixtures on the land.
- Who must file?** If you are engaged in business in Ohio and have property located in Ohio on January 1 (**and have a total listed value of more than \$10,000**), you must file a return.
- What forms must be filed?** Form 920, County Return of Taxable Business Property, and form 921, Ohio Balance Sheet, must be filed in duplicate. Other forms, described later, may also be required.
- When is the return filed?** All returns must be filed between February 15 and April 30 each year, except the New Taxpayer Return. Extensions of time until June 15 may be requested. Your request must be received by the county auditor (form 920) or by the tax commissioner (form 945) on or before April 30.
- Where is the return filed?** Form 920 is filed with the county auditor in the county in which the business is located. Taxpayers located in more than one county must file a combined return (Form 945) with the tax commissioner.
- What property is taxed?** Tangible personal property used in business is taxed. This includes machinery and equipment, furniture and fixtures, small tools, supplies and inventory held for manufacture or resale.
- What is the \$10,000 exemption?** Each taxpayer is entitled to an exemption not greater than \$10,000 of listed value. This exemption is deducted from the total listed value in the taxing district with the greatest listed value. If there is an excess, the balance is deducted from the district with the next greatest listed value.
- How is the tax calculated?** The tax is based on the true or market value of the property. In the case of fixed assets, the value is the cost less an allowance for depreciation depending on age. In the case of inventory, the average of the cost of inventory on hand at the end of each month is the value. The values are reduced to taxable or listed values and multiplied by the local tax rate. This tax rate varies according to location and is based on the tax rates for real property.
- Which taxing district should I use?** Tangible personal property is required to be listed in the taxing district where it is physically located on listing date. Refer to your real estate tax bills or contact your county auditor for your proper taxing district information.
- What is true value?** The true value of depreciable tangible personal property is its book cost less book depreciation, unless the tax commissioner or a taxpayer using the prescribed prima facie valuation procedure finds that the depreciated book value is greater or less than the true value of such property.
- When are the taxes paid?** When form 920 is filed, one-half of the total tax must be paid, and the second-half must be paid by September 20. A bill is mailed by the county treasurer to indicate the amount due.
- Is there a minimum amount of tax?** If the total tax due is less than \$2, then no payment is required. If the total listed value of the return is less than \$10,000, no return is required to be filed.
- What if I file after the due date?** If the return is filed late, the assessor will add a penalty of up to 50% of the remaining listed value after the full \$10,000 exemption is applied.
- What if I make a late payment?** Late paid taxes are subject to a 10% late payment penalty and also to interest charges. The interest is applied monthly and is based on the current

**What if my business began after January 1?**

market rate.

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

**What if my business stops after January 1?**

If business stops or property is sold after January 1, a full return is still due based on the previous calendar or fiscal year-end. However, a return will not be required for the following year.

**What tax return forms should I use? Where do I obtain the form?**

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

**Are other forms required?**

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

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

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

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

**What services can I use to mail my return?**

Approved delivery services include:

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

**These forms are available on our Web site at [www.tax.ohio.gov](http://www.tax.ohio.gov), by contacting your local county auditor, or by contacting the tax commissioner in writing at P.O. Box 530, Columbus, OH 43216-0530 or by phone at 1-888-644-6778.**

**Additional personal property FAQs are located on our Web site at [www.tax.ohio.gov](http://www.tax.ohio.gov).**

## Ohio Department of Taxation Taxpayer Service Center Locations

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

### **AKRON Taxpayer Service Center**

Akron Government Center  
161 South High Street  
Suite 501  
Akron, OH 44308-1600

### **CINCINNATI Taxpayer Service Center**

900 Dalton Avenue at West 8th Street  
Cincinnati, OH 45203-1171

### **CLEVELAND Taxpayer Service Center**

615 West Superior Avenue  
Fifth Floor, Suite 570  
Cleveland, OH 44113-1891

### **COLUMBUS Taxpayer Service Center**

800 Freeway Drive North  
Columbus, OH 43229

**OR**

30 East Broad St., 20th Floor  
Columbus, OH 43215

### **DAYTON Taxpayer Service Center**

Centre City Offices  
40 S. Main Street, 5th Floor  
Dayton, OH 45402-2043

### **TOLEDO Taxpayer Service Center**

One Government Center, Suite 1400  
Toledo, OH 43604-2232

### **YOUNGSTOWN Taxpayer Service Center**

242 Federal Plaza West, Suite 402  
Youngstown, OH 44503-1294

### **ZANESVILLE Taxpayer Service Center**

601 Underwood Street  
Zanesville, OH 43701-3786

### **IRS Offices in:**

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

### **For Deaf, Hearing Impaired or Speech Impaired Who Use TTY or TDD Only:**

Please contact the Ohio Relay Service at 1-800-750-0750 and give the communication assistant the Ohio Department of Taxation telephone number you wish to contact.

### **Volunteer Tax Assistance Program (VITA) and Tax Counseling for the Elderly (TCE)**

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

The Ohio Department of Taxation is an Equal Opportunity Employer.

## Introduction

This booklet is published to apprise persons of the manner in which property taxes are levied in Ohio. It was prepared to convey general information about such taxes, with emphasis on personal property tax. The booklet does not apply to all situations, and is not intended as a substitute for the law itself or for professional tax advice.

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

### Definitions

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

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

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

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

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

**Manufacturer** – is a person who purchases, receives or holds personal property for the purpose of adding to its value by manufacturing, refining, rectifying or combining different materials with a view of making a gain or profit by doing so. (R.C. 5711.16)

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

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

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

### Real Property

The county auditor is the assessor of all real property in his county. The Department of Taxation, through the Division of Tax Equalization, supervises the assessment of real property through the issuance of rules and regulations and the prescription of forms.

The taxable value of all real property is 35% of its true value in money. All real property must be reappraised in each county every six years with annual adjustments for new construction and deletions of property in a parcel.

Real property taxes are based on the taxable value of the property and levied by the county auditors and collected by the county treasurers. The tax rates applicable to real property vary throughout the state and represent the aggregate legal levies approved by the voters in each taxing district. Revenue from this tax is used to support local government and services such as schools, police and fire protection, health and sanitation services, etc.

Several reductions in taxes exist, such as the Homestead Exemption and the 10% rollback for all real property and an additional 2 ½% rollback for residential property. Such reductions in property taxes are reimbursed to the local governments from the state's General Revenue Fund. Applications for the Homestead Exemption and questions concerning all real property exemption programs should be directed to the county auditor.

### Tangible Personal Property

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

Tangible personal property is reported by the filing of an annual tax return with either the county auditor or the tax commissioner. Most tangible personal property is assessed or listed at 25% of its true value in money.

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

### Filing Requirements

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

### Tax Forms

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

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

### Supplemental Forms

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

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

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

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

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

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

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

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

### Payment of Taxes

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

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

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

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

### Listing and Valuing Personal Property

Tax forms have been prescribed and designed to permit the taxpayer to list his property in a clear, concise manner. The schedules in the return forms (920 or 945) for reporting the true value and computing the listed value of personal property are: Schedule 2, Machinery and Equipment Used in Manufacturing; Schedule 3, Manufacturing Inventory; Schedule 3A, Merchandising Inventory; Schedule 4, Furniture, Fixtures, Equipment Not Used in Manufacturing; Schedule 5 (form 945 only) Return of Grains Handled.

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

In Schedule 2, enter the true value of all engines, machinery, equipment, implements, small tools, machinery repair parts and other tangible personal property used in the following activities:

manufacturing	mining
laundries	towel and linen supply
dry cleaning plant	stone and gravel plants
radio and television broadcasting	

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

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

In Schedule 4, enter the true value of all furniture, fixtures, machinery, equipment and supplies not used in manufacturing; all inventories of taxpayers other than manufacturers or merchants; and all domestic animals not used in agriculture.

### Reporting and Valuing Depreciable Assets

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

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

Depreciable assets classified as personal property and excluded or exempted from taxation include: motor vehicles registered and licensed in the name of the owner, aircraft registered and licensed in the name of the owner; watercraft not used exclusively in Ohio waters; air, water and noise pollution control facilities and waste removal facilities certified by the tax commissioner as exempt; patterns, jigs, dies and drawings when held for use and not for sale in the ordinary course of business; construction in progress while under construction and not capable of use; harvested crops belonging to the producer thereof; depreciable assets and domestic animals used in agriculture; property located in an Urban Jobs and Enterprise Zone for which an exemption has been granted; property located in buildings boarded up, rendered functionally inoperable and held for disposal.

### Leased Property

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

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

### Inventories

Ohio law requires the inventories of manufacturers and merchants to be listed on the average monthly basis for each taxing district in which inventories were held during any part of the year. The average value shall be determined by dividing the sum of the monthly values in that district by the number of months engaged in business in Ohio as a manufacturer or merchant, respectively. If the books and records of the taxpayer do not provide monthly values, the gross profits method may be used, providing purchases and sales are accrued properly. The listing percentage for manufacturing, merchandising and consigned inventories remains 23% for the 2005 tax return.

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

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

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

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

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

percentage for any supply inventories reported in Schedule 4 is 25%.

### **\$10,000 Exemption**

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

### **Late Filing and Late Payment Penalties, Interest**

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

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

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

### **Taxpayer's Bill of Rights**

Substitute Senate Bill 147 was passed and effective January 1, 1990. This bill creates specific rights of and requires certain disclosures to taxpayers with respect to audits and assessments arising out of personal property taxation, and corporate franchise, sales, use and income taxes.

Before the commencement of an audit of his return, each taxpayer will receive a written description of the roles of the Department of Taxation and of the taxpayer during an audit. The legislation provides that audits conducted by the Department of Taxation be conducted during regular business hours, and that there shall be written notice of the scheduled audit prior to the commencement of the audit. The taxpayer is entitled to representation during an audit, and may electronically or otherwise record the audit examination.

With or before the issuance of an assessment that requires a correction to the tax list and duplicate, the tax commissioner or county auditor shall provide to the taxpayer a written description of the basis for the assessment and any penalty required to be imposed with the assessment, and a written

description of the taxpayer's right to appeal the assessment, including the steps required to request administrative review by the tax commissioner. In the case of the issuance of a final assessment, the commissioner or county auditor is required to inform the taxpayer in writing of the steps necessary to appeal the final assessment to the Board of Tax Appeals.

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

Copies of the brochures containing more detailed information with regard to Tangible Personal Property are available from the Ohio Department of Taxation, Property Tax Division, P.O. Box 530, Columbus, OH 43216-0530. A separate brochure with information on income, sales, use and corporate franchise taxes is available from the department's Tax Policy and Communication Division at the same address.

## **True Value of Tangible Personal Property**

### **Introduction**

Ohio Administrative Code (Ohio Adm. Code) 5703-3-10 and 5703-3-11 provide for the determination of the true value of tangible personal property used in business. A procedure that applies a composite annual allowance to historical costs has been prescribed by the tax commissioner for more than 60 years, with modifications to reflect current technology and business experience, new type of equipment and new business activities. The procedure, often referred to as the "true value computation" or "302 computation," has been approved by the courts as a means for determining true value for personal property tax purposes. Such value is prima facie true value and, in the absence of evidence to the contrary, is acceptable as "true value in money." The composite annual allowance procedure prescribed in Ohio Adm. Code 5703-3-11 uses a comprehensive listing of business activities, a composite group life for each activity, and a table with valuation percentages for each class.

Am. Sub. Senate Bill 1156 revised the procedure for valuing taxable property of public utilities and interexchange telecommunication companies (ITC) and certain tangible personal property leased to public utilities and ITC's. Starting with the 1990 tax year, taxable property leased to a public utility or ITC and used by the public utility or ITC directly in the rendition of a public utility service as defined in R.C. Section 5739.01 (P), must be valued the same as taxable property owned by a public utility. The valuation procedures are described in the publication Valuation of Public Utility Property, available from the Department of Taxation Public Utility Section, P.O. Box 530, Columbus, OH 43216-0530.

