



For taxable year beginning in

2015

Ohio IT 1140
Pass-Through Entity
and Trust Withholding
Tax Return Instructions

Rev. 10/15

Ohio

Department of
Taxation

tax.Ohio.gov

2015 Ohio Form IT 1140 General Instructions

Note: Please put tax return in proper numerical order and place all attachments after the return.

All Ohio tax forms and schedules referred to in this instruction booklet may be obtained from our Web site at tax.ohio.gov.

Purpose of Form

The Ohio form IT 1140 is a form used to report withholding tax due on (i) pass-through entity distributive shares of income and (ii) trust distributions of income relating to real property in Ohio and to tangible personal property in Ohio. Trusts may also be required to file the Ohio Fiduciary Income Tax Return, Ohio form IT 1041.

Who Must File

Each "qualifying pass-through entity" doing business in Ohio or otherwise having nexus with Ohio under the Constitution of the United States is subject to a withholding tax and to an entity tax based upon each qualifying investor's share of the qualifying pass-through entity's profits apportioned to Ohio.

In addition, each "qualifying trust" is subject to a withholding tax based upon distributions of certain types of income to individuals who are nonresidents of Ohio for any portion of the trust's taxable year.

Exclusions

There is no need to file if any of the following is applicable for the entire taxable year:

- The entity is a trust whose beneficiaries are limited to full-year Ohio resident taxpayers: individuals, estates and trusts [R.C. 5747.01(I) and (N)]; OR
- The entity is a trust that has **no** real estate located in Ohio, **no** tangible personal property located in Ohio and **no** direct or indirect equity investments in (i) S corporations (including limited liability companies treated as S corporations for federal income tax purposes) that have nexus with Ohio, (ii) partnerships that have nexus with Ohio, and (iii) limited liability companies that have nexus with Ohio and for federal income tax purposes are treated as either partnerships or S corporations; OR
- The entity is an S corporation, a partnership or a limited liability company treated for federal income tax purposes as either a partnership or S corporation, and such entity's equity investors are **limited** to full-year Ohio resident taxpayers (individuals, estates and trusts) [R.C. 5747.01(I) and (N)] or corporations that are timely paying, or are exempt from paying, the Ohio corporation franchise tax; OR
- The entity is an S corporation, partnership or limited liability company treated for federal income tax purposes as either a partnership or S corporation, and the entity is filing the Ohio form IT 4708 ("Composite Income Tax Return for Certain Investors in a Pass-through Entity") on behalf of **all** of its equity investors who are not full-year Ohio resident taxpayers (individuals, estates and trusts) [R.C. 5747.01(I) and (N)]; OR
- The entity is either a disregarded entity or a qualifying subchapter S subsidiary, and the entity's owner is filing with,

or is exempt from filing with, the Ohio Department of Taxation the appropriate income or franchise tax returns.

Which Form Should I Use: Ohio IT 1140 or IT 4708?

Qualifying pass-through entities whose equity investors are limited to nonresident individuals, nonresident estates and nonresident trusts can file either Ohio forms IT 1140 or IT 4708. All other qualifying pass-through entities may file Ohio form IT 1140 or may choose to file Ohio form IT 4708.

Ohio form IT 1140 is based upon the **first** day of the pass-through entity's calendar or fiscal year; Ohio form IT 4708 is based upon the **last** day of the pass-through entity's calendar or fiscal year. A pass-through entity that changes forms from year to year must make sure that (i) all periods of income are reported and (ii) all related tax is timely and fully paid.

Example: A pass-through entity whose equity investors are composed solely of nonresident individuals has a Jan. 31 fiscal year end. For the fiscal year beginning Feb. 1, 2014 and ending Jan. 31, 2015, the pass-through entity elects to file the year 2015 Ohio form IT 4708 (this return would be due April 18, 2016, not April 15, 2015). For the fiscal year beginning Feb. 1, 2015 and ending Jan. 31, 2016, the entity elects to file the year 2015 Ohio form IT 1140. This return would be due May 15, 2016. For the fiscal year beginning Feb. 1, 2016 and ending Jan. 31, 2017, the entity elects to file the year 2017 Ohio form IT 4708. This return would be due April 17, 2018. With this fact pattern the pass-through entity will not file any 2016 Ohio pass-through entity return, but the pass-through entity will have reported all periods of income.

What Is a Qualifying Pass-Through Entity?

A **qualifying pass-through entity** is each S corporation, partnership or limited liability company treated as either a partnership or an S corporation for federal income tax purposes. However, a qualifying pass-through entity does **not** include the following:

- Pension plans and charities (an entity exempt from federal income tax pursuant to Internal Revenue Code (I.R.C.) 501(a) or 501(c));
- Publicly traded partnerships (a partnership with equity securities registered with the U.S. Securities Exchange Commission under section 12 of the Securities Exchange Act of 1934); AND
- Entities that are real estate investment trusts, regulated investment companies or real estate mortgage investment conduits.

What Is a Qualifying Trust?

A **qualifying trust** is each trust that meets the following three requirements during the trust's taxable year:

- The trust will file the IRS form 1041, U.S. Income Tax Return for Estates and Trusts; AND
- The trust has at least one beneficiary who is neither a full-year Ohio resident individual nor an Ohio resident estate; AND
- The trust makes a distribution to a nonresident beneficiary, and the distribution directly or indirectly relates either to real estate located in Ohio or to tangible personal property located in Ohio.

Who Is a Qualifying Investor?

