



# OHIO

FT 1120  
Rev. 10/06

## 2007 Corporation Franchise Tax Report

For Department Use Only

Based upon calendar year 2006 or other taxable year beginning \_\_\_\_\_ and ending \_\_\_\_\_, 2006.

Ohio franchise tax I.D. number <div style="border: 1px solid black; padding: 2px; font-size: 24px; text-align: center;">0</div> <p style="font-size: 10px; text-align: center;"><i>This field MUST be completed.</i></p>	Federal employer I.D. number <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p style="font-size: 10px; text-align: center;"><i>This field MUST be completed.</i></p>	<b>Check the appropriate box(es) below and see additional instructions on page 6 of this form if:</b> <input type="checkbox"/> This report is an amended report. <input type="checkbox"/> The taxpayer is a member of an Ohio combined report. Please list "lead" taxpayer's Ohio franchise I.D. # _____ <input type="checkbox"/> This report is an income-based exit report (see general inst. #8) <input type="checkbox"/> This taxpayer is a qualifying holding company. <input type="checkbox"/> This taxpayer is an Ohio Revised Code (R.C.) section 5733.06(C) high-tech, start-up company not subject to the net worth base tax. <input type="checkbox"/> This taxpayer is an "electric company" as defined in R.C. 5733.04(P). <input type="checkbox"/> This taxpayer is a local exchange "telephone company" as defined in R.C. 5727.01. <input type="checkbox"/> This taxpayer is described in R.C. 5751.01(E)(5), (6), (7), (8) or (10) and is <b>not</b> subject to the franchise tax phase-out factor reflected on line 20, below. See the instructions on page 6 of this form.
Ohio charter or license number <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	North American Industry Classification System (NAICS code) <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
Corporation name _____		
Address (if address change, check box) <input type="checkbox"/> _____		
City _____	State _____	ZIP code _____

<b>Statutory Agent</b> <input type="checkbox"/> Check the box if both the below-reported statutory agent and address are the same as were reported on last year's franchise tax report. Name _____ Address _____ City, state, ZIP code _____	<b>Corporate Officers</b> <input type="checkbox"/> Check the box if all the below-reported corporate officers are the same as were reported on last year's franchise tax report. President _____ Secretary _____ Treasurer _____
--	--