### **Composite Class Life**

The North American Industry Classification System (NAICS)

of the Office of Budget and Management was used as the model for the list of business activities, and is intended for a business to determine, on a prima facie basis, which class life should be used for valuing its property. The description of business activities should include your business activity. If you are not sure which business activity applies or if your activity is unique and not listed, contact the Personal Property Tax Division for clarification. You may direct inquiries to the Ohio Department of Taxation, Personal Property Tax Division, P.O. Box 530, Columbus, OH 43216-0530 or call 888-644-6778. R.C. 5703.53 provides that a taxpayer may ask for and receive a written opinion of the tax commissioner. The determination of the correct class life may be the subject of an opinion that would be binding for the inquiring taxpayer only, and as long as the same circumstances exist.

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

Because each class listed uses the composite approach for the property (short-lived and longer-lived) used in each business activity, isolating a segment from a business activity or certain property from within an activity for the purpose of applying a different class is not permitted except as specified.

### **True Value Computation**

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

The instructions in this paragraph refer to the examples of completed form 937's shown later in this book. Costs of taxable property at the end of the previous year are to be shown by year of acquisition in columns 1 and 2. Additions, disposals and transfers occurring during the year are to be entered at cost, opposite the year in which they were acquired in columns 3 and 4. The resulting costs remaining at year-end are then listed in column 5. Their total must equal the beginning-of-year total plus total additions and transfers-in, less total disposals and transfers-out. The valuation percentages for the assigned class are listed in column 6. Each year-end cost is multiplied by the corresponding valuation percentage and the product listed in column 7. The total of that column is the true value and is listed in Schedule 2 or 4 in the tax return.

Cost-column totals must agree with ledger accounts. Property written off the records, but still physically on hand, must be included in the computation; and property disposed of but not written off the records should be deducted and separately identified in the computation. Costs for nontaxable property,

such as registered motor vehicles, licensed aircraft, property taxed as real property, or pollution control facilities certified exempt, should not be included.

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

### **Exceptions to the True Value Computation**

Fixed assets that have a determinable useful life of one year or less and the cost of which is expensed at acquisition are valued at 50% of the cost of the amount on hand at year-end reported in Schedule 4 and listed at 25%. Inventories of repair and maintenance parts as well as equipment held as spare parts are valued at 100% of the cost of the amount on hand at year-end, reported in Schedule 4 and listed at 25%.

The supply items of a manufacturer, the costs of which are not absorbed in the cost of the final product, and supply items of all other taxpayers are to be valued at the cost of the amount on hand at year-end, reported in Schedule 4 and listed at 25%. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. This also includes office supplies and supplies used in the normal business activities.

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

Videotapes held for rental are valued at declining percentages, 50%, 30% and 20% of original cost in the first, second and third years that they are owned. Thereafter, the value is 20% of original cost. Videotapes held for sale are treated as merchandise inventory using the average month-end cost as the value.

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

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

### **Special Reporting Requirement (R.C. 5711.18)**

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

## Business Activities and Composite Group Life Classes

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

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

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

### Business Activity (NAICS Code)

### Class

#### ***Agriculture, Forestry and Fishing (111-114)***

Growing crops, raising and keeping animals and fowl, agricultural and horticultural services .....	III
Commercial fishing, fish hatcheries, hunting, trapping and game propagation .....	III

#### ***Amusement and Recreational Services (711, 713)***

Auditoriums, concert halls, stadiums and motion picture theaters, including drive-in theaters .....	III
Dance halls and studios, theatrical producers and services, music groups, actors, entertainment groups .....	III
Bowling alleys, billiard and pool establishments .....	III
Commercial sports, golf courses, amusement parks and rides, membership sports and recreation clubs, swimming pools and beaches, riding schools, carnivals, expositions, boat liveries, shooting galleries .....	III
Coin-operated or token-operated amusement and entertainment devices .....	II

#### ***Automotive Services (811)***

Vehicle leasing, parking, towing, rebuilding and repair, diagnostic centers and related services .....	III
Car and truck washes .....	II

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

Advertising agencies .....	III
Advertising, outdoor signs (Sign manufacturing – See “Miscellaneous Manufacturing”) .....	II
Miscellaneous advertising: Aerial; direct mail; circular, handbill and sample distribution; transit cards .....	III
Credit reporting, adjustment and collection agencies .....	III
Mailing, reproduction, commercial art photography, stenographic service, blueprinting, photostating, photocopying .....	III
Building services, janitorial and maintenance, painting .....	III
Cold storage, food locker rental .....	IV
News syndicates, wire services .....	III
Employment and temporary help service .....	III

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

Computers and related equipment only ..... \*Special Class Life

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

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

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

**Chemicals and Allied Products (325)**

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

**Communications (515, 517)**

Radio and television broadcasting, cablevision, satellite communication services ..... III

**Construction (236-238)**

General building, marine and heavy construction ..... II

Special trade contractors ..... II

Water well drilling ..... II

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

Electric generation and distribution ..... VI

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

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

Steam production and distribution ..... VI

**Fabricated Metal Products (332)**

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

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

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

Insurance underwriters (all risks), agents and brokers ..... III

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

Holding and investment company offices; trusts ..... III

**Food and Food Products (311, 312)**

Meat: Slaughtering

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

\* Only applies to returns filed after 2002.

Poultry and small game: slaughtering, dressing .....	III
Slaughtering, preparing, packaging animal foods, including pet foods .....	V
Dairy products: Processing butter, cheese, milk, ice cream, etc. ....	IV
Fruits and vegetables: Canning, preserving, pickling, drying, freezing; making soups, preserves, sauces and seasonings, salad dressings and other specialties .....	V
Seafoods: Canning, curing, freezing fish and seafoods .....	V
Grain mill products: Milling flour, rice, corn, etc.; making blended flour, animal and fowl feeds, pet foods .....	VI
Making cereal breakfast foods .....	IV
Grain handling, processing and storage facilities (see "Wholesale and Retail Trade")	
Bakery products: Making bread, pastries, chips, cake mixes, etc. ....	IV
Sugar: Refining cane, beet and maple sugar and syrups .....	VI
Confections: Making candy, etc. ....	IV
Fats and oils: Cottonseed, soybean and vegetable oil milling; rendering, processing animal and marine fats and oils, making shortening, table oils, etc., except margarine .....	VI
Manufacturing margarine .....	IV
Alcoholic beverages: Brewing, distilling, rectifying, blending, packaging .....	V
Soft drinks: Preparing, bottling, canning soft drinks, carbonated waters, flavoring extracts and syrups .....	IV
Miscellaneous food preparations: Roasted coffee, instant coffee, noodles, refined salt, chewing gum, manufactured ice .....	IV

### **General Activities**

General administrative activities involving the use of desks, files, typewriters, calculators, adding and accounting machines, communications equipment, fax machines, cellular telephones, pagers, copiers and duplicating equipment, security systems, and other office furniture, fixtures and equipment .....	III
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### **Leather and Leather Products (316)**

Tanning, curing, finishing hides and skins; processing fur pelts; manufacturing finished leather products such as footwear, belting apparel, luggage and similar leather goods .....	V
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### **Lodging Places (721)**

Hotels, motels, rooming houses, tourist courts, camps, parks and membership lodging places .....	III
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### **Lumber, Wood Products and Furniture (321, 337)**

Logging, sawing dimensional stock from logs, chipping, permanent or portable mills .....	III
Manufacturing finished lumber, plywood, hardboard, flooring, veneers, furniture and other wood products, including wooden matches .....	V

### **Manufacturing Machinery (333-335)**

Manufacturing and assembly of engines, metalworking machinery and machine tool accessories, turbines, farm machinery, construction and mining machinery, materials handling machinery, food products machinery, textile machinery, woodworking machinery, paper industries machinery, compressors, pumps, bearings, blowers, industrial patterns, process furnaces and ovens, office machines, and refrigeration and service industry machines – except electrical machinery and transportation equipment .....	V
Manufacturing and assembly of electrical test and distributing equipment, electrical industrial apparatus (motors, generators, etc.), household appliances, electric lighting and wiring equipment, batteries and ignition systems .....	V
Manufacturing and assembly of electronic communication, detection, guidance, control radiation, computation, test and navigation equipment and components .....	V

**Membership Organizations (813)**

Business, professional, labor union, civic, social, fraternal, political, religious organizations, farm bureaus and granges ..... III

**Mining (211-213)**

Metal mining, coal mining, quarrying of nonmetallic minerals (including sand, gravel, stone, clay and salt) and milling, beneficiation and other primary preparation ..... IV

Petroleum and natural gas:

    Geophysical and exploratory operations ..... III

    Drilling of oil and gas wells ..... II

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

**Miscellaneous Manufacturing (339)**

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

Manufacturing burial caskets and vaults ..... V

**Motion Picture and Recording Studios (512)**

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

**Museums (712)**

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

**Paper and Allied Products (322)**

Manufacturing pulps, paper and paperboard ..... VI

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

Manufacturing asphalted paper and fiber insulation ..... VI

**Personal Services (532, 541, 561, 812)**

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

Laundries and dry cleaning – coin-operated ..... II

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

Beauty shops, barber shops ..... III

Shoe repair, shoeshine and hat-cleaning shops ..... III

Funeral service, including crematories ..... III

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

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

**Petroleum Refining (324)**

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

Refining equipment, fixed or portable asphalt batch plants .....	IV
Bulk storage facilities .....	VI

**Primary Metals (331)**

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

Ferrous metals .....	VI
Nonferrous metals .....	V

**Printing and Publishing (323, 511, 516)**

Printing by letterpress, lithography, gravure or screen; bookbinding, typesetting and phototypesetting, engraving and photograving, electrotyping and other trade services; publication of newspapers, books, periodicals .....

Reproduction services: See "Business Services"

**Professional, Scientific, Controlling, Measuring and Optical Instruments (339)**

Manufacturing mechanical measuring, engineering, laboratory and scientific research instruments; optical instruments; surgical, medical and dental instruments and equipment; ophthalmic equipment; photographic and photocopy equipment; watches and clocks .....

**Professional Services (541, 611, 621-624)**

Health services: Doctors, dentists, optometrists, etc.; hospitals, clinics, nursing homes, medical and dental laboratories, and miscellaneous medical services .....

Legal services .....

Educational services, schools, colleges, institutes .....

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

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

**Public Administration (921-928)**

There is no single class applicable to property owned or used in public administration. The use to which the property is put determines the proper class.

**Repair Services (811)**

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

**Rubber and Plastics Products (326)**

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

**Stone, Clay, Glass and Concrete Products (327)**

Manufacturing stone and clay products: brick, tile and pipe, pottery, vitreous china, plumbing fixtures, earthenware, ceramic insulating materials, cut and finished stone .....

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

Manufacturing cement .....

Manufacturing ready-mix concrete, cement products and concrete products, including block, pipe and prefabricated shapes .....	IV
Cement mixers on truck .....	I
Gypsum and plaster products .....	VI
Abrasive, asbestos and other nonmetallic mineral products .....	VI

**Textile Products (313-315)**

Manufacturing spun, woven, knit or processed yarns and fabrics from natural or synthetic fibers, including finishing and dyeing, cutting and sewing woven fabrics; manufacturing apparel and accessories, mattresses, carpets, rugs, pads, sheets, felt goods, lace goods, cordage and twine, curtains and draperies, textile bags, fur goods, etc. ....	VI
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**Tobacco Products (312)**

Manufacturing cigarettes, cigars, smoking and chewing tobacco, snuff .....	VI
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**Transportation (481-488)**

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

Locomotives and railroad cars .....	VI
Motor vehicles, service facilities and terminals .....	III
Barges, river and business craft, float wharves, loading and unloading equipment .....	VI
Aircraft, hangar and service facilities and ground equipment .....	III
Pipelines, pipe and conveyors for carrying petroleum, gas or other products, including trunk lines and storage facilities .....	VI

**Transportation Equipment (336)**

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

Manufacturing and assembly of engines, power trains, frames, bodies and other component parts, not otherwise listed .....	V
Assembly of finished vehicles .....	IV
Manufacturing aircraft, space craft, rockets, missiles, power units; and assembly of components .....	V
Ship and boat building, repair and conversion .....	VI
Building and rebuilding railroad locomotives, railroad cars and street railway cars .....	VI

**Videotape Rental (532)**

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

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

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

Dealers at wholesale and retail in durable and nondurable goods, including eating and drinking places, carryouts, pizzerias, fast-food places, caterers and institutional food service, mail-order houses, scrap metal and waste material dealers, and others not elsewhere classified .....	III
Petroleum bulk stations and terminals .....	VI
Gasoline service stations	
Pumps and mechanical equipment .....	II

Store furniture and fixtures, mini-market furniture and fixtures, coolers, display fixtures .....	III
Tanks, canopies .....	VI
Grain handling, processing and storage facilities .....	VI
Merchandise, food and beverage vending machines .....	II
Warehousing .....	III

## Tables for Determining True Value (expressed as percents)

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

  

Composite Group – Life Ranges		
Class	At Least	Less Than
I		6.0 yrs.
II	6.0 yrs.	8.4 "
III	8.4 "	11.6 "
IV	11.6 "	14.8 "
V	14.8 "	17.2 "
VI	17.2 "	

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

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

# Administration of the Personal Property Tax

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

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

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

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

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

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

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

Visit the department's home page on the Internet at [www.tax.ohio.gov](http://www.tax.ohio.gov) or please feel free to call us at 1-888-644-6778.