According to R.C. 5733.40(I), a **qualifying investor** is any qualifying pass-through entity investor **other than** those qualifying pass-through entity investors listed:

1. Investors that are pension plans or charities (investors that are exempt from federal income tax pursuant to I.R.C. 501(a) or 501(c)).
 2. Investors that are publicly traded partnerships (investors that are partnerships with equity securities registered with the U.S. Securities Exchange Commission under section 12 of the Securities Exchange Act of 1934).
 3. Investors that are colleges or universities (investors that are "institutions of higher education" as defined in R.C. 3334.01(F)).
 4. Investors that are public utilities in Ohio and are required to pay the Ohio gross receipts excise tax.
 5. Investors that are insurance companies, fraternal corporations, beneficial corporations, bond investment corporations, health maintenance organizations or any other corporation required to file an annual report with the Ohio superintendent of insurance.
 6. Investors that are dealers in intangibles as defined in R.C. 5725.01(B).
 7. Investors that are real estate investment trusts, regulated investment companies or real estate mortgage investment conduits.
 8. Nonresident individuals on whose behalf, and nonresident estates on whose behalf, the qualifying pass-through entity files Ohio form IT 4708, "Composite Income Tax Return for Certain Investors in a Pass-through Entity" for the taxable year.
 9. Investors that are financial institutions liable for the corporation franchise tax in accordance with R.C. 5733.06(D) on the first day of January of the calendar year immediately following the last day of the financial institution's calendar or fiscal year in which or with which ends the qualifying pass-through entity's taxable year.
 10. Investors that are themselves qualifying pass-through entities if the qualifying pass-through entities' investors during the three-year period beginning 12 months before the first day of the investee entity's taxable year are **limited** to those investors set forth in items #1 through #9, above (or any combination thereof).
 11. Investors that are themselves pass-through entities, but only if the owners of those other pass-through entities are limited to (i) individuals who are full-year residents of Ohio, (ii) estates domiciled in Ohio, (iii) nonresident individuals on whose behalf those other pass-through entities file Ohio form IT 4708, "Composite Income Tax Return for Certain Investors in a Pass-through Entity," and/or (iv) nonresident estates on whose behalf those other pass-through entities file Ohio form IT 4708, "Composite Income Tax Return for Certain Investors in a Pass-through Entity" for the taxable year.
 12. Investors that satisfy all the following:
 - The investor submits a written statement to the qualifying pass-through entity stating that the investor irrevocably agrees that the investor has nexus with Ohio and is subject to and liable for the corporation franchise tax calculated under R.C. 5733.06 with respect to the investor's distributive share of income attributable to the pass-through entity;
 - The investor makes a good faith and reasonable effort to fully comply with all of the corporation franchise tax reporting and paying requirements set forth in R.C. chapter 5733; AND
 - Neither the investor nor the qualifying pass-through entity carries out, at any time, any transactions either with any related members of the investor or with any related member of the entity where such transactions either result in or would result in a reduction or deferral of the Ohio corporation franchise tax.
 13. Investors that are either trusts or funds whose beneficiaries are limited to the following during the taxable year of the qualifying pass-through entity;
 - Persons that are or may be beneficiaries of a pension plan trust, profit-sharing trust, a stock bonus plan trust or similar retirement trust; OR
 - Persons that are or may be beneficiaries of or the recipients of payments from a trust or fund that is a nuclear decommissioning reserve fund, a designated settlement fund, or any other similar trust or fund established to resolve and satisfy similar injury claims; OR
 - Persons who are or may be the beneficiaries of a complex trust, **but only if** the trust irrevocably agrees in writing that, for the taxable year during or for which the trust distributes any of its income to any of its beneficiaries who are individuals residing outside Ohio, the trust will be withholding tax as required under R.C. 5747.41 through 5747.453.
 14. Investors that are corporations paying the Ohio corporation franchise tax **but only if** all the other equity investors in the qualifying pass-through entity are limited to (i) other corporations that are paying the Ohio corporation franchise tax and/or (ii) corporations that would be paying the Ohio corporation franchise tax if they were not exempt from the Ohio corporation franchise tax under R.C. 5733.09. See the second sentence of the third paragraph of R.C. 5733.41.
 15. Investors that are "investment pass-through entities" (defined below.), **but only if** the investment pass-through entity provides to the qualifying pass-through entity the name, address and Social Security number or federal employer identification number (FEIN) of each person who has an equity investment in the investment pass-through entity.
- ### Special Notes
- A. The entity tax does not apply to any pass-through entity to the extent that the pass-through entity's distributive shares of income and gain pass through from that entity to another pass-through entity (hereinafter referred to as the "investing entity") if the investing entity (i) is not an investment pass-through entity (defined below), (ii) irrevocably acknowledges that it has nexus with this state under the U.S. Constitution during the taxable year, (iii) makes a good faith and reasonable effort to comply with both the entity tax law and the withholding tax law, and (iv) includes in its apportionment factors (see Schedule C) its proportionate share of each lower-tiered pass-through entity's property, payroll and sales. See R.C. 5733.402.
 - B. Neither the entity tax nor the withholding tax applies to an investment pass-through entity's items of income listed below in the definition of "investment pass-through entity."
- An **investment pass-through entity** is a pass-through entity having for its taxable year at least 90% of its assets represented by intangible assets and having for its taxable year at least 90% of its gross income from one or more of the following sources:

- Transaction fees earned in connection with the acquisition, ownership or disposition of intangible property.
- Loan fees
- Financing fees
- Consent fees
- Waiver fees
- Application fees
- Net management fees (management fees that the pass-through entity earns or receives from all sources reduced by the management fees that the pass-through entity incurs or pays to any person), but only if such net management fees do not exceed 5% of the pass-through entity's profit.
- Dividend income
- Interest income
- Net capital gains from the sale or exchange of intangible property,
- All types and classifications of income and gain attributable to distributive shares of income and gain from other pass-through entities.

The percentages are based upon quarterly averages calculated during the pass-through entity's taxable year. Furthermore, for purposes of determining if a pass-through entity is an investment pass-through entity, intangible assets include investments in other pass-through entities. See R.C. 5733.402.