<div style="border: 1px solid black; display: inline-block; padding: 2px;">Schedule A</div> Instructions for this form are on our Web site at <a href="http://tax.ohio.gov">tax.ohio.gov</a> .		Whole Dollars Only	
<b>Net Income</b>	1. Federal taxable income (from IRS form 1120, line 28 or 1120A, line 24). Consolidated federal filers, see instructions.....	1.	00
	2. Ohio Schedule B adjustments (from Schedule B, line 3). Combined franchise filers, skip to line 6 .....	2.	00
	3. Base income (line 1 plus line 2).....	3.	00
	4. Allocable income everywhere (from Schedule C, line 3).....	4.	00
	5. Apportionable income (line 3 minus line 4).....	5.	00
	6. Ohio separate company apportionment ratio from Schedule D, line 4 (even if a member of a combined report).....	6.	.
	7. Apportioned income (line 5 multiplied by line 6 or from FT 1120C, Schedule B (combined), line 7) .....	7.	00
	8. Allocable income within Ohio (from Schedule C, line 4).....	8.	00
	9. Income (loss) from transferor corporation. R.C. section 5733.053.....	9.	00
	10. Related entity and related member adjustments (from Schedule B-3 or Schedule B-3 (combined) .....	10.	00
	11. Ohio taxable income before net operating loss deduction (add lines 7, 8, 9 and 10).....	11.	00
	12. Ohio net operating loss deduction (attach schedule showing computation). R.C. section 5733.04(I)(1).....	12.	00
	13. Ohio taxable income (line 11 minus line 12).....	13.	00
	14. Tax on net income basis (from Schedule G, line (c)).....	14.	00
<b>Net Worth</b>	15. Net value of stock (from Schedule F, line 5).....	15.	00
	16. Tax on net worth basis (from Schedule G, line (d)) – not to exceed \$150,000.....	16.	00
<b>Computation of Total Tax</b>	17. Tax due (greater of lines 14 or 16, but not less than the minimum fee, see page 6).....	17.	00
	18. Tier one and tier two litter tax (from Schedule G, line (n)).....	18.	00
	19. The sum of nonrefundable credits #1 through #14 from Schedule A-1, line 15.....	19.	00
	20. Add lines 17 and 18 and from that sum subtract line 19. Multiply the result by 60%. (Caution: See page 6.).....	20.	00
	21. R.C. 5733.0611 nonrefundable credit for taxes paid by a qualifying pass-through entity, Sch. A-1, line 16.....	21.	00
	22. Tax after R.C. 5733.0611 credit, <b>but not less than the minimum fee</b> (line 20 minus line 21).....	22.	00
	23. 7.5%-13.5% grant for purchases of new manufacturing M&E times 60% (must attach grant request form).....	23.	00
	24. Tax after (i) nonrefundable credits and (ii) R.C. section 122.173 grant, <b>but not less than minimum fee</b> .. (line 22 minus line 23).....	24.	00
	25. 2006 overpayment carryforward _____ plus 2007E _____, ER _____, EX _____	25.	00
	26. Refundable credits (attach Ohio jobs creation tax credit certificate).....	26.	00
	27. Total payments and refundable credits (lines 25 and 26) less refunds, if any, previously claimed.....	27.	00
	28. Tax due.....	28.	00
	29. Interest _____ Penalty _____ Total interest and penalty.....	29.	00
	30. Balance due.....	30.	00
	31. Overpayment.....	31.	00
	32. Amount of line 31 to be credited to 2008 estimated tax (if this is an amended report, enter -0-).....	32.	00
	33. Amount of line 31 to be refunded (if this is an amended report, attach form FT REF).....	33.	00

For Department Use Only	Date Received	Check Amount	Processing Code
-------------------------	---------------	--------------	-----------------

**Schedule B – Adjustments to Federal Taxable Income – R.C. Section 5733.04(I)**

**1. Additions:**

- a) Valuation limitation on losses from capital or 1231 assets (form FT 1120VL).....
- b) Losses from sale of Ohio public obligations.....
- c) Amount claimed as a credit for taxes paid by a qualifying pass-through entity.....
- d) Net loss from an “exempted investment” in a public utility.....
- e) Depreciation expense adjustment from Schedule B-4, line 1 and miscellaneous federal tax adjustments.....
- f) Distributive or proportionate share of pass-through entity expenses paid to, losses incurred from transactions with, and excess inventory costs paid to related members.....
- g) Deductible temporary differences in connection with the commercial activity tax credit for corporation franchise tax net operating losses. See R.C. 5751.53(H)(2).....
- h) Total additions (add lines 1a through 1g).....

1a.	
1b.	
1c.	
1d.	
1e.	
1f.	
1g.	
1h.	
2a.	
2b.	
2c.	
2d.	
2e.	
2f.	
2g.	
2h.	
2i.	
2j.	
2k.	
3.	

**2. Deductions:**

- a) Net income from foreign sources (Schedule B-2, line 5).....
- b) Valuation limitation on gains from capital or 1231 assets (form FT 1120VL).....
- c) Dividends received (Internal Revenue Code [I.R.C.] section 243 and R.C. 5733.04(I)(7) and (I)(8)).....
- d) Adjustment for targeted jobs tax credit or work opportunity tax credit.....
- e) Net interest income from exempt U.S. obligations.....
- f) Interest on Ohio public and purchase obligations and gain from the sale of Ohio public obligations.....
- g) Contributions to an individual development account program.....
- h) Net income from an “exempted investment” in a public utility.....
- i) Depreciation expense adjustment from Schedule B-4, line 19 and miscellaneous federal tax adjustments.....
- j) Taxable temporary differences in connection with the commercial activity tax credit for corporation franchise tax net operating losses. See R.C. 5751.53(H)(3).....
- k) Total deductions (add lines 2a through 2j).....