<b>Akron</b>	161 S. High St., Suite 501, Akron, OH 44308
<b>Cincinnati</b>	900 Dalton Ave. at W. 8th St, Cincinnati, OH 45203
<b>Cleveland</b>	615 W. Superior Ave., Fifth Floor, Suite 570, Cleveland, OH 44113
<b>Columbus</b>	800 Freeway Drive North, Columbus, OH 43229

OR

30 East Broad St., 20th Floor, Columbus, OH 43215

**Dayton** Centre City Offices, 40 S. Main St., 5th Floor  
Dayton, OH 45402-2043

**Toledo** One Gov't. Center, Suite 1400, Toledo, OH 43604

**Youngstown** 242 Federal Plaza West, Suite 402,  
Youngstown, OH 44503

**Zanesville** 601 Underwood St., Zanesville, OH 43701

Telephone assistance is provided for the hearing impaired through the Ohio Relay Service (ORS). TTY/TDD users may contact county auditors or the tax department's taxpayer service centers by contacting ORS operators at 1-800-750-0750.

## Listing and Valuing Personal Property

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

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

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

## Exempt Property

Includes property used in agriculture, property for which an exempt facility certificate has been applied for or certified exempt, patterns, jigs, dies and drawings not held for sale, construction in progress not capable of use, and registered motor vehicles and aircraft.

## Lease Property

Must be listed by the owner, regardless of the terms of the lease. If the lessee is obligated to purchase the property, then he is deemed to be the owner, otherwise the lessor is deemed to be the owner. If you lease property to a public utility or an interexchange telecommunications company, contact the Department of Taxation, Property Tax Division, for instructions.

## Inventories

Ohio law requires inventories of manufacturers and merchants to be listed on the average monthly basis. The average value is determined by dividing the sum of the monthly values by the

number of months engaged in business in Ohio in that year. If monthly inventory records are not maintained, a gross profits computation may be used. (Ohio Adm. Code 5703-3-16)

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

The value of merchandising inventory must include the costs to acquire the inventory, taxes and freight. Inventories carried at retail must be restated at cost. Consigned manufacturing or merchandising inventory must be listed by the owner, but inventory consigned to a merchant from outside Ohio must be listed by the merchant.

Supply inventories of a manufacturer must be listed in Schedule 3 on the average basis. All other supply inventories must be listed as of the listing date in Schedule 4. Inventories of taxpayers other than manufacturers and merchants must be listed as of listing date in Schedule 4. Such inventories in-

clude those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc.

### **Taxing Districts**

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

Taxing district names normally consist of a township, city or village and school district. Cities may have more than one taxing district. Taxing district numbers vary by county and may be numeric or alphanumeric. State taxing district numbers differ from county taxing district numbers in most cases. The state taxing district number is required when filing the Inter-County Return of Taxable Business Property (form 945). When form 920 is filed, the state taxing district number is requested, if known. Both state and county taxing district numbers are published in the 2005 Tax Rate Book, located at [www.tax.ohio.gov](http://www.tax.ohio.gov). If you do not know your taxing district name or number, check your real estate bills or contact your county auditor with the address of the property.

## Instructions for New Taxpayers

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

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

An extension of time of up to 45 additional days may be requested from the county auditor by written application. This return is for the year in which the business commenced in Ohio, even if it is not required to be filed until the next calendar year.

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

The next tax return required to be filed is for the calendar year following the year in which the business began. This return is due in the normal filing period of February 15 through April 30. All taxable property in this year’s return must be listed as of the close of business on December 31 of the preceding calendar year (the year engaged in business). Inventory is listed at the average of the month-end values for each of the months that the taxpayer was engaged in business in that year. Use the number of month-end values included as the divisor. Listed values in this year’s return may not be prorated.

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

**Listing Date** – For the new taxpayer return, the listing date is the first day of business in Ohio instead of December 31 or a fiscal year end. All taxable property, except inventory, owned on the first day of business must be listed, the true value is the taxpayer’s cost. Inventory must be listed at the average value for the remainder of the year. Estimate month-end val-

ues starting with the end of the month engaging in business and for each month-end throughout the remainder of the year. If additional locations will be opened later in the year, inventory for those locations must also be estimated for the new taxpayer return. The average value is the sum of the month-end values divided by the number of month-end values included. The estimated values reported may be amended at a later date, when actual month-end inventory values are known.

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

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

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

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

### Listing and Valuing Personal Property

“Personal property” is every tangible thing that is owned, except real property. “Real property” is defined as land, growing

crops, all buildings, structures, improvements and fixtures on the land.

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

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

**Exempt Property** – Includes property used in agriculture, property for which an exempt facility certificate has been applied for or certified exempt, patterns, jigs, dies and drawings not held for sale, construction in progress not capable of use, and registered motor vehicles and aircraft.

**Leased Property** – Must be listed by the owner, regardless of the terms of the lease. If the lessee is obligated to purchase the property, then he is deemed to be the owner, otherwise the lessor is deemed to be the owner. If you lease property to a public utility or an interexchange telecommunications company, contact the Department of Taxation, Property Tax Division, for instructions. Lessees must list all tangible personal property held under lease on tax listing date on tax form 920, Ohio Balance Sheet, Exhibit C.

**Inventories** – Ohio law requires inventories of manufacturers and merchants to be listed on the average monthly basis. The average value is determined by dividing the sum of the month-

end values in each taxing district by the number of months engaged in business in Ohio in that year, i.e., a merchant moving from taxing district "A" to taxing district "B" during the year would report the monthly values for all months and divide the total by the number of months in business in Ohio. If monthly inventory records are not maintained, a gross profits computation may be used (Ohio Adm. Code 5703-3-16).

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

The value of merchandising inventory must include the costs to acquire the inventory, taxes and freight. Inventories carried at retail must be restated at cost. Consigned manufacturing or merchandising inventory must be listed by the owner, but inventory consigned to a merchant from outside Ohio must be listed by the merchant.

Supply inventories of a manufacturer must be listed in Schedule 3 on the average basis. All other supply inventories must be listed as of the listing date in Schedule 4. Inventories of taxpayers other than manufacturers and merchants must be listed as of listing date in Schedule 4. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc.

**Taxing Districts** – Property must be listed in the taxing district where it is located. Taxing district names normally consist of a township, city or village and school district. Cities may have more than one taxing district. Taxing district numbers vary by county and can vary from county to state. If you do not know your taxing district, check your real estate bills or contact your county auditor.

## Additional Taxpayer Information

If you don't know your taxing district number or name or need specific information about personal property, please contact your local county auditor with the exact street address of the property.

### What other personal property tax forms do I need to file?

<b>Form 902, Claim for Deduction from Book Value</b>	File this form if the value you claim is less than its depreciated book value, as shown on your books and records.
<b>Form 913EX, Report of Exempt Personal Property Located in an Enterprise Zone</b>	This form is required when an exemption for property located in an enterprise zone is claimed.
<b>Form 925, Return of Grains Handled</b>	This form is required to be filed by those taxpayers who handle grain.
<b>Form 937, True Value Computation</b>	This form is required to be filed when using the prescribed True Value Computation.
<b>Form 310, Inventory Held for Storage Only</b>	This form is required for inventory held in storage in a private warehouse in Ohio.

These forms are available on our Web site at [www.tax.ohio.gov](http://www.tax.ohio.gov), by contacting your local county auditor, or by contacting the tax commissioner at P.O. Box 530, Columbus, OH 43216-0530.

### Taxpayer Identification

Enter all identification information. Please indicate the taxpayer name as registered with the Ohio Secretary of State if a corporation, limited partnership or LLC or with the local county auditor if a vendor's license is held. Indicate the taxpayer's mailing address and note if assessments and bills should be sent to an address different from the taxpayer's. Indicate the type of business organization; if not a corporation, indicate whether it is a sole proprietorship, partnership, joint venture, etc.

All line items refer to form 920 NT only.

- Line 1A, Taxing District Number** ..... Enter the exact taxing district number.
- Line 1B, Taxing District Name** ..... Enter the full exact taxing district by name (township, city and school district).
- Line 2, Schedule 2** ..... Enter the listed value by taxing district (rounded to the nearest \$10).
- Line 3, Schedule 3** ..... Enter the listed value by taxing district (rounded to the nearest \$10).
- Line 4, Schedule 3A** ..... Enter the listed value by taxing district (rounded to the nearest \$10).
- Line 5, Schedule 4** ..... Enter the listed value by taxing district (rounded to the nearest \$10).
- Line 6, Total Listed Value** ..... Add the listed values from lines 2, 3, 4 and 5 and enter here.  
If this total is \$10,000 or less, the return is not required to be filed.
- Line 7, Proration (form 920 NT only)** ..... Multiply line 6 by the number of full months in business times 12.
- Line 8, \$10,000 Exemption** ..... Enter the allowable exemption by taxing district.
- Line 9, Taxable Value** ..... Subtract the amount on line 8 from the amount on line 7 and enter here.  
Zero is the minimum amount.
- Line 10, Tax Rate** ..... Enter the appropriate year's tax rate for the taxing district.
- Line 11, Tax** ..... Multiply the amount on line 9 by the amount on line 10 and enter here.  
Since tax rates are expressed in dollars per \$1,000 of taxable valuation, you must multiply the "taxable value" on line 9 by the "tax rate" on line 10 and enter it here (i.e., rate of \$65.50 converts to 0.06550).
- Line 12** ..... Enter the amount paid when the return is filed (minimum one half of line 11).
- Line 13** ..... Enter the balance due for each taxing district.

## Sample Tax Return of a New Taxpayer

Queen's Specialty Shops, Inc., incorporated in Ohio on July 15, 2005. The shop is a small retail operation that specializes in the sale of original art and craft items. Although the business was incorporated in July, it was a month later when the company opened its doors for business. The first day of business was August 13, 2005.

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

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

A new taxpayer return and balance sheet using an August 13, 2005 listing date are required to be filed within 90 days of engaging in business, which in this example would be November 12, 2005. Month-end inventory values are estimated for August through December, and the total of all such values is divided by five to determine the average. The true value of all other property is its cost. All listed values are then prorated by the fraction of 4/12, since the taxpayer will be engaged in business for four full months in 2005. The completed tax return required to be filed by Queen's Specialty Shops, Inc. for 2005 follows.

While this return indicates that \$164.78 is owed by the taxpayer, if the prorated value as reported on line 7 was \$10,000 or less, no return is required.