- C. An equity investor (subsequently referred to as a "deemed investor") in an investment pass-through entity shall be deemed to be an equity investor in any qualifying pass-through entity in which the investment pass-through entity is a direct equity investor.

Each deemed investor's portion of the qualifying pass-through entity's adjusted qualifying amount will be (i) the adjusted qualifying amount that would otherwise pass through from the qualifying pass-through entity to the investment pass-through entity multiplied by (ii) the percentage of the deemed investor's direct ownership in the investment pass-through entity. Thus, except as discussed below, the qualifying pass-through entity must pay the withholding tax and entity tax as if the investors in the investment pass-through entity were actual investors in the qualifying pass-through entity (hence, "deemed investors").

If the taxable year of the investment pass-through entity ends on a day that is different than the last day of the investee qualifying pass-through entity's taxable year, then this "deemed investor" rule applies to those persons who are the direct investors in the investment pass-through entity on the last day of the investee qualifying pass-through entity's taxable year ending within the investment pass-through entity's taxable year. See R.C. 5747.401.

This "deemed investor" rule applies only to the extent the investment pass-through entity provides on a timely basis to the qualifying pass-through entity the name, address and Social Security number or FEIN for each investor in the investment pass-through entity.

If the investment pass-through entity does not provide on a timely basis to the qualifying pass-through entity the name, address and Social Security number or FEIN for each investor in the investment pass-through entity and if the investment pass-through entity is a qualifying investor, then the investee qualifying pass-through entity must pay the 8.5% entity tax with respect to the distributive share of income and gain passing through from the investee qualifying pass-through entity to the investment pass-through entity.

Tax Credits Available to Certain Investors and Beneficiaries

R.C. 5733.0611 and 5747.059 provide that qualifying investors can claim an income tax or franchise tax credit based upon the qualifying investor's proportionate share of the withholding tax or the entity tax that was paid on or with respect to the qualified investor's direct or indirect investment in the qualifying pass-through entity. R.C. 5747.059 also provides a similar credit for nonresident individual qualifying beneficiaries with respect to the withholding tax that a qualifying trust has withheld in connection with that nonresident individual qualifying beneficiary.

The credit is based upon the amount of tax (net of refunds, if any) paid for the taxable year – even if the tax is paid, or if the refund is received, after the end of the taxable year.

In order for qualifying investors and qualifying beneficiaries to claim these credits, the qualifying investor or the qualifying beneficiary must include with the Ohio income tax return (Ohio forms IT 1040, IT 1041 or IT 4708) a copy of the IRS form K-1 indicating the amount of the entity tax and/or withholding tax with respect to which the qualifying investor or qualifying beneficiary seeks to claim a credit.

Accordingly, each qualifying pass-through entity or qualifying trust must separately state on the form K-1, which the qualifying pass-through entity or qualifying trust will issue to the qualifying investor or qualifying beneficiary, the following information:

- The qualifying investor's or beneficiary's proportionate share of the withholding tax and/or entity tax that the qualifying pass-through entity or qualifying trust paid (**net** of refunds shown on this return and **net** of amounts shown on Schedule A, line 3b, which have been transferred to Ohio form IT 4708); AND
- The qualifying investor's or beneficiary's proportionate share of the withholding tax and/or entity tax that passes through from **another** pass-through entity or trust to the qualifying pass-through entity or qualifying trust (and then passes on to the qualifying investor or qualifying beneficiary).

If this pass-through entity or trust has invested in a partnership or limited liability company that also filed Ohio form IT 1140, this pass-through entity or trust is **not** entitled to any credit for this pass-through entity's or trust proportionate share of tax. Furthermore, this pass-through entity or trust **cannot** claim the credit as an estimated payment for this pass-through entity's or trust's taxable year.

However, the pass-through entity or trust can "pass through" (via the K-1s it will issue) to its qualifying investors or to its qualifying beneficiaries the pass-through entity's or trust's proportionate share of such tax that the investee partnership or investee limited liability company paid on behalf of this pass-through entity or trust.

Tax Rates

The tax is due **only** if the adjusted qualifying amount exceeds \$1,000. The tax is calculated as follows:

- The 5% withholding tax applies to the adjusted qualifying amounts for all qualifying investors who are nonresident individuals for any portion of the qualifying pass-through entity's taxable year; AND
- The 5% withholding tax also applies to adjusted qualifying amounts that the qualifying trust pays to the qualifying trust's beneficiaries included in this return who are nonresident individuals for any portion of the qualifying trust's taxable year; AND
- The 8.5% entity tax applies to the adjusted qualifying amounts for all qualifying investors other than nonresident individuals and corporate investors subject to phase-out.
- The 0% entity tax applies to the adjusted qualifying amounts for all qualifying corporate investors that were subject to the phase-out for tax year 2009 and thereafter.

Return Due Dates

If the due date falls on a Saturday, Sunday or legal holiday, the pass-through entity can file on the next day that is not a Saturday, Sunday, or legal holiday.

The Ohio form IT 1140, and payment of the tax are due on the 15th day of the fourth month following the end of the qualifying pass-through entity's or qualifying trust's taxable year.

Extension to File

If the qualifying pass-through entity or the qualifying trust qualifies for and receives a federal extension of time to file, then the pass-through entity automatically has the same extension of time to file the Ohio return. However, the pass-through entity must include a copy of the federal extension to the Ohio return. If the pass-through entity electronically obtained the federal extension, then, when filing the Ohio form IT 1140, the pass-through entity must provide the federal confirmation number for the extension.

Caution: An extension of time to file does not give the pass-through entity an extension of time to pay. Make Ohio extension payments on the 2015 Ohio form IT 1140P.