**3. Net adjustments:**

Line 1h minus line 2k. If negative, put in parentheses. Enter here and on Schedule A, line 2.....

**Schedule B-2 – Foreign Source Income Deduction – R.C. Section 5733.04(I)(2)**

- 1. I.R.C. section 78 and 951 income.....
- 2. Foreign dividends x 100% = .....
- 3. Foreign royalties x 90% = .....
- 4. (a) Income from technical and other services.....
- (b) Reimbursed expenses for personal services performed for subsidiaries.....
- (c) Line 4a minus line 4b..... x 90% = .....
- 5. Foreign source income deduction (add lines 1, 2, 3 and 4c). Enter here and on Schedule B, line 2a.....

1.	
2.	
3.	
4c.	
5.	

**Schedule B-3 – Related Entity and Related Member Adjustments**

Note: If the taxpayer is a member of a combined franchise group, complete Schedule B-3 (combined) on form FT 1120C.

- 1. Related entity gains (losses) from sale of investments in stock or debt. R.C. 5733.04(I)(12)(a).....
- 2. Related entity gains (losses) from sale of other intangible property. R.C. 5733.04(I)(12)(b).....
- 3. Total related entity gains (losses). (Add lines 1 and 2.).....
- 4. Allocable portion of line 3.....
- 5. Apportionable related entity gains (losses). (Subtract line 4 from line 3.).....
- 6. Interest expense and intangible expense paid to related members. R.C. sections 5733.04(I)(13) and 5733.042.....
- 7. Add lines 5 and 6.....
- 8. Ohio apportionment ratio (Schedule D, line 4).....
- 9. Apportioned income (multiply line 7 by line 8).....
- 10. Related entity gains (losses) allocable to Ohio.....
- 11. Add excess related entity loss (if loss deducted in all states exceeds total loss). R.C. 5733.054(B).....
- 12. Excess related entity gain (if gain taxed by all states exceeds total gain). R.C. 5733.054(A).....
- 13. Related members' net interest income and net intangible income taxed by other states. R.C. 5733.055. (Enter the lesser of (i) such income taxed by other states or (ii) the product of line 6 times line 8.).....
- 14. Related entity and related member adjustment (add lines 9, 10, 11, 12 and 13). Enter here and on Sched. A, line 10.....

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	( )
13.	( )
14.	