**County Return of Taxable Business Property**  
**As of First Day of Business** August 13, 2005

Taxpayer name Queen's Specialty Shops, Inc.  
(If corporation, LP or LLC, as registered with the Ohio secretary of state)  
 Address 9924 Oberlin Parkway  
 City Columbus State OH ZIP 43729  
 Business name Queen's Specialty Shop  
 Physical location of taxable property 9924 Oberlin Parkway  
 Date business started in Ohio August 13, 2005  
 Description of business Sales of Art and Crafts  
 Former owner who reported this property for this year \_\_\_\_\_

<u>771497</u> Ohio charter/registration number	<u>32-0756971</u> Federal employer identification number	<u>411220</u> NAICS code number
<u>7-15-05</u> Date incorporated or qualified in Ohio	_____ Social security number	<u>25-968574</u> Ohio vendor's license number

Type of business: Corporation  Partnership  LP  LLC  Sole proprietor  Other

File No. \_\_\_\_\_

County Auditor's  
Received Stamp

**Time Extension  
Permit**

No. \_\_\_\_\_ granted  
to \_\_\_\_\_ 2005

**Number of Full Months in Business Through December 31, 2005** 4 months

1A. Taxing district number .....	2	5	0	0	1	0														
1B. Taxing district name .....	City of Columbus																			
2. Schedule 2 (nearest \$10) .....																				
3. Schedule 3 (nearest \$10) .....																				
4. Schedule 3A (nearest \$10) .....	3,930																			
5. Schedule 4 (nearest \$10) .....	35,350																			
6. <b>Total listed value</b> .....	39,280																			
7. Prorated value <u>4/12</u> .....	13,080																			
8. \$10,000 exemption .....	10,000																			
9. <b>Taxable value</b> .....	3,080																			
10. Tax rate .....	53.50																			
11. <b>Tax</b> .....	164.78																			
12. Amount paid with return .....																				
13. Balance .....																				

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

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

**Declaration**

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

Tax preparer/tax representative _____	Date _____	Signature of taxpayer <u>E.J. Queen</u>	Title President	Date 10/15/2005
Address _____	Printed name <u>E.J. Queen</u>	_____		
Phone number _____	(614) 892-1137	_____		
E-mail address _____	Phone number <u>ejqueen@qss.com</u>	_____		
	E-mail address	_____		

**Machinery and Equipment – Schedule 2.** List at 25% machinery, repair parts, small tools, etc., used in manufacturing, mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants and radio and television broadcasting. If the value of equipment is based on other than book value, attach detail of computation.

Taxing District	Description	True Value	Percent	Listed Value
			25	
			25	
			25	
			25	
			25	
			25	
<b>Total</b> (carry listed value by taxing district to line 2 on front of return)			25	

**Inventories – Schedules 3 and 3A.** Monthly inventory values are required of merchants and manufacturers.

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

	Schedule 3 Manufacturing Inventories		Schedule 3A Merchandising Inventories		
	Taxing District	Taxing District	Taxing District	Taxing District	Taxing District
	Book Value	Book Value	Book Value	Book Value	Book Value
<b>Months in Business</b>			Columbus		
January					
February					
March					
April					
May					
June					
July					
August			16,500		
September			16,600		
October			17,000		
November			17,300		
December			18,100		
<b>Total Values</b>			85,500		
<b>Average Values</b> Divide by No. of Months			17,100		
<b>List at 23% of Average Value</b>			3,933		

(Carry listed value by taxing district to line 3 or 4 on front of return)

**Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing.** List at 25% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts not used in manufacturing, inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	Percent	Listed Value
Columbus	Furniture and fixtures	\$ 141,400	25	\$ 35,350
<b>Total</b> (carry listed value by taxing district to line 5 on front of return)				35,350

Name Queen's Specialty Shops, Inc. FEIN/Social Security No. 32-0756971  
Balance Sheet as of First Day of Business August 13, **2005**

Assets	Within Ohio Net Book Values	Total Net Book Values
1. Cash and deposits .....	525	
2. Notes and accounts receivable .....		
3. Inventories		
A) Manufacturing .....	16,500	
B) Merchandising .....		
C) Supplies – manufacturing .....		
D) Supplies – other .....		
E) Consigned .....		
F) Agricultural machinery and equipment (merchandise) .....		
G) Exempted inventory (including foreign trade zone) .....		
H) Other inventory .....		
4. Investments .....		
5. Land .....		
6. Buildings	<b>Ohio Cost</b>	
A) Taxed as real estate .....		
B) Taxed as personal property .....		
7. Leasehold improvements		
A) Taxed as real estate .....		
B) Taxed as personal property .....		
8. Machinery and equipment		
A) Taxed as real estate .....		
B) Taxed as personal property .....		
9. Furniture and fixtures .....	141,400	141,400
10. Personal property leased to others		
A) Taxable .....		
B) Non-taxable .....		
11. Capitalized leases .....		
12. Exempt personal property located in an: enterprise zone (attach form 913 EX), or hazardous substance reclamation area .....		
13. Certified exempt facilities .....		
14. Patterns, jigs, dies and drawings .....		
15. Construction in progress		
A) Real property .....		
B) Personal property capable of use .....		
C) Personal property not capable of use .....		
16. Small tools .....		
17. Vehicles and aircraft		
A) Registered or licensed .....		
B) Other .....		
18. Other assets <u>Prepaid expenses</u> .....	143	
<u>Deferred charges</u> .....	228	
19. Total assets .....	158,796	
<b>Liabilities and Net Worth</b>		
20. Notes, accounts payable, bonds and mortgages .....		110,260
21. Accrued expenses .....		9,011
22. Other liabilities, deferred credits .....		525
23. Preferred stock .....		
24. Common stock .....		
25. Additional paid-in capital .....		3,000
26. Retained earnings .....		36,000
27. Appropriated earnings .....		
28. Owner's capital .....		
29. Other .....		
30. Total liabilities and net worth .....		158,796

## **Sample Tax Return of a Merchant**

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

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

An accountant is retained to prepare and file all personal property tax forms. The following pages display the completed tax returns and supporting schedules required to be filed by Bob Smith, for his business, Fashion Spree, Inc., for 2005.

**County Return of Taxable Business Property**

For accounting period 2/1/2003 to 1/31/ 2004

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

Taxpayer address 1946 Hayes Avenue

City Columbus State OH ZIP 43220

Business name \_\_\_\_\_

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

Date business started in Ohio September 1947

Description of business Retail outlets – women's clothing

Taxpayer who reported this property for 2004 Fashion Spree, Inc.

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

Type of business: Corporation  Partnership  LP  LLC  Sole proprietor  Other

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

File No. \_\_\_\_\_

County Auditor's  
Received Stamp

**Time Extension  
Permit**

No. \_\_\_\_\_ granted

to \_\_\_\_\_ 2005

	2	5	0	0	1	0	2	5	0	1	4	0						
1A. State taxing district number .....																		
1B. Taxing district name (township, city and school district) .....	City of Columbus						City of Bexley											
2. Schedule 2 (nearest \$10) .....	-						-											
3. Schedule 3 (nearest \$10) .....	-						-											
4. Schedule 3A (nearest \$10) .....	9,550						9,010											
5. Schedule 4 (nearest \$10) .....	5,590						6,720											
6. Total Listed Value .....	15,140						15,730											
7. \$10,000 exemption .....	- 0 -						10,000											
8. Taxable Value .....	15,140						5,730											
9. Tax rate .....	82.16						138.49											
10. Tax .....	1,243.90						793.55											
11. Amount paid with return .....	621.95						396.78											
12. Balance .....	621.95						396.77											

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

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

**Declaration**

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

J.P. Carpenter 4/15/2005  
Tax preparer/tax representative Date  
61 E. Broad Street, Columbus, OH 43215  
Address  
614-466-3280  
Phone number  
jpcarpenter@tax.com  
E-mail address

Robert J. Smith 4/15/2005  
Signature of taxpayer Title Date  
Robert J. Smith 4/15/2005  
Name of taxpayer (please print) Date  
614-466-8610  
Phone number  
rsmith@fashionspree.com  
E-mail address

**Machinery and Equipment – Schedule 2.** List at 25% machinery, repair parts, small tools, etc., used in manufacturing, mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting. If the value of equipment is based on other than book value, attach detail of computation.

Taxing District	Description	True Value	Percent	Listed Value
			25	
			25	
			25	
			25	
			25	
			25	
<b>Total</b> (Carry listed value by taxing district to line 2 on front of return)			25	

**Inventories – Schedules 3 and 3A.** Monthly inventory values are required of merchants and manufacturers.

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

Months in Business	Schedule 3 Manufacturing Inventories		Schedule 3A Merchandising Inventories		
	Taxing District	Taxing District	Taxing District	Taxing District	Taxing District
	Book Value	Book Value	City of Columbus Book Value	City of Bexley Book Value	Book Value
January 2004			\$ 31,423	\$ 28,899	
February 2003			38,842	28,131	
March 2003			56,658	33,016	
April 2003			48,198	40,169	
May 2003			44,682	35,097	
June 2003			44,777	43,306	
July 2003			34,877	39,851	
August 2003			38,028	41,127	
September 2003			37,711	47,274	
October 2003			34,377	45,777	
November 2003			47,575	42,512	
December 2003			41,218	44,988	
<b>Total Values</b>			498,366	470,147	
<b>Average Values Divide by No. of Months</b>			41,531	39,179	
<b>List at 23% of Average Value</b>			9,550	9,010	

(Carry listed value by taxing district to line 3 or 4 on front of return)

**Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing.** List at 25% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts not used in manufacturing, inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	Percent	Listed Value
City of Columbus	Furniture and fixtures	21,106	25	5,276
	Supplies	1,250	25	312
City of Bexley	Furniture and fixtures	26,625	25	6,656
	Supplies	250	25	62
			25	
<b>Total</b> (carry listed value by taxing district to line 5 on front of return)			25	

# Ohio Balance Sheet

(Required to be Filed with Tax Form 920)

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

Balance sheet as of January 31 2004

Assets	Within Ohio Net Book Values	Total Net Book Values
<b>1. Cash and deposits</b> .....	5,099	
<b>2. Notes and accounts receivable</b> .....	119,036	
<b>3. Inventories</b>		
A) Manufacturing .....		
B) Merchandising .....	60,322	
C) Supplies - manufacturing .....		
D) Supplies - other .....	1,500	
E) Consigned .....		
F) Agricultural machinery and equipment (merchandise) .....		
G) Exempted inventory (including foreign trade zone) .....		
H) Other inventory .....		
<b>4. Investments</b> .....	17,400	
<b>5. Land</b> .....		
<b>6. Buildings</b>	<b>Ohio Cost</b>	
A) Taxed as real estate .....	248,172	162,350
B) Taxed as personal property .....		
<b>7. Leasehold improvements</b>		
A) Taxed as real estate .....		
B) Taxed as personal property .....		
<b>8. Machinery and equipment</b>		
A) Taxed as real estate .....		
B) Taxed as personal property .....		
<b>9. Furniture and fixtures</b> .....	89,589	22,147
<b>10. Personal property leased to others</b>		
A) Taxable .....		
B) Non-taxable .....		
<b>11. Capitalized leases</b> .....		
<b>12. Exempt personal property located in an enterprise zone (attach form 913 EX) or a hazardous substance reclamation area</b> .....		
<b>13. Certified exempt facilities</b> .....		
<b>14. Patterns, jigs, dies and drawings</b> .....		
<b>15. Construction in progress</b>		
A) Real property .....		
B) Personal property capable of use .....		
C) Personal property not capable of use .....		
<b>16. Small tools</b> .....		
<b>17. Vehicles and aircraft</b>		
A) Registered or licensed .....	15,638	4,291
B) Other .....		
<b>18. Other assets</b> .....	3,289	
<b>19. Total assets</b> .....	395,434	

### Liabilities and Net Worth

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

## 2005 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

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

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

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

B/S Line No.	Itemization	Amount

### Exhibit C – Leased Property

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

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

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

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

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

## Fashion Spree Inventory Schedule Gross Profits Method

<u>Columbus</u>	<u>Net Purchases</u>	<u>Net Sales</u>	<u>Sales at Cost – 57.68%</u>	<u>Estimated Monthly Inventory</u>
Beginning inventory	\$ 32,496			
February 2003	\$ 16,945	\$ 18,376	\$ 10,599	\$ 38,842
March 2003	28,612	18,717	10,796	56,658
April 2003	4,707	22,828	13,167	48,198
May 2003	11,607	26,219	15,123	44,682
June 2003	16,779	28,925	16,684	44,777
July 2003	3,167	22,654	13,067	34,877
August 2003	16,018	22,308	12,867	38,028
September 2003	16,118	28,493	16,435	37,711
October 2003	10,955	24,773	14,289	34,377
November 2002	26,067	22,311	12,869	47,575
December 2003	11,520	30,993	17,877	41,218
January 2004	<u>2,556</u>	<u>21,413</u>	<u>12,351</u>	<u>31,423</u>
<b>Total</b>	<b>\$165,051</b>	<b>\$288,010</b>	<b>\$166,124</b>	<b>\$498,366</b>