Payment Options

Payments may be remitted by electronic funds transfer (EFT) through the Ohio Treasurer of State or you may send in a personal check or money order with the IT 1140P payment voucher. For questions regarding the EFT payment program, please contact the Ohio Treasurer of State's office at 30 E. Broad St., 9th Floor, Columbus, OH 43215 or call toll-free at 1-877-338-6446.

Interest on Underpayments and Overpayments

If a pass-through entity fails to pay the tax by the due date, interest accrues on the unpaid tax. Interest on tax due is charged in addition to any penalties that may be incurred for late filing or failure to file timely. The period of underpayment runs from the date the tax was required to be paid to the date on which such payment is made.

Interest is allowed and paid upon any overpayment in excess of one dollar in respect of the tax imposed under R.C. 5747.02 from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within 90 days after the due date of the annual return or within 90 days after the return was filed, whichever is later, no interest shall be allowed on such overpayment.

During calendar year 2015 and calendar year 2016, interest accrues on underpayments and overpayments at the rate of 3% per annum, respectively.

Penalties

If the pass-through entity **fails to file** the Ohio withholding tax return by the due date (or extended federal due date), the law provides for a **failure to file penalty**, which is the greater of \$50 per month up to a maximum of \$500, or 5% per month up to a maximum of 50% of the tax.

If the pass-through entity **fails to pay** the full amount of withholding tax by the due date, the law provides for a **failure-to-pay penalty**, which is up to a maximum of double the interest charged. The penalty will not apply if (i) the pass-through entity obtained a federal extension of time to file (ii) the pass-through entity's total payments made by the due date without extension equal or exceed 90% of the total Ohio tax due and (iii) by the extended due date the pass-through entity pays the balance of the tax due. To make an extension payment, please use the 2015 Ohio form IT 1140P.

Interest Penalty on Underpayment of Estimated Tax

The pass-through entity will owe an interest penalty if the amount on Schedule B, line 9, sum of both columns, is greater than \$10,000 and (ii) withholdings and refundable credits are less than both of the following:

- 90% of your 2015 Ohio tax (Ohio form IT 1140, Schedule A, line 1, sum of both columns); AND
- 100% of your 2014 Ohio tax (Ohio form IT 1140, Schedule A, line 1, sum of both columns).

If the pass-through entity owes an interest penalty, the pass-through entity must complete Ohio form IT/SD 2210 and enter the interest penalty on Schedule A, line 2 of Ohio form IT 1140.

Responsible Party Liability

R.C. 5747.453 imposes personal liability for failure to pay the withholding tax. Set forth below is that section of the law:

An employee or beneficiary of, or investor in, a qualifying entity having control or supervision of, or charged with the responsibility for, filing returns and making payments, or any trustee or other fiduciary, officer, member or manager of the qualifying entity who is responsible for the execution of the qualifying entity's fiscal responsibilities, is personally liable for the failure to file any report or to pay any tax due as required by sections 5747.40 to 5747.453 of the Revised Code. The dissolution, termination or bankruptcy of a qualifying entity does not discharge a responsible trustee's, fiduciary's, officer's, member's, manager's, employee's, investor's or beneficiary's liability for failure of the qualifying entity to file any report or pay any tax due as required by those sections. The sum due for the liability may be collected by assessment in the manner provided in section 5747.13 of the Revised Code.

Preparer's Signature

The Ohio Department of Taxation follows IRS Service Notice 2004-54, which provides for alternative preparer signature procedures for IRS income tax paper returns that paid practitioners prepare on behalf of their clients. Except as set forth below, paid preparers must follow those same procedures with respect to the following Ohio paper returns: individual income tax, school district income tax, withholding tax (employer and pass-through entity) and corporation franchise tax. See R.C. 5703.262(B) and 5747.08(F).

Exception: The paid preparer should **print** (rather than write) his/her name on the form if the taxpayer checks "Yes" to the question, "Do you authorize your preparer to contact us regarding this return?"

Method of Accounting

A pass-through entity's method of accounting for this return must be the same as its method of accounting for federal income tax purposes. In the absence of any method of accounting for federal income tax purposes, income must be computed under such method as in the opinion of the tax commissioner clearly reflects income. If a pass-through entity's method of accounting is changed for federal income tax purposes, its method of accounting for purposes of this tax must be changed accordingly.

Amended Returns

If any of the facts, figures, computations or attachments required in a pass-through entity's withholding tax return must be altered as the result of an adjustment to the pass-through entity's federal income tax return, and whether the adjustment is initiated either by the pass-through entity or by the IRS, and if such alteration affects the pass-through entity's tax liability, the pass-through entity must file an amended return. **Upon completing an amended return, check the "amended return" box on page 1 of the return.**

The pass-through entity must file the amended return not later than one year after either (i) the adjustment has been agreed to or finally determined for federal income tax purposes or (ii) any federal income tax deficiency or refund, or the abatement or credit resulting therefrom, has been assessed or paid whichever occurs first.

Caution: The IRS informs us of all changes it makes to federal income tax returns. To avoid penalties, be sure the pass-through entity files its Ohio amended return within one year of the final determination of the federal change.

- (1) In the case of an underpayment, the amended return must be accompanied by payment of an additional tax and interest due and is a return subject to assessment under R.C. 5747.13 for the purpose of assessing any additional tax due under this division. The amended return must not reopen those facts, figures, computations or attachments from a previously filed return no longer subject to assessment if those facts, figures and computations are not affected, either directly or indirectly, by the IRS adjustment to the pass-through entity's federal income tax return.
- (2) In the case of an overpayment, the pass-through entity may file an amended return within the one-year period prescribed for filing the amended return even if it is filed beyond the period prescribed in division (B) of R.C. 5747.11 and if the amended return otherwise conforms to the requirements of that section.