**Schedule B-4 – Bonus Depreciation and Section 179 Adjustment**

R.C. 5733.04(I)(17) and (I)(18). See the department's information releases dated Nov. 7, 2002 and July 31, 2002 – revised June 2004, available on our Web site at tax.ohio.gov.		Schedule B (a)	To Schedule C Allocable to Ohio (b)	To Schedule C Allocable Everywhere (c)
1.	Enter in column (a) of this schedule and on Schedule B, line 1(e) the sum of (i) 5/6 of the I.R.C. section 168(k) bonus depreciation amount deducted in determining federal taxable income for the taxable year and (ii) 5/6 of the "qualifying section 179 depreciation expense" <sup>1</sup> deducted in determining federal taxable income for the taxable year. However if the taxpayer is a member of a combined report, enter here and on form FT 1120C, Schedule B (Combined), line 2(e).			
2.	Enter in column (b) the portion of the amount on line 1 that is related to Schedule C nonbusiness income allocable to <b>Ohio</b> .			
3.	Enter in column (c) the portion of the amount on line 1 that is related to Schedule C nonbusiness income allocable <b>everywhere</b> .			
4.	Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the <b>2006</b> franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2006 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2006 franchise tax report.			
5.	If on the <b>2006</b> report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount.			
6.	If on the <b>2006</b> report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount.			
7.	Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the <b>2005</b> franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2005 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2005 franchise tax report.			
8.	If on the <b>2005</b> report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount.			
9.	If on the <b>2005</b> report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount.			
10.	Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the <b>2004</b> franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2004 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2004 franchise tax report.			
11.	If on the <b>2004</b> report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount.			
12.	If on the <b>2004</b> report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (b) 1/5 of that amount.			
13.	Enter in column (a) 1/5 of the I.R.C. section 168(k) bonus depreciation amount added back on Schedule B, line 1(e) of the <b>2003</b> franchise tax report.			
14.	If on the <b>2003</b> report the taxpayer increased its rental income allocated to <b>Ohio</b> by the bonus depreciation add-back related to Ohio rental property, enter in column (b) 1/5 of the add-back made to rental income allocated to Ohio on Schedule C of the 2003 report regardless of whether that rental income was business income or nonbusiness income for 2003. <sup>2</sup>			
15.	If on the <b>2003</b> report the taxpayer increased its rental income allocated <b>everywhere</b> by the bonus depreciation add-back related to rental property everywhere, enter in column (c) 1/5 of the add-back made to rental income allocated everywhere on Schedule C of the 2003 report regardless of whether that rental income was business income or nonbusiness income for 2003.			
16.	Enter in column (a) 1/5 of the I.R.C. section 168(k) bonus depreciation amount added back on Schedule B of the <b>2002</b> franchise tax report.			
17.	If on the <b>2002</b> report the taxpayer increased its rental income allocated to <b>Ohio</b> by the bonus depreciation add-back related to Ohio rental property, enter in column (b) 1/5 of the add-back made to rental income allocated to Ohio on Schedule C of the 2002 report regardless of whether that rental income was business income or nonbusiness income for 2002.			
18.	If on the <b>2002</b> report the taxpayer increased its rental income allocated <b>everywhere</b> by the bonus depreciation add-back related to rental property everywhere, enter in column (c) 1/5 of the add-back made to rental income allocated everywhere on Schedule C of the 2002 report regardless of whether that rental income was business income or nonbusiness income for 2002.			
19.	Add lines 4, 7, 10, 13 and 16. Enter the sum here and on Schedule B, line 2(i). However, if the taxpayer is a member of a combined report, enter here and on Schedule B (Combined), line 2(q).			

20.	Add lines 5, 8, 11, 14 and 17.			
21.	Subtract line 20 from line 2. If the result is negative, put in parentheses. Enter here and in the <b>Ohio</b> column of Schedule C, line 1.			
22.	Add lines 6, 9, 12, 15 and 18.			
23.	Subtract line 22 from line 3. If the result is negative, put in parentheses. Enter here and in the <b>everywhere</b> column of Schedule C, line 1. However, if the taxpayer is a member of a combined report, enter here and on Schedule C (Combined), line 1.			

**Endnotes for Schedule B-4 – Bonus Depreciation and Section 179 Adjustment**

<sup>1</sup> “Qualifying section 179 depreciation expense” means the difference between (i) the amount of depreciation expense directly or indirectly allowed to the taxpayer under I.R.C. section 179, and (ii) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on Dec. 31, 2002 (see R.C. section 5733.04(I) (17)(a)(ii) as enacted by Amended Substitute House Bill 95, 125<sup>th</sup> General Assembly).

<sup>2</sup> If on the 2002 or 2003 franchise tax report the taxpayer made a 5/6 bonus depreciation add-back and allocated all or a portion of that add-back to Ohio in Schedule C (because, for example, all or a portion of the add-back was attributed to property that generated rental income which the taxpayer allocated to Ohio on those franchise tax reports), then for the five tax years following the add-

back year the taxpayer is entitled to allocate to Ohio the bonus depreciation deduction on that same equipment even if that same rental property generates apportionable business income on the current year’s report.