Average value, divide by 12

\$41,531

List value, 23%

9,552

Beginning inventory

\$ 32,496

Plus purchases

165,051

\$197,547

Less ending inventory

31,423

Cost of goods sold

\$166,124

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

<u>Bexley</u>	<u>Net Purchases</u>	<u>Net Sales</u>	<u>Sales at Cost – 57.68%</u>	<u>Estimated Monthly Inventory</u>
Beginning inventory	\$ 27,856			
February 2003	10,115	\$ 16,610	\$ 9,840	\$ 28,131
March 2003	17,797	21,796	12,912	33,016
April 2003	16,255	15,365	9,102	40,169
May 2003	5,745	18,261	10,818	35,096
June 2003	20,195	20,231	11,985	43,306
July 2003	9,737	22,269	13,192	39,851
August 2003	11,638	17,492	10,362	41,127
September 2003	20,295	23,883	14,148	47,274
October 2003	12,056	22,878	13,553	45,777
November 2003	10,554	23,327	13,819	42,512
December 2002	21,681	32,419	19,205	44,988
January 2004	<u>1,691</u>	<u>30,013</u>	<u>17,780</u>	<u>28,899</u>
<b>Total</b>	<b>\$157,759</b>	<b>\$264,544</b>	<b>\$156,716</b>	<b>\$470,146</b>

Average value, divide by 12

\$ 39,179

List value, 23%

9,011

Beginning inventory

\$ 27,856

Plus purchases

157,759

\$185,615

Less ending purchases

28,899

Cost of goods sold

\$156,716

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

## True Value Computation

State of Ohio

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

Class III Return Year **2005**

Company Fashion Spree, Inc.				Taxing District Name and Number and County City of Columbus, 25-0010, Franklin			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$	
1/31/04		5,562		5,562	93.2	5,184	
1/31/03	3,451			3,451	82.8	2,857	
1/31/02	1,675			1,675	72.4	1,213	
1/31/01					62.0		
1/31/00	4,401		463	3,938	51.5	2,028	
1/31/99	2,942	1,342	149	4,135	42.2	1,745	
1/31/98					36.3		
1/31/97	1,926		1,926		30.5		
1/31/96	12,800			12,800	24.6	3,149	
1/31/95	4,463			4,463	18.8	839	
1/31/94	3,799		1,286	2,513	18.8	472	
1/31/93	27,482		8,234	19,248	18.8	3,619	
and prior years							
<b>Totals</b>	62,939	6,904	12,058	57,785		21,106	
<b>Remarks</b>						List @ <u>25</u> %	5,276

### True Value Computation

State of Ohio

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

Class III Return Year **2005**

Company Fashion Spree, Inc.				Taxing District Name and Number and County City of Bexley, 25-0140, Franklin			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$	
1/31/04		2,806		2,806	93.2	2,615	
1/31/03	28,998			28,998	82.8	24,010	
1/31/02					72.4		
1/31/01					62.0		
1/31/00					51.5		
1/31/99					42.2		
1/31/98					36.3		
1/31/97					30.5		
1/31/96	1,342		1,342		24.6		
1/31/95					18.8		
1/31/94					18.8		
1/31/93					18.8		
and prior years							
<b>Totals</b>	30,340	2,806	1,342	31,804		26,625	
<b>Remarks</b>						List @ <u>25</u> %	6,656

## Sample Tax Return of a Manufacturer

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

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

An accountant is retained to prepare and file all personal property tax forms. The following pages display the completed tax returns and supporting schedules required to be filed by Jones Textile Mills, Inc. for 2005.



**Machinery and Equipment – Schedule 2.** List at 25% machinery, repair parts, small tools, etc., used in manufacturing, mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting. If the value of equipment is based on other than book value, attach detail of computation.

Taxing District	Description	True Value	Percent	Listed Value
City of Columbus	Manufacturing equipment	\$ 76,186	25	\$ 19,046
			25	
			25	
			25	
			25	
			25	
<b>Total</b> (Carry listed value by taxing district to line 2 on front of return)			25	19,046

**Inventories – Schedules 3 and 3A.** Monthly inventory values are required of merchants and manufacturers.

Source of Values Listed	Method of Valuing Inventories Listed			
Perpetual inventory _____	FIFO cost _____ <input checked="" type="checkbox"/>	Retail _____		
Physical inventory _____	LIFO cost _____	Other _____		
Gross profits method _____	<b>Book Adjustments</b>	<b>Date</b>	<b>Amount</b>	<b>DR/CR</b>
Dates physicals taken _____	Book to physical			
_____	LIFO reserve			
Net sales \$ 1,155,434	Other reserves			

Months in Business	Schedule 3 Manufacturing Inventories		Schedule 3A Merchandising Inventories		
	Taxing District	Taxing District	Taxing District	Taxing District	Taxing District
	Columbus				
	Book Value	Book Value	Book Value	Book Value	Book Value
January	\$ 102,493				
February	111,033				
March	121,993				
April	133,312				
May	168,252				
June	190,622				
July	188,931				
August	169,487				
September	99,698				
October	86,070				
November	69,400				
December	76,943				
<b>Total Values</b>	1,518,234				
<b>Average Values</b>					
<b>Divide by No. of Months</b>	126,520				
<b>List at 23% of Average Value</b>	29,099				

(Carry listed value by taxing district to line 3 or 4 on front of return)

**Schedule 4 – Furniture, Fixtures, Machinery and Equipment and Supplies Not Used in Manufacturing.** List at 25% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts not used in manufacturing, inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. List property used by public utility companies, and other property used in generating and distributing electricity to others at the listing percentage for that type of property. Contact the Property Tax Division for instructions. If the value is based on other than book value, attach details of the computation.

Taxing District	Description	True Value	Percent	Listed Value
City of Columbus	Furniture and fixtures	\$ 4,725	25	\$ 1,181
	Warehouse equipment	5,692	25	1,423
	Supplies	973	25	243
<b>Total</b> (carry listed value by taxing district to line 5 on front of return)				\$ 2,847

**Ohio Balance Sheet**  
(Required to be Filed with Tax Form 920)

Name Jones Textile Mills, Inc.

FEIN/social security number 32-0579617

Balance sheet as of 12/31/ 2004

Assets		Within Ohio Net Book Values	Total Net Book Values
<b>1. Cash and deposits</b> .....		5,201	5,201
<b>2. Notes and accounts receivable</b> .....		37,591	37,591
<b>3. Inventories</b>			
A) Manufacturing .....		76,943	78,652
B) Merchandising .....			
C) Supplies - manufacturing .....			
D) Supplies - other .....		973	973
E) Consigned .....			
F) Agricultural machinery and equipment (merchandise) .....			
G) Exempted inventory (including foreign trade zone) .....			
H) Other inventory .....			
<b>4. Investments</b> .....		9,900	9,900
<b>5. Land</b> .....		5,172	5,172
<b>6. Buildings</b>	<b>Ohio Cost</b>		
A) Taxed as real estate .....	30,000	9,120	9,120
B) Taxed as personal property .....			
<b>7. Leasehold improvements</b>			
A) Taxed as real estate .....			
B) Taxed as personal property .....			
<b>8. Machinery and equipment</b>			
A) Taxed as real estate .....			
B) Taxed as personal property .....	191,432	76,456	76,456
<b>9. Furniture and fixtures</b> .....	12,902	4,102	4,102
<b>10. Personal property leased to others</b>			
A) Taxable .....			
B) Non-taxable .....			
<b>11. Capitalized leases</b> .....			
<b>12. Exempt personal property located in an enterprise zone (attach form 913 EX) or a hazardous substance reclamation area</b> .....			
<b>13. Certified exempt facilities</b> .....			
<b>14. Patterns, jigs, dies and drawings</b> .....	2,500	2,500	2,500
<b>15. Construction in progress</b>			
A) Real property .....			
B) Personal property capable of use .....			
C) Personal property not capable of use .....			
<b>16. Small tools</b> .....			
<b>17. Vehicles and aircraft</b>			
A) Registered or licensed .....	28,920	9,640	9,640
B) Other .....			
<b>18. Other assets</b> .....		4,248	4,248
<b>19. Total assets</b> .....		241,846	243,555

**Liabilities and Net Worth**

<b>20. Notes, accounts payable, bonds and mortgages</b> .....	29,544
<b>21. Accrued expenses</b> .....	8,956
<b>22. Other liabilities, deferred credits</b> .....	2,743
<b>23. Preferred stock</b> .....	
<b>24. Common stock</b> .....	32,500
<b>25. Additional paid-in capital</b> .....	
<b>26. Retained earnings</b> .....	169,812
<b>27. Appropriated earnings</b> .....	
<b>28. Owner's capital</b> .....	
<b>29. Other</b> .....	
<b>30. Total liabilities and net worth</b> .....	243,555

## 2005 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

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

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

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

B/S Line No.	Itemization	Amount

### Exhibit C – Leased Property

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

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

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

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

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

Jones Textile Mills, Inc.

**Manufacturing Inventory Schedule – Gross Profits Computation**

	<u>Labor</u>	<u>Burden</u>	<u>Net Purchases</u>	<u>Total</u>	<u>Net Sales</u>	<u>Cost of Sales</u>	<u>Monthly Inventory</u>
Beginning inventory				\$ 74,276			
January 2004	\$ 8,834	\$ 16,245	\$ 27,773	\$ 52,402	\$ 27,608	\$ 24,185	\$ 102,493
February 2004	4,884	9,464	16,180	30,528	25,100	21,988	111,033
March 2004	3,352	6,495	11,106	20,953	11,408	9,993	121,993
April 2004	7,030	13,620	23,285	43,935	37,233	32,616	133,312
May 2004	11,918	23,090	39,477	74,485	45,143	39,545	168,252
June 2004	9,651	18,698	31,968	60,317	43,318	37,947	190,622
July 2004	9,630	18,658	31,899	60,187	70,637	61,878	188,931
August 2004	21,055	40,795	69,745	131,595	172,419	151,039	169,487
September 2004	37,594	72,838	124,528	234,960	347,887	304,749	99,698
October 2004	27,053	52,415	89,612	169,080	208,571	182,708	86,070
November 2004	17,203	33,331	56,984	107,518	141,767	124,188	69,400
December 2004	4,619	8,949	15,299	28,867	24,343	21,324	76,943
<b>Total</b>	<b>\$162,373</b>	<b>\$314,598</b>	<b>\$537,856</b>	<b>\$1,014,827</b>	<b>\$1,155,434</b>	<b>\$1,012,160</b>	<b>\$1,518,234</b>
Average inventory							\$126,520

Average inventory

List value 23% \$ 29,099

**Calculation for Cost of Sales Percent**

Beginning inventory January 1, 2004	\$ 74,276
Plus labor, burden and purchases	1,014,827
Less ending inventory December 31, 2004	\$ 1,089,103
Cost of goods sold	<u>76,943</u>
	\$1,012,160
Cost of sales divided by net sales	\$1,012,160/\$1,155,434 = 87.6%

## True Value Computation

State of Ohio

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

Class VI Return Year **2005**

Company Jones Textile Mills, Inc.				Taxing District Name and Number and County City of Columbus, 25-0010, Franklin			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$	
2004		19,746		19,746	94.4	18,640	
2003	22,519			22,519	88.9	20,019	
2002	10,571			10,571	83.3	8,806	
2001	1,643			1,643	77.8	1,278	
2000	2,417			2,417	72.2	1,745	
1999	3,598			3,598	66.7	2,400	
1998	1,117			1,117	61.1	682	
1997	1,367		465	902	55.6	448	
1996	3,123			3,123	50.0	1,562	
1995	1,008			1,008	44.4	502	
1994	4,063			4,063	38.9	1,581	
1993	2,212			2,212	33.3	737	
1992	1,751			1,751	28.9	506	
1991	1,423		912	511	26.2	134	
1990	1,014			1,014	23.5	238	
1989	5,196			5,196	20.8	1,081	
1988	23,454		1,521	21,933	18.1	3,970	
Prior	84,193		7,209	76,984	15.4	11,856	
<b>Totals</b>	170,669	19,746	10,107	180,308		76,186	
<b>Remarks</b>						List @ <u>25</u> %	19,046





## Definitions and General Instructions for Form 945

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

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

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

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

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

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

**Classification of Property** – Personal property is defined as every tangible thing that is the subject of ownership, excepting real property. Real property is defined as land, growing crops, and unless specified as primarily devoted to the business rather than the land itself, all buildings, structures, improvements and fixtures on the land. Contractors' (construction in progress) building components, machinery and equipment, materials, etc., that will become real property upon

completion, are to be considered personal property until they are incorporated into the real estate. Personal property owned by a contractor is not considered construction-in-progress during construction.