An application filed as a result of federal changes that is outside of the period described in division (B) of R.C. 5747.11 shall claim refund of overpayments resulting only from alterations to only those facts, figures, computations or attachments required in the pass-through entity's annual report that are affected, either directly or indirectly, by the adjustment to the entity's federal income tax return. It shall not reopen those facts, figures, computations or attachments that are not affected, either directly or indirectly, by the adjustment to the pass-through entity's federal income tax return. (IRS form 1065 or 1120S).

Assessments

The tax commissioner may issue an assessment against the pass-through entity for any deficiency within four years after the later of the final date the return is subject to assessment was required to be filed or the date the return was filed. However, both the assessment statute of limitations and the refund statute of limitations may be

extended for an agreed-upon period if both the pass-through entity and the tax commissioner consent in writing to the extension.

An amended Ohio form IT 1140, which the pass-through entity files as a result of an adjustment to the federal tax return, form 1065 or 1120S, is deemed a report subject to assessment. However, the amended return does not reopen those facts, figures, computations or attachments from a previously filed return no longer subject to assessment to the extent that those facts, figure and computations are not affected, either directly or indirectly, by the IRS adjustment to the entity's federal income tax return.

If the taxpayer disagrees with an assessment, the taxpayer may object to the assessment by filing Ohio form PR, Petition for Reassessment. Form PR applies only to assessments (not to proposed corrections) issued by the Ohio Department of Taxation. If a petition for reassessment has been properly filed, the tax commissioner shall proceed in accordance with R.C. 5703.60.

Estimated Withholding Tax Payments for Next Year

The qualifying pass-through entity or qualifying trust must make estimated withholding tax payments for the taxable year if (i) the sum of the "adjusted qualifying amounts" for the taxable year beginning in 2015 exceeded \$10,000 **and** (ii) the sum of the "adjusted qualifying amounts for the taxable year beginning in 2016 will exceed \$10,000. For the calculation of the **adjusted qualifying amount**, see line 9 on Ohio form IT 1140ES, Worksheet #1 and line 3 on Ohio form IT 1140ES, Worksheet #3.

Due Dates for Estimated Withholding Tax Payments

The estimated payments are due on the 15th day of the month following the last day of each quarter of the taxable year. If any filing due date set forth below falls on a weekend or on a holiday, then the due date becomes the first business day thereafter.

Line Instructions

Schedule A – Reconciliation Tax and Payments

Line 2 – Interest Penalty on Underpayment of Estimated Tax

Enter any interest penalty on underpayment of estimated tax as explained in the general instructions.

Lines 3a and 3b – Payment Transfers

If the pass-through entity or trust has used Ohio form IT 4708ES to make estimated payments in connection with the pass-through entity composite income tax, the pass-through entity or trust can elect to apply some or all of those Ohio form IT 4708ES payments to satisfy the tax due on Ohio form IT 1140. If the pass-through entity or trust so elects, please indicate on Ohio form IT 1140, Schedule A, line 3a the amount to be transferred **from** the Ohio forms IT 4708ES and IT 4708P payments **to** Ohio form IT 1140. If the pass-through entity will be filing both Ohio forms IT 1140 and IT 4708, please include with Ohio form IT 1140 a schedule setting forth (i) the dates on which the pass-through entity or trust made the Ohio form IT 4708ES and Ohio form IT 4708P payments, (ii) the amount of each payment transferred to Ohio form IT 1140 and (iii) if an amended return, the amount of payment(s) previously claimed for this taxable year.

The pass-through entity can also elect to transfer Ohio form IT 1140ES payments **to** Ohio form IT 4708 ("Composite Income Tax Return for Certain Investors in a Pass-through Entity"). To the extent that the pass-through entity elects to make such transfers, please indicate on Ohio form IT 1140, Schedule A, line 3b the amount to be transferred **from** Ohio forms IT 1140ES or IT 1140P payments **to** Ohio form IT 4708. If the pass-through entity will

be filing both Ohio forms IT 1140 and IT 4708, the pass-through entity should include Ohio form IT 4708 a schedule setting forth (i) the dates of Ohio form IT 1140ES payments, (ii) the amount of each payment transferred to Ohio form IT 4708 and (iii) if an amended return, the amount of refund(s) previously claimed for this taxable year.

Line 9 – Interest and Penalty Due on Late-Paid Tax and/or Late-Filed Return

Enter any interest and penalty as explained in the general instructions.

Line 10 – Total Amount Due

Remit using any of the payment options as explained in the general instructions.

Schedule B
Qualifying Pass-Through Entities – Tax Due

Line 2a and Schedule D, Line 2a – Depreciation Add-Back

R.C. 5701.11, 5733.40(A)(5), 5747.01(S)(14) and 5747.01(A)(20) state that, in determining Ohio taxable income, a taxpayer that for federal income tax purposes claims I.R.C. 168(k) bonus depreciation and/or qualifying I.R.C. 179 depreciation expense must add back 2/3, 5/6 or 6/6 of that depreciation that the taxpayer claimed for the taxable year based upon the I.R.C.

These “add-back and subsequent deduction” laws also cover (i) depreciable assets acquired by the taxpayer’s disregarded entities and (ii) depreciable assets that are owned by pass-through entities in which the taxpayer directly or indirectly owns at least 5% (see R.C. 5747.01(A)(20)(a)).

In addition, if the taxpayer is an equity investor in a pass-through entity that has claimed I.R.C. 168(k) bonus depreciation and/or I.R.C. 179 depreciation, and if, because of the federal passive activity loss limitation rules or because of the federal at-risk limitation rules, the taxpayer is unable to fully deduct a loss passing through from another pass-through entity to the taxpayer, then to the extent that the taxpayer does not recognize the loss, the taxpayer can defer making the “2/3, 5/6 or 6/6 add-back” until the taxable year or years for which the taxpayer deducts the pass-through entity loss and receives a federal tax benefit from the depreciation amount claimed by the other pass-through entity. Of course, the taxpayer cannot begin claiming the related subsequent years deduction until the first taxable year immediately following the taxable year for which the taxpayer makes the 2/3, 5/6 or 6/6 add-back.

