

SECTION X – Reconciliation with Federal Income Tax Return

ITEMS NOT DEDUCTIBLE	ADD	ITEMS NOT TAXABLE	DEDUCT
A. Capital losses deducted (including IRC 1221 & 1231 property) DO NOT INCLUDE ordinary loss from Federal Form 4797.....	\$ _____	K. Capital gains from sale, exchange or other disposition (from Federal Schedule D). Includes IRC 1221 & 1231 property. DO NOT INCLUDE ordinary gain from Federal Form 4797.....	\$ _____
B. Expenses attributable to non-taxable income. MUST BE 5% of Line R).....	\$ _____	L. Interest earned or accrued.....	\$ _____
C. City & State income taxes & other taxes based on income.....	\$ _____	M. Dividends.....	\$ _____
D. Net operating loss deduction per Federal Return.....	\$ _____	N. Federal tax credit to the extent corresponding operating expenses have been reduced.....	\$ _____
E. Payments to partners (including former partners).....	\$ _____	O. Not previously deducted IRS Section 179 expense.....	\$ _____
F. Dividends, distributions, or amounts set aside for, credited to, or distributed to REIT or RIC investors.....	\$ _____	P. Partnership, S Corp, LLC charitable contributions.....	\$ _____
G. Qualified self-employed retirement, health and life insurance plans for owners of non-C Corp entities.....	\$ _____	Q. Losses Carried Forward (explain).....	\$ _____
H. Rental activities by partnerships, S Corp, LLC or trusts....	\$ _____		
I. Other Expenses not deductible (explain).....	\$ _____		
J. TOTAL ADDITIONS.....	\$ _____	R. TOTAL DEDUCTIONS.....	\$ _____
1. ITEMS NOT DEDUCTIBLE (FROM LINE J).....			\$ _____
2. ITEMS NOT TAXABLE (FROM LINE R).....			\$ _____
3. SCHEDULE X ADJUSTMENT (LINE 1 MINUS LINE 2, ENTER ON LINE 2 ON FRONT, MAY BE POSITIVE OR NEGATIVE).....			\$ _____

SECTION Y – Business Allocation Formula

Use this schedule if engaged in business in more than one city and you do not have books and records which will disclose with reasonable accuracy what portion of the net profits is attributed to that part of the business done within the City of Kenton. **Businesses located wholly within the Kenton city limits must include copies of tax returns filed and paid in other cities in order to allocate less than 100% to Kenton.**

	A. LOCATED EVERYWHERE	B. LOCATED IN KENTON	C. PERCENTAGE (B/A)
Step 1. Average original cost of real and tangible personal property.....	\$ _____	\$ _____	
Gross annual rentals multiplied by 8.....	_____	_____	
Total Step 1.....	\$ _____	\$ _____	_____ %
Step 2. Gross receipts from sales and work or services.....	\$ _____	\$ _____	_____ %
Step 3. Total qualifying wages, salaries, commissions and other compensation for all employees.....	_____	_____	_____ %
Step 4. Totals.....	\$ _____	\$ _____	_____ %
Step 5. AVERAGE PERCENTAGE (Divide total percentages by number of percentages used.)			% _____

Partner's Distributive Shares of Net Income (From Federal Schedules 1065K and 1099)

All partnerships required to file as entities must attach ALL of the federal schedules detailing the partners' distributive shares (Federal Schedule K and K-1).

Additional Information

DO YOU SUBCONTRACT LABOR TO PERFORM WORK IN KENTON? YES NO

If YES, copies of 1099s or a statement containing the same information must be submitted no later than February 28 of each year. Failure to provide this information can result in the disallowance of the deduction of subcontractor pay.

DO YOU HAVE EMPLOYEES WORKING IN KENTON? YES NO

If YES, copies of employee W-2 forms must be submitted no later than February 28 of each year.