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

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

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

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

quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. The listing percentage is 23% for the year 2005.

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

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

**Listed Value** – Listed value is true value times the applicable listing percentage. For tax year 2005, the listing percentage is 25% except inventory, which is listed at 23%. If you have property used for generating and distributing electricity to others, contact the Property Tax Division for instructions for listing that property. All listed values are to be rounded to the nearest \$10 and carried forward to the recapitulation (pages 15-16).

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

**Exempt Property** – Depreciable assets classified as personal property and excluded or exempted from taxation include: motor vehicles registered and licensed in the name of the owners; aircraft registered and licensed in the name of the owner; property for which an exempt facility certificate has been applied for or certified exempt; patterns, jigs, dies and

drawings when held for use and not for sale or lease in the ordinary course of business; construction in progress while under construction or installation and not capable of operation; harvested crops belonging to the producer thereof, depreciable assets, and domestic animals used in agriculture and leased personal property used exclusively for agricultural purposes; merchandising inventory owned by a merchant consisting of machinery and equipment and accessories therefore, which are new or used, and designed or built for agriculture use (Ohio Adm. Code 5703-3-30); all personal property located in an urban jobs and enterprise zone that is exempt by agreement, inventory or display items located in a foreign trade zone; and personal property located on lands ceded to the federal government. **Form 913 EX must be filed by taxpayers, who have personal property in an enterprise zone or hazardous substance reclamation area, with this return.** Do not include exempt or non-taxable tangible personal property values in the taxable values carried forward to the recapitulation pages.

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

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

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

## Instructions for Preparing Form 945

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

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

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

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

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

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

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

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

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

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

### Schedules 2, 3, 3A and 4

Tangible personal property reflected in the schedules must be separately identified by county and taxing district therein. The

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

**Page 9 – Schedule 2 – Machinery and Equipment** – Enter all engines, machinery, equipment, implements, small tools, machinery repair parts and other tangible personal property used in manufacturing, mining, laundries, towel and linen supply and dry cleaning plants, stone and gravel plants, and radio and television broadcasting at their true value and listed value.

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

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

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

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

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

**Page 12 – Schedule 4 – Furniture and Fixtures** – Enter all furniture, machinery, equipment and supplies not used in manufacturing, all inventories of other than manufacturers or merchants and all domestic animals not used in agriculture. Inventories of repair and maintenance parts, as well as equipment held as spare parts, are valued at 100% of the cost of the amount on hand at year end, reported in Schedule 4, and listed at 25%. The supply items of a manufacturer, the costs of which are not absorbed in the cost of the final product, and supply items of all other taxpayers are to be valued at the cost of the amount on hand at year end, reported in Schedule 4,

and listed at 25%. Such inventories include those of mines, quarries, laundries, dry cleaners, contractors, repair shops, garages, etc. This also includes office supplies and supplies used in the normal business activities.

**Page 13** – Guidelines for Preparation of Recapitulation Page

**Page 14** – Sample of a completed recapitulation page.

**Pages 15, 16 – Recapitulation of Listed Values** – Carry the information from the various schedules forward to the recapitulation pages and enter it under the appropriate column headings. **All personal property owned by one taxpayer and located in the same taxing district must be combined and listed on a single line in the recapitulation schedule.** Arrange the counties numerically and taxing districts alphabetically therein. In a consolidated tax return the property must be assessed in the name of the owning corporation. To identify the property by its owner, enter the name of the corporation first, followed by a numerical listing of the counties, an alphabetical listing of taxing districts with the corresponding four-digit inter-county taxing district number in which that corporation owns property, and the corresponding listed values. Repeat this step for each corporation in the consolidation.

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

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

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

**If you timely filed form 945 last year, form 945 REC – showing the taxing district names and numbers from that assessment – will accompany the mailing of this return. This may be used as the recapitulation page for this year's return. Delete taxing districts no longer applicable from form 945 REC and add new taxing district names and numbers by using page 14 of the tax return.**

**Page 17 – Schedule 5 – Grains** – List by county number and exact taxing district name and number the amount of bushels of wheat, flax, and all other grains that were purchased, received or transferred to an Ohio taxing district.

**Page 18 – Recapitulation – Grains** – List by county number and exact taxing district name and number the totals from Schedule 5.

**Pages 19, 20 – Form 921 – Ohio Balance Sheet**

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

### Supplemental Forms

The following forms must accompany the tax return if applicable.

**Page 25 – Form 902, Claim for Deduction from Book Value** – To be used by taxpayers claiming values less than book value. This form must accompany the tax return at the time of filing. This deduction must be reflected in the "true value" as represented on the return schedules and recapitulation of listed values.

**Pages 27, 28 – Form 913 EX, Return of Exempt Personal Property Located in an Enterprise Zone or Hazardous Substance Reclamation Area** – To be used by a taxpayer who is claiming an exemption for personal property located in an enterprise zone as defined in R.C. 5709.61, et seq., and 5709.88.

**Page 31 – Form 945 S, County Supplemental Return** – This form must be filed directly with the auditor of each county in which the total listed value in any taxing district increased or decreased by \$500,000 or more from that reported in the previous year. Failure to file this form may result in a penalty as provided for in R.C. 5703.99. Copies of these forms are available upon request to the department at the address indicated on the inside rear cover.

**Page 37 – Declaration – Signature** – When the taxpayer is a corporation, partnership or proprietorship, the declaration must be signed by a corporate officer, partner or proprietor respectively. Provide identification of the individual to be contacted at the taxpayer's address in Section 1. Complete Section 2 and submit written authorization on the taxpayer's stationery if the assessments and bills associated with this return are to be mailed to a tax representative.

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

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

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

**Guidelines for Filing Ohio Personal Property Tax Returns** – This book contains completed examples of the inter-county form 945, single county form 920, balance sheet form 921 and various other supplemental forms and instructions (current edition 2005). This information can be obtained from the Department of Taxation's Web page at <http://www.tax.ohio.gov>.

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

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

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

The accounting records of the companies are computerized. The monthly inventory values include all fixed, semi-variable costs and expenses incurred in the manufacturing of the inventory. The year-end values reflect adjustments from book inventory to physical inventory.

The following represents the completed tax return and supporting schedules required to be filed by Associated Manufacturing Company and its subsidiary for 2005. The return was prepared by an outside accounting firm, which the taxpayer wants the assessment and all bills associated with this return mailed to.

# State of Ohio

## Inter-County Return of Taxable Business Property

**2005**

Additional copies of this form may be downloaded from our Internet site at [www.tax.ohio.gov](http://www.tax.ohio.gov).

**Current taxpayer business information (required).**

Name Associated Manufacturing Company

Address\* 54671 Long Blvd.  
Cleveland, OH 44199

FEIN or SSN 34-0416940 Ohio charter number 333515

NAICS code 106626

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



Type of Entity: Corporation  Partnership \_\_\_\_\_ LP \_\_\_\_\_ Ltd liability co. \_\_\_\_\_ Sole proprietor \_\_\_\_\_ Other \_\_\_\_\_

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

**Tax return due date is April 30th – Extended due date is June 15th**  
or next business day if 30th or 15th falls on a weekend

Filing extension granted? Yes  No \_\_\_\_\_ Confirmation enclosed? Yes  No \_\_\_\_\_  
If single county extension was granted, the confirmation must be enclosed in this return.

Total list value of tangible personal property (before \$10,000 exemption) \$ 799,370

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

Taxing District/ Preassessment Verification	Consolidated	Claim	913 EX	Penalty _____ %
<b>Office Audited</b>	<b>Field Audited</b>	<div style="border: 1px solid black; padding: 10px; margin: 0 auto; width: 80%;"> <p style="text-align: center;"><b>Data Entry Label</b></p> <p style="text-align: center;">or</p> <p style="text-align: center;">Assessment date _____ By _____</p> </div>		
Agent _____ Date _____	Agent _____ Date _____			
Supr. _____ Date _____	Supr. _____ Date _____			

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



**Ohio Business Locations**

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



**Schedule 3 – Inventories**

**Schedule 3 – Manufacturing Inventories** – List at 23% of average value all inventories of raw materials, works in process and finished goods used in manufacturing or refining. Finished goods removed from the county of manufacture and inventory held for sale by a merchant must be listed in Schedule 3A. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest \$10 and carry forward to the recapitulation.**

**Ohio law requires monthly inventories to be listed.**

Source of Values Listed	Method of Valuing Inventories Listed			
Perpetual inventory _____	FIFO cost _____ <input checked="" type="checkbox"/>	LIFO cost _____		
Physical inventory _____ <input checked="" type="checkbox"/>	Standard cost _____ <input checked="" type="checkbox"/>	Other _____		
Gross profits method _____	<b>Book Adjustments</b>	<b>Date</b>	<b>Amount</b>	<b>DR/CR</b>
Dates physicals taken _____	Book to physical	12/31/02	1,754	CR
Net sales \$ _____	LIFO reserve			
	Other reserves			

<b>County No.</b>	18			
<b>Taxing District Name &amp; Number</b>	Cleveland CSD – 0740			
January	1,568,489			
February	1,476,929			
March	1,464,616			
April	1,745,560			
May	1,800,514	Owned by Associated Manufacturing Co.		
June	1,946,796			
July	2,248,279			
August	2,341,678			
September	2,177,885			
October	1,795,494			
November	1,026,959			
December	1,656,837			
<b>Total Values</b>	21,250,036			
<b>Average Value</b>	1,770,836			
<b>List @ 23%</b>	407,290			

<b>County No.</b>				
<b>Taxing District Name &amp; Number</b>				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
<b>Total Values</b>				
<b>Average Value</b>				
<b>List @ 23%</b>				

**Schedule 3A – Inventories**

**Schedule 3A – Merchandising Inventories** – List at 23% of average value all inventories held for resale and finished goods removed from the county of manufacture. Inventories carried at retail value must be restated at cost. List property separately by the county and taxing district. Use the county number and correct name and number of the taxing district. **Round listed values to the nearest \$10 and carry forward to the recapitulation.**

Ohio law requires monthly inventories to be listed.