For detailed information and examples regarding this adjustment, see R.C. 5747.01(A)(20) as amended by the 129th General Assembly in HB 365 and information releases 2002-02 and 2002-01 regarding Ohio bonus depreciation adjustments available on our Web site at tax.ohio.gov. These releases were originally posted on July 31, 2002 and Nov. 7, 2002.

Important: S corporation shareholders cannot claim this deduction with respect to depreciable property for which the add-back occurred while the corporation was a C corporation. See R.C. 5733.40(A)(5) and 5747.01(A)(21)(a).

Line 2b and Schedule D, Line 2b – Other Adjustments

Adjustments available to taxpayers are (i) the subsequent years depreciation deduction discussed above, (ii) miscellaneous federal income tax adjustments (discussed below), (iii) amounts not subject

to a tax on or measured by net income (discussed below) and (iv) the domestic production activities deduction allowable to qualifying investors.

Bonus Depreciation Deduction

Enter on this line 1/2, 1/5 or 1/6 of the depreciation expense added back on each of the previous years’ returns (see instructions for Schedule A, line 2a and Schedule D, line 2a). Attach a separate schedule to the return showing the calculations designating 1/2, 1/5, or 1/6.

Miscellaneous Federal Income Tax Adjustments

Because of a recent amendment to R.C. section 5701.11, there are no miscellaneous federal tax adjustments on this return. See House Bill 19, 131st General Assembly. However, you must make all other required adjustments for this line.

Amounts Not Subject to a Tax on or Measured by Net Income

R.C. 5733.40(A)(2) provides that distributive shares of income from qualifying pass-through entities and distributions from qualifying trusts shall be reduced by “any amount that, pursuant to the Constitution of the United States, the Constitution of Ohio or any federal law is not subject to a tax on or measured by net income.” Such items of income include the following:

- Federal interest income that under federal law is exempt from state tax measured on or by net income (see the department’s Jan. 9, 1992, information release entitled “Exempt Federal Interest Income,” which lists most types of federal interest income that is exempt).
- All income that the qualifying pass-through entity earns if the qualifying pass-through entity claims an exemption under U.S. Public Law 86-272 **and** if the qualifying pass-through entity has no related members having nexus with Ohio under the Constitution of the United States for any portion of the qualifying pass-through entity’s taxable year (see R.C. 5733.042(A)(6) for the definition of “related member”).
- An investment pass-through entity’s items of income listed previously.
- Interest income from Ohio public obligations and Ohio purchase obligations and gains from the sale or other disposition of Ohio public obligations. See R.C. 5709.76.

Line 5 and 6 – Guaranteed Payments and Compensation Add-Back

Guaranteed payments and compensation paid to an investor who holds at least a 20% direct or indirect interest in the profits or capital of the qualifying entity during the qualifying entity’s taxable year shall be considered a distributive share of income of the qualifying entity. Such guaranteed payments and compensation shall be added back as business income.

Reciprocity agreements do not apply to those nonresidents directly or indirectly owning at least 20% of the stock or other equity of the pass-through entity. That is, pass-through entities cannot use the reciprocity agreements in order to avoid adding back guaranteed payments and compensation that the pass-through entities pay to such nonresidents. See R.C. 5733.40(A)(7).

Line 10 – Tax Rate

The tax rates applicable to distributive shares of income passing through to investors are applied as explained in the general instructions.

**Schedule C – Qualifying Pass-Through Entities –
Tax Apportionment Ratio**

Instructions and a worksheet for a financial institution pass-through entity are available at the end of this booklet.

Note: When calculating the withholding tax and the entity tax, each qualifying pass-through entity and each qualifying trust investing in another pass-through entity must apply the “aggregate” (conduit) theory of taxation. That is, the character of all income and deductions (and adjustments to income and deductions) realized by a pass-through entity in which the qualifying pass-through entity or qualifying trust has invested retains that character for purposes of the withholding tax and the entity tax when recognized by the qualifying pass-through entity. Furthermore, the qualifying pass-through entity and qualifying trust must include in its apportionment ratio its proportionate share of each lower-tiered pass-through entity’s property, payroll and sales. See R.C. 5733.057 and 5747.231.

Property Factor (Line 1)

The property factor is a fraction, the numerator of which is the average value of the pass-through entity’s includable real and tangible personal property owned or rented, and used in the trade or business in this state during the taxable year, and the denominator of which is the average value of all the pass-through entity’s includable real and tangible personal property owned or rented, and used in the trade or business everywhere during such year.

For taxable years ending on or after June 26, 2003, the property factor specifically **includes** real property and tangible personal property that the pass-through entity rents, subrents, leases or subleases to others if the income or loss from such rentals, subrentals, leases or subleases is business income. Furthermore, for taxable years ending on or after June 26, 2003, Ohio law specifically excludes from the factor property relating to, or used in connection with, the production of nonbusiness income allocated under R.C. 5733.051.

Property owned by the pass-through entity is valued at its original cost average value. Average value is determined by adding the cost values at the beginning and at the end of the taxable year and dividing the total by two. The tax commissioner may require the use of monthly values during the taxable year if such values more reasonably reflect the average value of the corporation’s property.

In determining average value do not include in either “Within Ohio” or in “Total Everywhere” the following:

- Construction in progress.
- Property relating to, or used in connection with, the production of nonbusiness income. See R.C. 5733.05(B)(2).
- The original cost of property within Ohio with respect to which the state of Ohio has issued an Air Pollution, Noise Pollution, or an Industrial Water Pollution Control Certificate. See R.C. 5733.05(B)(2)(a).
- The original cost of real property and tangible property (or in the case of property that the pass-through entity is renting from others, eight times its net annual rental rate) within Ohio that is used exclusively during the taxable year for qualified research.