Similarly, if on the 2002 or 2003 franchise tax report the taxpayer made a 5/6 bonus depreciation add-back and allocated all or a portion of that add-back outside Ohio in Schedule C (because, for example, all or a portion of the add-back was attributed to property that generated rental income which the taxpayer allocated outside Ohio), then for the five tax years following the add back year the taxpayer is required to allocate outside Ohio the bonus depreciation deduction on that same equipment even if that same rental property generates apportionable business income on the current year’s report.

**Bonus Depreciation and Section 179 Adjustment**

Add-back Year	Franchise tax report years in each of which the taxpayer deducts 1/5 of the I.R.C. section 168(k) and qualifying section 179 amounts added back on a previous year’s tax report.										Total Deduction
	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	
<b>2002</b>	1/5	1/5	1/5	1/5	1/5						5/5
<b>2003</b>		1/5	1/5	1/5	1/5	1/5					5/5
<b>2004</b>			1/5	1/5	1/5	1/5	1/5				5/5
<b>2005</b>				1/5	1/5	1/5	1/5	1/5			5/5
<b>2006</b>					1/5	1/5	1/5	1/5	1/5		5/5
<b>2007</b>						1/5	1/5	1/5	1/5	1/5	5/5

\*Because the franchise tax will expire with the 2009 report for taxpayers other than financial institutions and corporations described in R.C. section 5751.01(E)(5), (6), (7), (8) or (10), the bonus depreciation and section 179 deductions for tax years 2010, 2011 and 2012 will apply only to corporations described in R.C. section 5751.01(E)(5), (6), (7), (8) or (10). Corporations described in R.C. section 5751.01(E) (5), (6), (7), (8) and (10) are generally (i) financial holding companies, (ii) bank holding companies, (iii) savings and loan holding companies, (iv) certain subsidiaries of financial institutions, financial holding companies, bank holding companies, and savings and loan holding companies, and (v) securitization companies.

**CAUTION: All income, gain, loss and expense, other than the amounts from Schedule B-4, lines 21 and 23, are presumed to be business income. See instructions.**

**Schedule C – Allocable Income – R.C. 5733.051**

**Within Ohio**

**Total Everywhere**

1. Amounts from Schedule B-4, lines 21 and 23.....	1.		1.	
2. Nonbusiness income (attach explanation).....	2.		2.	
3. Total everywhere. (If negative, put in parentheses. Enter here and on Sched. A, line 4.).....	3.		3.	
4. Total Ohio. (If negative, put in parentheses. Enter here and on Schedule A, line 8.).....	4.		4.	

**Schedule D – Net Income Apportionment Ratio – R.C. 5733.05(B)(2)**

In computing the property, payroll and sales factors do not include the portion of property, payroll and sales to the extent such portion relates to, or is used in connection with, the production of nonbusiness income.

Compute Schedule D on a separate company basis even if the taxpayer is a member of a combined report.

(a) Within Ohio	(b) Total Everywhere	(c) Ratio	Weight	(d) Weighted Factor
--------------------	----------------------------	--------------	--------	---------------------------

Note: Any request for deviation from the statutory allocation and apportionment provisions must be in writing. If the denominator of any factor is zero, the weight given to the other factors must be proportionately increased so that the total weight given to the combined number of factors used is 100%.

1. Property

(a) Owned (average cost).....	_____	_____	(carry to six decimal places)		
(b) Rented (annual rental x 8).....	_____	_____			
(c) Total property.....	_____ ÷ _____	= _____	x .20 =	1c.	_____
2. Payroll .....	_____ ÷ _____	= _____	x .20 =	2.	_____
3. Sales .....	_____ ÷ _____	= _____	x .60 =	3.	_____
4. Total apportionment ratio (add weighted factor column (d), lines 1c, 2 and 3). Enter here and on Schedule A, line 6 and, if applicable, Schedule F, line 6 (see note following Schedule F).				4.	_____

**CAUTION: Schedule D-2 applies only if the taxpayer has nonbusiness income.**

**Schedule D-2 – Net Worth Apportionment Ratio – R.C. Section 5733.05(C)(2)**

In apportioning net worth, adjust the numerator and denominator of the apportionment ratio to include the portion of any real and tangible personal property, payroll and sales related to, or used in connection with, the production of nonbusiness income allocated under R.C. 5733.051.