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

County No.	25	31	25	
<b>Taxing District Name &amp; Number</b>	City of Columbus – 0010	Cincinnati CSD – 1110	Columbus – 0090 Southwestern SD	
January	217,616	201,987	104,567	
February	234,921	211,345	106,473	
March	275,444	198,065	113,587	
April	267,381	183,515	109,236	
May	271,485	200,213	108,642	
June	287,345	276,671	115,843	
July	229,123	278,541	124,287	
August	228,991	300,002	150,201	
September	275,161	250,709	142,881	
October	200,262	170,941	130,012	
November	189,675	184,615	131,005	
December	210,465	195,113	105,627	
<b>Total Values</b>	2,887,870	2,651,717	1,442,361	
<b>Average Value</b>	240,656	220,976	120,197	
<b>List @ 23%</b>	55,350	50,820	27,650	

County No.	18	48		
<b>Taxing District Name &amp; Number</b>	Cleveland CSD – 0740	Toledo CSD – 0300		
January	64,713	46,120		
February	63,898	47,240		
March	65,171	47,515		
April	68,290	46,872		
May	67,111	46,550	Owned by ACME Sales Corp.	
June	68,171	47,901		
July	68,890	48,089		
August	67,908	46,127		
September	65,677	45,236		
October	66,543	47,170		
November	68,321	47,877		
December	65,876	46,299		
<b>Total Values</b>	800,569	562,996		
<b>Average Value</b>	66,714	46,916		
<b>List @ 23%</b>	15,340	10,790		



## Guidelines for Computer Preparation of Recapitulation Pages

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

1. **Number each line.** Do not use a line number greater than 99; instead, start over with number 1. Also, number each page if more than one is used.
2. Do not reduce or compress printing; **use full-size print**, preferably 12-point font. If handwritten, numbers must be legible.
3. **Triple space lines.** Include horizontal lines between each taxing district.
4. Use the **two-digit** county number and the proper four-digit inter-county taxing district number. Use last year's assessment certificate, the preprinted 945 REC, or contact each county for the inter-county taxing district number. **Do not** use the county's two- or three-digit taxing district number with additional digits.
5. **Use commas in number values** (nnn,nnn,nnn). Use whole dollars only, *do not* show cents. **Do not use dollar signs.**
6. **Round values to the nearest \$10 value in each schedule column and totals.**
7. **Combine values in common taxing districts** *unless* owned by separate legal entities and reported in a consolidated return. **Do not** show different store locations within the same taxing district as separate line items.
8. **Provide a grand total** of value. Also provide a line total for each taxing district.
9. Do not shade any data area.
10. Omit or draw a line through taxing districts containing **no** taxable values. Start at the line number and continue the line through all columns.
11. If you are reprinting the recapitulation page from a pre-packaged program it must be reprinted and submitted in **landscape** format (lengthwise on the paper).

Recapitulation

Taxpayer Name Associated Manufacturing Co.

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Page \_\_\_\_\_ of \_\_\_\_\_

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

**Recapitulation of Tangible Personal Property Listed Values** – Enter in column (1) the designation number for each county in which property is listed (see back cover). The four-digit taxing district number in column (2) can be obtained from: last year's Inter-County Assessment Certificates form 947; the Rates of Taxation book, which is published annually by this department; or by calling 614-466-8122 for assistance. The county auditors' taxing district numbers are **not acceptable**. Round all values to the nearest \$10. Add columns (4) through (7) horizontally and place the total in column (8). Total column (8) vertically showing a grand total. In column (9) list the amount of exemption where applicable (see General Instructions). Do not reduce column (8) by the amount of exemption, as this will be computed by the department. **Renditions must use the exact format of this schedule, including line numbering, spacing and lines for columns and rows.**

L I N E No.	(1) County No.	(2) State Taxing District Number	(3) Taxing District (By Exact Name)	(4) From Schedule 2 (Nearest \$10)	(5) From Schedule 3 (Nearest \$10)	(6) From Schedule 3-A (Nearest \$10)	(7) From Schedule 4 (Nearest \$10)	(8) Taxing District Listed Value Totals	(9) \$10,000 Exempt
1									
2									
3			<b>Parent Company – Associated Manufacturing Co.</b>						
4	1 8 0 7 4 0		Cleveland CSD	187,220	407,290		34,500	629,010	10,000
5	2 5 0 0 1 0		City of Columbus			55,350	1,340	56,690	
6	3 1 1 1 1 0		Cincinnati CSD			50,820	2,980	53,800	
7	2 5 0 0 9 0		Columbus – Southwestern SD			27,650		27,650	
8									
9									
10			<b>Subsidiary – Acme Sales Co.</b>						
11	1 8 0 7 4 0		Cleveland CSD			15,340	3,850	19,190	10,000
12	4 8 0 3 0 0		Toledo City – Toledo CSD			10,790	2,240	13,030	
13									
14									
15									
16									
<b>Totals</b>				187,220	407,290	159,950	44,910	799,370	20,000

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

**Ohio Balance Sheet**

(Required to be Filed with Tax Form 945)

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

Balance sheet as of September 30, 2004

Assets	Within Ohio Net Book Values	Total Net Book Values
<b>1. Cash and deposits</b> .....	24,676	25,176
<b>2. Notes and accounts receivable</b> .....	579,536	662,554
<b>3. Inventories</b>		
A) Manufacturing .....	2,177,885	2,177,885
B) Merchandising .....	668,751	744,098
C) Supplies - manufacturing .....		
D) Supplies - other .....	576	576
E) Consigned .....		
F) Agricultural machinery and equipment (merchandise) .....		
G) Exempted inventory (including Foreign Trade Zone) .....		
H) Other inventory .....		
<b>4. Investments</b> .....	125,000	125,000
<b>5. Land</b> .....	98,761	98,761
<b>6. Buildings</b>	<b>Ohio Cost</b>	
A) Taxed as real estate .....	1,143,767	764,514
B) Taxed as personal property .....		830,690
<b>7. Leasehold improvements</b>		
A) Taxed as real estate .....		
B) Taxed as personal property .....		
<b>8. Machinery and equipment</b>		
A) Taxed as real estate .....	94,422	31,761
B) Taxed as personal property .....	1,404,327	620,612
<b>9. Furniture and fixtures</b> .....	385,068	147,639
<b>10. Personal property leased to others</b>		
A) Taxable .....		
B) Non-taxable .....		
<b>11. Capitalized leases</b> .....		
<b>12. Exempt personal property located in an enterprise zone (attach form 913 EX) or a hazardous substance reclamation area</b> .....		
<b>13. Certified exempt facilities</b> .....	651,467	251,631
<b>14. Patterns, jigs, dies and drawings</b> .....		
<b>15. Construction in progress</b>		
A) Real property .....		
B) Personal property capable of use .....		
C) Personal property not capable of use .....		
<b>16. Small tools</b> .....	10,000	5,500
<b>17. Vehicles and aircraft</b>		
A) Registered or licensed .....	131,767	56,433
B) Other .....		66,183
<b>18. Other assets</b> .....	109,398	109,388
<b>19. Total assets</b> .....	5,662,673	5,937,706

**Liabilities and Net Worth**

<b>20. Notes, accounts payable, bonds and mortgages</b> .....	791,113
<b>21. Accrued expenses</b> .....	275,032
<b>22. Other liabilities, deferred credits</b> .....	726,637
<b>23. Preferred stock</b> .....	100,000
<b>24. Common stock</b> .....	250,000
<b>25. Additional paid-in capital</b> .....	
<b>26. Retained earnings</b> .....	3,794,924
<b>27. Appropriated earnings</b> .....	
<b>28. Owner's capital</b> .....	
<b>29. Other</b> .....	
<b>30. Total liabilities and net worth</b> .....	5,937,706

## 2005 Exhibits for Balance Sheet Reconciliation and Leased Property/Consigned Inventory

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

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

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

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

### Exhibit C – Leased Property

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

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

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

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

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

**Ohio Balance Sheet**  
(Required to be Filed with Tax Form 920)

Name Acme Sales Corp. FEIN/social security number 34-0416941  
Balance sheet as of September 30, 2004

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

**Liabilities and Net Worth**

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

# Ohio Balance Sheet

(Required to be Filed with Tax Form 920)

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

Balance sheet as of September 30, 2004

Assets	Within Ohio Net Book Values	Total Net Book Values
<b>1. Cash and deposits</b> .....	34,918	34,418
<b>2. Notes and accounts receivable</b> .....	587,871	670,990
<b>3. Inventories</b>		
A) Manufacturing .....	2,177,885	2,177,885
B) Merchandising .....	779,664	885,101
C) Supplies - manufacturing .....		
D) Supplies - other .....	576	576
E) Consigned .....		
F) Agricultural machinery and equipment (merchandise) .....		
G) Exempted inventory (including foreign trade zone) .....		
H) Other inventory .....		
<b>4. Investments</b> .....	125,000	125,000
<b>5. Land</b> .....	98,761	118,761
<b>6. Buildings</b>	<b>Ohio Cost</b>	
A) Taxed as real estate .....	1,143,767	830,690
B) Taxed as personal property .....		
<b>7. Leasehold improvements</b>		
A) Taxed as real estate .....	3,700	1,243
B) Taxed as personal property .....		
<b>8. Machinery and equipment</b>		
A) Taxed as real estate .....	94,422	31,761
B) Taxed as personal property .....	1,404,327	620,612
<b>9. Furniture and fixtures</b> .....	427,631	182,186
<b>10. Personal property leased to others</b>		
A) Taxable .....		
B) Non-taxable .....		
<b>11. Capitalized leases</b> .....		
<b>12. Exempt personal property located in an enterprise zone (attach form 913 EX) or a hazardous substance reclamation area</b> .....		
<b>13. Certified exempt facilities</b> .....		
<b>14. Patterns, jigs, dies and drawings</b> .....	651,467	251,631
<b>15. Construction in progress</b>		
A) Real property .....		
B) Personal property capable of use .....		
C) Personal property not capable of use .....	10,000	5,500
<b>16. Small tools</b> .....		
<b>17. Vehicles and aircraft</b>		
A) Registered or licensed .....	149,629	59,054
B) Other .....		68,804
<b>18. Other assets</b> .....	110,998	110,998
<b>19. Total assets</b> .....	5,811,922	6,116,156

## Liabilities and Net Worth

<b>20. Notes, accounts payable, bonds and mortgages</b> .....	797,645
<b>21. Accrued expenses</b> .....	275,842
<b>22. Other liabilities, deferred credits</b> .....	726,637
<b>23. Preferred stock</b> .....	100,000
<b>24. Common stock</b> .....	250,000
<b>25. Additional paid-in capital</b> .....	
<b>26. Retained earnings</b> .....	3,966,032
<b>27. Appropriated earnings</b> .....	
<b>28. Owner's capital</b> .....	
<b>29. Other</b> .....	
<b>30. Total liabilities and net worth</b> .....	6,116,156

### True Value Computation

State of Ohio

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

Class   V   Return Year   2005  

Company Associated Manufacturing Company				Taxing District Name and Number and County Cleveland CSD, 18-0740, Cuyahoga			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$	
2004		130,593		130,593	94.3	123,149	
2003	78,218			78,218	88.1	68,910	
2002	75,445			75,445	81.8	61,714	
2001	78,409			78,409	75.6	59,277	
2000	163,468			163,468	69.3	113,283	
1999	84,014			84,014	63.1	53,013	
1998	118,338			118,338	56.9	67,334	
1997	82,401			82,401	50.6	41,695	
1996	98,004			98,004	44.4	43,514	
1995	75,881		7,500	68,381	38.2	26,122	
1994	54,324			54,324	32.8	17,818	
1993	34,899			34,899	29.5	10,295	
1992	5,925			5,925	26.2	1,552	
1991	21,767			21,767	22.9	4,985	
1990	4,457		461	3,996	19.6	783	
1989	42,831			42,831	16.3	6,981	
1988	51,730		1,500	50,230	16.3	8,187	
1987	240,701		27,617	213,084	16.3	34,733	
<b>Totals</b>	1,310,812	130,593	37,078	1,404,327		743,345	
<b>Remarks</b>						List @ <u>  25  </u> %	185,836

## True Value Computation

State of Ohio

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

Class III Return Year **2005**

Company Associated Manufacturing Company				Taxing District Name and Number and County Cleveland CSD, 18-0740, Cuyahoga		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$
2004		15,514		15,514	93.2	14,459
2003	32,040			32,040	82.8	26,529
2002	17,972			17,972	72.4	13,012
2001	31,982			31,982	62.0	19,829
2000	37,880			37,880	51.5	19,508
1999	8,963		710	8,253	42.2	3,483
1998	20,688			20,688	36.3	7,510
1997	23,817			23,817	30.5	7,264
1996	7,820			7,820	24.6	1,924
1995	15,600			15,600	18.8	2,933
1994	11,700			11,700	18.8	2,200
1993	100,034			100,034	18.8	18,806
<b>Totals</b>	308,496	15,514	710	323,300		137,457
<b>Remarks</b>	List @ <u>25</u> %					34,364







### True Value Computation

State of Ohio

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

Class III Return Year **2005**

Company Acme Sales Corporation				Taxing District Name and Number and County Toledo City, 48-0300, Lucas		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year Acquired	Cost At End Of 2003	Additions and Transfers In 2004	Disposals and Transfers Out 2004	Cost At End Of 2004	Per Cent	True Value Amount \$
2004		1,713		1,713	93.2	1,597
2003	2,468			2,468	82.8	2,044
2002					72.4	
2001	1,370			1,370	62.0	849
2000	8,642			8,642	51.5	4,451
<b>Totals</b>	12,480	1,713		14,193		8,941
<b>Remarks</b>						List @ <u>25</u> %
						2,235

Associated Manufacturing Company  
54671 Long Blvd.  
Cleveland, OH 44199

June 10, 2005

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

Gentlemen:

Please mail all assessments and bills associated with the 2005 Inter-County tax return for Associated Manufacturing Company and subsidiary to the tax representative identified in Section 2.