Do not include in Within Ohio, but do include in Total Everywhere, the original cost of qualifying improvements to land or tangible personal property in an enterprise zone for which the taxpayer holds a Tax Incentive Qualification Certificate issued by the Ohio Development Services Agency.

Line 1a – Property Owned

Enter the average value of the pass-through entity’s real property and tangible personal property, including leasehold improvements, owned and used in the trade or business in Ohio during the taxable year.

Line 1a – Property Owned – Total Everywhere

Enter the average value of all the pass-through entity’s real property and tangible personal property, including leasehold improvements, owned and used in the trade or business everywhere during the taxable year.

Line 1b – Property Rented – Within Ohio

Enter the value of the pass-through entity’s real property and tangible personal property rented and used in the trade or business Within Ohio and Total Everywhere during the taxable year. Property rented by the pass-through entity’s is valued at eight times the annual rental rate (annual rental expense less subrental receipts).

Line 1c – Property Total – Within Ohio and Total Everywhere

Add lines 1a and 1b for Within Ohio and Total Everywhere.

Line 1c – Property Ratio

Enter the ratio of property Within Ohio to Total Everywhere by dividing the amount Within Ohio by the Total Everywhere amount.

Line 1c – Weighted Property Ratio

Multiply the property ratio on line 1c by the property factor weighting of 20%.

Payroll Factor (Line 2)

The payroll factor is a fraction, the numerator of which is the total compensation paid in this state during the taxable year by the pass-through entity, and the denominator of which is the total compensation paid both within and without this state during the taxable year by the pass-through entity. As used below, the term “compensation” means any form of remuneration paid to an employee for personal services. Do not include in Within Ohio or in Total Everywhere the following:

- Guaranteed payments made to partners.
- Compensation paid in Ohio to employees who are primarily engaged in qualified research.
- Compensation paid to employees to the extent that the compensation relates to the production of nonbusiness income allocable under R.C. 5733.051 (see R.C. 5733.05(B)(2)).
- Compensation that an S corporation paid to any shareholder included in this report if the shareholder directly or indirectly owned at least 20% of the S corporation at any time during the year. R.C. 5733.40(A)(7).

Do not include in Within Ohio, but do include in Total Everywhere, compensation paid in Ohio to certain specified new employees at an urban job and enterprise zone facility for which the pass-through entity has received a Tax Incentive Qualification Certificate issued by the Ohio Development Services Agency.

Line 2 – Payroll Within Ohio

Enter the total amount of the pass-through entity's compensation paid in Ohio during the taxable year. Compensation is paid in Ohio if any of the following apply:

- The recipient's service is performed entirely within Ohio; OR
- The recipient's service is performed both within and outside Ohio, but the service performed outside Ohio is incidental to the recipient's service within Ohio; OR
- Some of the recipient's service is performed within Ohio and either the recipient's base of operations, or if there is no base of operations, the place from which the recipient's service is directed or controlled is within Ohio, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the recipient's residence is in Ohio.

Compensation is paid in Ohio to any employee of a common or contract motor carrier corporation who performs his regularly assigned duties on a motor vehicle in more than one state in the same ratio by which the mileage traveled by such employee within Ohio bears to the total mileage traveled by such employee everywhere during the taxable year. The statutorily required mileage ratio applies only to contract or common carriers. Thus, without approval by the tax commissioner a manufacturer or merchant who operates its own fleet of delivery trucks may not situs driver payroll based upon the ratio of miles traveled in Ohio to miles traveled everywhere. See *Cooper Tire and Rubber Co. v. Limbach* (1994), 70 Ohio St. 3d 347.

Line 2 – Payroll – Total Everywhere

Enter the total amount of the pass-through entity's compensation paid everywhere during the taxable year.

Line 2 – Payroll Ratio

Divide Within Ohio payroll by Total Everywhere payroll to arrive at the payroll ratio.

Line 2 – Weighted Payroll Ratio

Multiply the payroll ratio on line 2 by the payroll factor weight of 20%.

Sales Factor (Line 3)

The sales factor is a fraction whose numerator is the pass-through entity's includable business income receipts in Ohio during the taxable year and whose denominator is the sum of the pass-through entity's within Ohio and without Ohio includable business income receipts during the taxable year. **The sales factor specifically excludes receipts attributable to nonbusiness income allocable under R.C. 5733.051** (see R.C. 5733.05(B)(2) and the tax commissioner's April 2004 information release entitled "Sales Factor Situsing Revisions").

The following receipts are **not** includable in either the numerator or the denominator of the sales factor even if the receipts arise from transactions, activities and sources in the regular course of a trade or business (see R.C. 5733.05(B)(2)(c)):

- Interest or similar amounts received for the use of, or for the forbearance of the use of, money;
- Dividends;

- Receipts and any related gains or losses from the sale or other disposal of intangible property other than trademarks, trade names, patents, copyrights and similar intellectual property;
- Receipts and any related gains and losses from the sale or other disposal of tangible personal property or real property where that property is a capital asset or an asset described in I.R.C. 1231. For purposes of this provision the determination of whether or not an asset is a capital asset or a 1231 asset is made without regard to the holding period specified in the Internal Revenue Code; AND
- Receipts from sales to: (i) an at-least-80%-owned public utility other than an electric company, combined electric company, or telephone company, (ii) an at-least-80%-owned insurance company or (iii) an at-least-25%-owned financial institution.

Note: Income and gain from receipts excluded from the sales factor is not presumed to be nonbusiness income. All income, gain, loss and expense is presumed to be apportionable business income – even if the related receipts are excluded from the sales factor.