Compute Schedule D-2 on a separate company basis even if the taxpayer is a member of a combined report.

(a) Within Ohio	(b) Total Everywhere	(c) Ratio	Weight	(d) Weighted Factor
--------------------	----------------------------	--------------	--------	---------------------------

1. Property

(a) Owned (from Sched. D, line 1a).....	_____	_____			
(b) Adjustments .....	_____	_____			
(c) Rented (from Sched. D, line 1b).....	_____	_____	(carry to six decimal places)		
(d) Adjustments .....	_____	_____			
(e) Total adjusted property.....	_____ ÷ _____	= _____	x .20 =	1e.	_____

2. Payroll

(a) From Schedule D, line 2.....	_____	_____			
(b) Adjustments .....	_____	_____			
(c) Total adjusted payroll .....	_____ ÷ _____	= _____	x .20 =	2c.	_____

3. Sales

(a) From Schedule D, line 3.....	_____	_____			
(b) Adjustments .....	_____	_____			
(c) Total adjusted sales.....	_____ ÷ _____	= _____	x .60 =	3c.	_____

4. Total apportionment ratio (add weighted factor column (d), lines 1e, 2c and 3c). Enter here and on Schedule F, line 6, even if the taxpayer is a member of a combined report.

**Schedule E – Balance Sheet**

Attach to this franchise tax report a balance sheet (e.g., IRS form 1120, Schedule L) that reflects the books of the taxpayer on a separate company basis as of the beginning and the end of the taxable year.

**Schedule F – Computation of Taxable Value – R.C. 5733.05(C)**

1. Net worth (assets minus liabilities).....	1.	
2. Qualifying amount (if the taxpayer is a related member to a qualifying holding company) R.C. 5733.05(C)(2).....	2.	
3. Adjusted net worth (add lines 1 and 2).....	3.	
4. Exempted assets (net book value)		
(a) civil defense shelters.....	4a.	
(b) land in Ohio devoted exclusively to agriculture.....	4b.	
(c) Total exempted assets.....	4c.	
5. Net value of stock (line 3 minus line 4c). Enter here and on Schedule A, line 15.....	5.	
6. Ohio apportionment ratio (from Schedule D or D-2, line 4, see note below).....	6.	.
7. Taxable value (multiply line 5 by line 6). Enter here and on Schedule G, lines (d), (i) and (l).....	7.	

**Note:** Taxable value is determined on a separate company basis even if the taxpayer is a member of a combined report. Multiply the taxpayer's separate company net value of stock by the taxpayer's separate company apportionment ratio.

**Minimum Fee Requirements**  
**Caution: The minimum fee of \$50 or \$1,000 is not subject to the 60% phase-out factor.**

Minimum Fee	Thresholds
<b>\$1,000</b>	1. The sum of the taxpayer's gross receipts from activities within and without Ohio during the taxable year equals or exceeds \$5 million; <b>or</b> 2. The total number of the taxpayer's employees within and without Ohio during the taxable year equals or exceeds 300.  <b>Note:</b> In determining these thresholds, the taxpayer must include its proportionate share of the gross receipts of any pass-through entity in which the taxpayer has a direct or indirect ownership interest <b>and</b> its proportionate share of the number of employees of the pass-through entity. Gross receipts include receipts that generate business income and receipts that generate nonbusiness income.
<b>\$50</b>	If both the taxpayer's gross receipts and number of employees are less than the thresholds above.