Sincerely,

*Delmar Loz*

Delmar Loz  
President  
Associated Manufacturing Company

## Contact and Signature Page

### Section 1: Taxpayer Identification

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

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

Mailing address 54671 Long Blvd., Cleveland, OH 44199

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

### Section 2: Tax Representative Identification

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

Representative name Joe Rich Firm name Rich & Associates

Representative mailing address 21 S. High Street, Suite 405  
Columbus, OH 43215

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

Did the representative prepare this tax return? Yes  No

### Section 3: Declaration by Taxpayer

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

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

Signature of officer Delmar Loz Title President

Officer name Delmar Loz Date 6/10/05

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

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

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



# Ohio Department of TAXATION

P.O. Box 530  
Columbus, OH 43216-0530

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

No.	County	Telephone No.	No.	County	Telephone No.
1	<b>Adams</b>	937-544-2364	45	<b>Licking</b>	740-349-6033
2	<b>Allen</b>	419-228-3700 #8805/#8807	46	<b>Logan</b>	937-599-7215
3	<b>Ashland</b>	419-282-4218	47	<b>Lorain</b>	440-329-5216/5217
4	<b>Ashtabula</b>	440-576-3794	48	<b>Lucas</b>	419-213-4338
5	<b>Athens</b>	740-592-3227	49	<b>Madison</b>	740-852-9717
6	<b>Auglaize</b>	419-739-6705	50	<b>Mahoning</b>	330-740-2010
7	<b>Belmont</b>	740-695-2121 #131	51	<b>Marion</b>	740-223-4030
8	<b>Brown</b>	937-378-3998	52	<b>Medina</b>	330-725-9760
9	<b>Butler</b>	513-887-3160	53	<b>Meigs</b>	740-992-2698
10	<b>Carroll</b>	330-627-2250	54	<b>Mercer</b>	419-586-6402
11	<b>Champaign</b>	937-484-1600	55	<b>Miami</b>	937-440-5944
12	<b>Clark</b>	937-328-2427	56	<b>Monroe</b>	740-472-0873/2500
13	<b>Clermont</b>	513-732-8149	57	<b>Montgomery</b>	937-225-4315
14	<b>Clinton</b>	937-382-2250	58	<b>Morgan</b>	740-962-4475
15	<b>Columbiana</b>	330-424-9515	59	<b>Morrow</b>	419-946-4060
16	<b>Coshocton</b>	740-622-1243	60	<b>Muskingum</b>	740-455-7109
17	<b>Crawford</b>	419-562-7941	61	<b>Noble</b>	740-732-4044
18	<b>Cuyahoga</b>	216-443-7165	62	<b>Ottawa</b>	419-734-6740
19	<b>Darke</b>	937-547-7310	63	<b>Paulding</b>	419-399-8205/8206
20	<b>Defiance</b>	419-782-1926	64	<b>Perry</b>	740-342-2074/1627
21	<b>Delaware</b>	740-833-2900	65	<b>Pickaway</b>	740-474-4765
22	<b>Erie</b>	419-627-6650	66	<b>Pike</b>	740-947-4125/2713
23	<b>Fairfield</b>	740-687-7027	67	<b>Portage</b>	330-297-3573
24	<b>Fayette</b>	740-335-6461	68	<b>Preble</b>	937-456-8148
25	<b>Franklin</b>	614-462-3230	69	<b>Putnam</b>	419-523-6686
26	<b>Fulton</b>	419-337-9200	70	<b>Richland</b>	419-774-5507
27	<b>Gallia</b>	740-446-4612 #217	71	<b>Ross</b>	740-702-3080
28	<b>Geauga</b>	440-285-2222 #3930	72	<b>Sandusky</b>	419-334-6127
29	<b>Greene</b>	937-562-5074	73	<b>Scioto</b>	740-355-8232
30	<b>Guernsey</b>	740-432-9248	74	<b>Seneca</b>	419-447-0692
31	<b>Hamilton</b>	513-946-4100	75	<b>Shelby</b>	937-498-7202
32	<b>Hancock</b>	419-424-7019	76	<b>Stark</b>	330-451-7350
33	<b>Hardin</b>	419-674-2239/2290	77	<b>Summit</b>	330-643-2669/2677/2668
34	<b>Harrison</b>	740-942-8861	78	<b>Trumbull</b>	330-675-2420
35	<b>Henry</b>	419-592-1956	79	<b>Tuscarawas</b>	330-365-3220 #3321
36	<b>Highland</b>	937-393-1915	80	<b>Union</b>	937-645-3003
37	<b>Hocking</b>	740-385-2127	81	<b>Van Wert</b>	419-238-6285/0843
38	<b>Holmes</b>	330-674-1896	82	<b>Vinton</b>	740-596-4571 #232
39	<b>Huron</b>	419-668-8464	83	<b>Warren</b>	513-695-1234
40	<b>Jackson</b>	740-286-4231	84	<b>Washington</b>	740-373-6623, #338
41	<b>Jefferson</b>	740-283-8590	85	<b>Wayne</b>	330-287-5444
42	<b>Knox</b>	740-393-6750	86	<b>Williams</b>	419-636-5639 #340
43	<b>Lake</b>	440-350-2533	87	<b>Wood</b>	419-354-9153
44	<b>Lawrence</b>	740-533-4310	88	<b>Wyandot</b>	419-294-1531

## **Sample Tax Report of a Taxpayer With Property in an Urban Jobs and Enterprise Zone**

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

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

The following pages display the completed form 913EX required to be filed by a taxpayer for 2005, for its property located in an enterprise zone.

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

For accounting period January 1 to December 31, 2004

Taxpayer name Arnold Corporation

Address of business in zone or area 8765 Fourth Street

City Dayton State OH ZIP 45000

Taxing district name and number Dayton City – Dayton CSD

5	7	0	6	4	0
---	---	---	---	---	---

Type of Agreement	Date Agreement Effective	Percent of Exemption	Period of Exemption
<input type="checkbox"/> Reclamation area	_____	_____ %	_____ Years
<input type="checkbox"/> Municipal enterprise zone	_____	_____ %	_____ Years
<input checked="" type="checkbox"/> County enterprise zone	<u>June 30, 2001</u>	<u>75</u> %	<u>5</u> Years
Time period for acquisition of eligible assets from <u>2001</u> to <u>2004</u>			

Any taxpayer who is party to an enterprise zone or hazardous substance reclamation area agreement must complete and submit this form with their taxable business property tax form 920/945. Taxable values should be determined as prescribed by the tax commissioner.

R.C. 5709.62 (I), 5709.63 (I), and 5709.88 (H) read as follows: "After an agreement is entered into, the enterprise shall file with each personal property tax return required to be filed, while the agreement is in effect, an informational return on a form prescribed by the tax commissioner for that purpose, setting forth separately the property, and related costs and values exempted from taxation under the agreement."

**Enterprise Zone Property – Listed Value Summary**  
*All enterprise zone exemptions are limited per the terms of the agreement*

	(A) Total List Value	(B) Exempt List Value	(C) Taxable Value (Deduct B from A) List on Form 920 or 945
1. Schedule 2 (nearest \$10)	37,480	28,110	9,370
2. Schedule 3 (nearest \$10)			
3. Schedule 3A (nearest \$10)	407,290	232,210	175,080
4. Schedule 4 (nearest \$10)			
5. Total listed value	444,770	260,320	184,450

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

**Declaration**

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

Person, other than taxpayer, preparing return \_\_\_\_\_ Date \_\_\_\_\_ Signature of taxpayer A. D. Cee, President Title \_\_\_\_\_ Date 4/30/2005

Address \_\_\_\_\_ Printed name \_\_\_\_\_

**Exempt Machinery and Equipment – Schedule 2.** List at 25% machinery, repair parts, small tools, etc., used in manufacturing, mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants and radio and television broadcasting. If the value of equipment is based on other than book value, attach detail of computation.

Taxing District	Description	Total True Value	%	Listed Value	%	Exempt Listed Value	Taxable Listed Value
Dayton CSD	Machinery	\$ 149,923	25	\$ 37,480	75	\$ 28,110	\$ 9,370
Carry listed values to page 1 "Listed Value Summary" as indicated:				Column (A)		Column (B)	Column (C)

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

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

Months in Business	Schedule 3 Manufacturing Inventories		Schedule 3A Merchandising Inventories		
	Dayton City – Dayton CSD				
	Taxing District	Taxing District	Taxing District	Taxing District	Taxing District
	Book Value	Book Value	Book Value	Book Value	Book Value
January	\$ 1,568,489				
February	1,476,929				
March	1,464,616				
April	1,745,560				
May	1,800,514				
June	1,946,796				
July	2,248,279				
August	2,341,678				
September	2,177,885				
October	1,795,494				
November	1,026,959				
December	1,656,837				
<b>Total Values</b>	21,250,036				
<b>A. Average Values</b>					
Divide by No. of Months	1,770,836				
<b>B. Total List Value at 23%</b>	407,292				
<b>C. Average Value–Inventory at Same Location for Year Preceding Agreement (100% Taxable)</b>	424,693				
<b>D. Average Value–Inventory Subject to Exemption (A–C)</b>	1,346,143				
<b>E. Average Value of Exempt Inventory (Line D x % of Exemption)</b>	1,009,608				
<b>F. List Value of Exempt Inventory (Line E @ 23%)</b>	232,210				

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

**Exempt Furniture, Fixtures, Machinery and Equipment – Schedule 4.** List at 25% furniture, fixtures, machinery and equipment, supplies, small tools and repair parts not used in manufacturing, inventories of other than a manufacturer or merchant and all domestic animals not used in agriculture. If the value of equipment is based on other than book value, attach detail of computation.

Taxing District	Description	Total True Value	%	Listed Value	%	Exempt Listed Value	Taxable Listed Value
			25				
			25				
			25				
			25				
Carry listed values to page 1 "Listed Value Summary" as indicated:				Column (A)		Column (B)	Column (C)

# True Value Computation

State of Ohio

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

Class VI Return Year **2005**

Company Arnold Corporation				Taxing District Name and Number and County Dayton City – Dayton CSD, 57-0640, Montgomery		
(1) Year Acquired	(2) Cost At End Of 2003	(3) Additions and Transfers In 2004	(4) Disposals and Transfers Out 2004	(5) Cost At End Of 2004	(6) Per Cent	(7) True Value Amount \$
2004		42,973		42,973	94.4	40,567
2003	123,010			123,010	88.9	109,356
<b>Totals</b>	123,010	42,973		165,983		149,923
<b>Remarks</b>	<b>List @ <u>25</u> %</b>					<b>37,480</b>

# County Supplemental Return

George Steel Company  
 \_\_\_\_\_  
 Name  
 3101 North Murphy St.  
 \_\_\_\_\_  
 Address  
 Columbus, OH 43200  
 \_\_\_\_\_  
 City, State, ZIP code

To the Auditor of Franklin County:

In accordance with R.C. 5711.131 the above corporation reports the following change(s) in taxable value for the year 2004:

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

### Filing Instructions

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

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

### Declaration

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

June 10, 2005  
 \_\_\_\_\_  
 Date

*John E. Leonard, Treasurer*  
 \_\_\_\_\_  
 Officer's signature

**Claim for Deduction from Book Value**

Name Acme, Inc.			Date (mm/dd/yy) 6/10/05
Address 123 Long Street	City Defiance	State OH	ZIP 45178

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

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

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

*A. D. Cee*

**Taxpayer signature**

President

6/10/05

**Title**

**Date**