**Instructions for Check Boxes on Page 1**

- Amended report – If the amended report reflects a refund, attach form FT REF and see the instruction booklet, general instructions 11C and 28.
- Combined report – Attach forms FT 1120C and FT OTAS to the Ohio franchise tax report of the "lead" taxpayer shown in column 2 of the FT 1120C and show the lead taxpayer's Ohio franchise tax I.D. number on the line next to the check box.
- Qualifying holding company – Attach form FT QHC.
- Electric company or combined (electric) company – Attach supplemental Schedules B, C and A-1 for electric companies.
- Telephone companies – Attach supplemental Schedule A-1 for telephone companies.
- Taxpayers described in R.C. section 5751(E)(5), (6), (7), (8) or (10) are not subject to the franchise tax phase-out. Such taxpayers must add Schedule A lines 17 and 18 and from the sum subtract line 19 – **do not multiply the result by 60%**. See R.C. 5733.01(G)(2).

**Schedule G – Tax Computation Worksheet**

**Section 1: Franchise Tax Computation**

**Net Income Basis**

**Note:** All related Ohio taxpayer corporations that as of Jan. 1 of the report year meet the ownership or control requirements to file as members of a combined report must share one \$0 to \$50,000 net income basis tax bracket to which the 5.1% rate applies. Such related taxpayers must share one \$0 to \$50,000 tax bracket regardless of whether those related taxpayer corporations actually

file a combined report. See R.C. 5733.06(F). Each taxpayer's Ohio taxable income that exceeds the prorated amount is taxable at the higher franchise tax and litter tax rates. Related taxpayers must prorate the \$0 to \$50,000 bracket on form FT OTAS, Ohio Taxpayer Affiliation Schedule. The proration, however made, applies to both the franchise tax and the litter tax.

- (a) First \$50,000 of Ohio taxable income (see note above)..... \_\_\_\_\_ x .051 = a.
- (b) Ohio taxable income greater than \$50,000 (see note above).... \_\_\_\_\_ x .085 = b.
- (c) Tax on net income basis. (Add lines (a) and (b). Enter here and on Schedule A, line 14.)..... c.

**Net Worth Basis (The tax on net worth basis is not to exceed \$150,000.)**

- (d) Taxable value (from Schedule F, line 7). (Enter product here and on Schedule A, line 16.) ..... \_\_\_\_\_ x .004 = d.

**Tax Due**

- (e) Greater of lines (c) or (d), but not less than the minimum fee. (Enter here and on Sched. A, line 17.) e.

**Section 2: Litter Tax Computation**

**Tier One Litter Tax (Complete tier one if the amount on line (e) is greater than the minimum fee.)**

**Net Income Basis**

- (f) First \$50,000 of Ohio taxable income (see note above)..... \_\_\_\_\_ x .0011 = f.
- (g) Ohio taxable income greater than \$50,000 (see note above).... \_\_\_\_\_ x .0022 = g.
- (h) Add lines (f) and (g)..... \_\_\_\_\_ h.

**Net Worth Basis**

- (i) Taxable value (from Schedule F, line 7) ..... \_\_\_\_\_ x .00014 = i.

**Tier One Litter Tax**

- (j) Greater of lines (h) or (i) but not greater than \$5,000. If the taxpayer is a member of a combined report, see FT 1120C for limitation..... j.

**Tier Two Litter Tax (Complete tier two only if the taxpayer manufactures or sells litter stream products. See instructions.)**

**Net Income Basis**

- (k) Ohio taxable income greater than \$50,000 (see note above).... \_\_\_\_\_ x .0022 = k.

**Net Worth Basis**

- (l) Taxable value (from Schedule F, line 7)..... \_\_\_\_\_ x .00014 = l.

**Tier Two Litter Tax**

- (m) Greater of lines (k) or (l) but not more than \$5,000. If the taxpayer is a member of a combined report, see FT 1120C for limitation..... m.
- (n) **Total Litter Tax** – Add lines (j) and (m). Enter here and on Schedule A, line 18..... n.

**Schedule A-1 – Nonrefundable Credits**

Ohio Revised  
Code (R.C.)  
Section

Credits must be claimed in the order listed. R.C. 5733.98

1. Credit for qualifying affiliated groups (due to related entity and related member adjustments) .....	5733.068	1.	
2. Credit for recycling and litter prevention donations.....	5733.064	2.	
3. Credit for maintaining railroad crossing warning devices.....	5733.43	3.	
4. Job retention credit.....	5733.0610(B)	4.	
5. Job training credit.....	5733.42	5.	
6. Credit for qualified research expenses.....	5733.351	6.	
7. Credit for eligible new employees in an enterprise zone.....	5709.66	7.	
8. Credit for eligible costs associated with voluntary action (brownfield site clean-up) (carryforward amount only) .....	5733.34	8.	
9. Credit for employers that establish an on-site child daycare center (carryforward amount only).....	5733.37	9.	
10. Ethanol plant investment credit.....	5733.46	10.	
11. Credit for grape production property.....	5733.32	11.	
12. Technology investment credit. (Attach credit certificate from Technology and Enterprise Advisory Board.).....	5733.35	12.	
13. Enterprise zone day care and training credits.....	5709.65	13.	
14. Research and development loan repayment credit.....	5733.352	14.	
15. Total of lines 1 through 14. Enter here and on Schedule A, line 19.....		15.	
16. Credit for taxes paid by a qualifying pass-through entity. Enter here and on Schedule A, line 21.....	5733.0611	16.	

**Questionnaire (you must complete this schedule)**

- Corporation tax records are in care of (name, please print) \_\_\_\_\_  
Telephone number \_\_\_\_\_ E-mail address \_\_\_\_\_
- Is this corporation a member of a consolidated U.S. 1120?  Yes  No. If "yes," enter the name and FEIN of the common parent:  
Name \_\_\_\_\_ FEIN \_\_\_\_\_  
and the number of corporations that are included in the consolidated U.S. group \_\_\_\_\_
- Is the corporation currently under audit by the IRS?  Yes  No If yes, what years? \_\_\_\_\_  
Does the corporation currently have IRS audits under appeal?  Yes  No If yes, what years? \_\_\_\_\_  
What was the last year the IRS redetermined the corporation's federal taxable income? \_\_\_\_\_
- During the taxable year, did this corporation make payments to, or receive payments from, a "related member" as defined in R.C. 5733.042?  Yes  No
- During 2005 or 2006 was this corporation the survivor of a merger with another corporation that was subject to the Ohio franchise tax?  Yes  No
- If you entered any nonbusiness income on page 1, line 4, indicate the state(s) to which you reported such income as business income: \_\_\_\_\_
- Is the taxpayer a "related member" to a real estate investment trust (REIT) or is a REIT a related member to the taxpayer?  
 Yes  No If "yes," please identify the REIT by name, address and FEIN. \_\_\_\_\_
- During the taxable year, did the taxpayer have a direct or indirect equity interest of 20% or more in any pass-through entity?  
 Yes  No
- During the taxable year or any of the three preceding taxable years, did the taxpayer, directly or indirectly, participate in any tax shelter with respect to which registration is required under I.R.C. section 6111?  Yes  No

**Declaration and signatures (an officer or managing agent of the corporation must sign this declaration)**

I declare under penalties of perjury that this report (including any accompanying schedule or statement) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return and report, and that this corporation has not, during the preceding year, except as permitted by Ohio Revised Code section 3517.082, 3599.03 and 3599.031, directly or indirectly paid, used or offered, consented, or agreed

to pay or use any of its money or property for or in aid of or opposition to a political party, a candidate for election or nomination to public office, or a political action committee, legislation campaign fund or organization that supports or opposes any such candidate or in any manner used any of its money for any partisan political purpose whatever, or for reimbursement or indemnification of any person for money or property so used.

	▶	
Date	Signature of officer or managing agent	Title
	▶	
Date	Signature of preparer other than taxpayer based on all information of which preparer has knowledge (See general Instructions, item #16.)	Title