The law specifically includes in the sales factor the following amounts when arising from transactions, activities and sources in the regular course of a trade or business: (1) receipts from sales of tangible personal property, (2) receipts from the sale of real property inventory (such as lots developed and sold by a real estate developer), (3) rents and royalties from tangible personal property, (4) rents and royalties from real property, (5) receipts from the sale, exchange, disposition or other grant of the right to use trademarks, trade names, patents, copyrights and similar intellectual property, (6) receipt from the sale of services and other receipts not expressly excluded from the factor. These amounts are situsable to Ohio as set out below.

Line 3 – Sales Within Ohio

Enter the total of gross receipts from sales not excludable from the numerator and the denominator of the sales factor, to the extent the includable gross receipts reflect business done in Ohio. Sales within Ohio include the following:

- Receipts from sales of tangible personal property, less returns and allowances, received by the purchaser in Ohio. In the case of delivery of tangible personal property by common carrier or by other means of transportation, the place at which such property is ultimately received after all transportation has been completed is considered as the place at which such property is received by the purchaser. Direct delivery in Ohio, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in Ohio, and direct delivery outside Ohio to a person or firm designated by a purchaser does not constitute delivery to the purchaser in Ohio, regardless of where title passes or other conditions of sale. Customer pick-up sales are situsable to the final destination after all transportation (including customer transportation) has been completed. See *Dupps Co. v. Lindley* (1980), 62 Ohio St. 2d 305.

Revenue from servicing, processing or modifying tangible personal property is sitused to the destination state as a sale of tangible personal property. See *Custom Deco, Inc. v. Limbach*, BTA Case No. 86-C-1024, June 2, 1989.

- Receipts from sales of real property inventory in Ohio.
- Rents and royalties from tangible personal property to the extent the property was used in Ohio.

- Rents and royalties from real property located in Ohio.
- Receipts from the sale, exchange, disposition or other grant of the right to use trademarks, trade names, patents, copyrights and similar intellectual property are situated to Ohio to the extent that the receipts are based on the amount of use of that property in Ohio. If the receipts are not based on the amount of use of that property, but rather on the right to use the property and the payor has the right to use the property in Ohio, then the receipts from the sale, exchange, disposition or other grant of the right to use such property are situated to Ohio to the extent the receipts are based on the right to use the property in Ohio.
- Receipts from the performance of services and receipts from any other sales not excluded from the sales factor and not otherwise situated within or without Ohio under the above siting provisions are situsable to Ohio in the proportion to the purchaser's benefit, with respect to the sale, in Ohio to the purchaser's benefit, with respect to the sale, everywhere. The physical location where the purchaser ultimately uses or receives the benefit of what was purchased is paramount in determining the proportion of the benefit in Ohio to the benefit everywhere. For taxable years ending on or after Dec. 11, 2003, the "cost-of-performance" provision is no longer the law.

Line 3 – Sales Total Everywhere

Enter the total of such includable gross receipts, less returns and allowances, from sales everywhere.

Line 3 – Sales Ratio

Divide Within Ohio sales by Total Everywhere sales to arrive at the sales ratio.

Line 3 – Weighted Sales Ratio

Multiply the sales ratio on line 3 by the sales factor weighting of 60%.

Line 4 – Total Weighted Apportionment Ratio

Add lines 1c, 2 and 3. Enter ratio here and on page 1, and on Schedule B, line 8 (both columns).

Schedule D – Trusts – Tax Due

See Schedule B – Qualifying Pass-through Entities – Tax Due.

Schedule E – Investor Information

Please provide investor information for **all** qualifying pass-through entity and each qualifying trust with this return the qualifying K-1 information, which is **any** of the following:

- Completion of Schedule E and additional sheet(s) if necessary.

- A paper copy of pages 1 and 2 of IRS schedule K-1, which the qualifying pass-through entity or qualifying trust will issue to each qualifying investor and for each qualifying beneficiary. The K-1 must indicate the amount of tax credits that will pass through from the qualifying pass-through entity or qualifying trust to each qualifying investor or qualifying beneficiary. (See "Tax Credits Available to Certain Investors and Beneficiaries" in the General Instructions).
- Magnetic media meeting the specifications that the IRS requires for the transmission of information by magnetic media (for more information, see IRS publications 1525 and 3416). The magnetic media must set forth the same K-1 information described above.
- Information in ASCII Comma Delimited Dornat appear in the following order:
 1. FEIN of the qualifying pass-through entity or trust.
 2. Name of qualifying pass-through entity or trust.
 3. Name of a qualifying investor or qualifying beneficiary.
 4. Social Security or FEIN number of the qualifying investor or qualifying beneficiary set forth in field number 3.
 5. Street address of the qualifying investor or qualifying beneficiary set forth in field number 3.
 6. City of the qualifying investor or qualifying beneficiary set forth in field number 3.
 7. State of the qualifying investor or qualifying beneficiary set forth in field number 3.
 8. ZIP code of the qualifying investor or qualifying beneficiary set forth in field number 3.
 9. The **amount of tax credits that will pass through from the qualifying pass-through entity or qualifying trust to the qualifying investor or qualifying beneficiary set forth in field number 3** (see "Tax Credits Available to Certain Investors and Beneficiaries" in the General Instructions).

The return preparer must repeat the sequence set forth in fields number 1 through number 9 for **each** investor.

Preparers using magnetic media must affix to the outside of the magnetic media a label containing the following information in large type or print: (i) the name and FEIN of the qualifying pass-through entity or qualifying trust, (ii) the phrase, "IT 1140 K-1 Information," and (iii) the phrase, "Taxable Year Beginning in 2015."

Apportionment Formula for Financial Institution Pass-Through Entities

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

| Apportionment Ratio | (1) Ohio | (2) Everywhere | (3) Ratio |
|---|-------------|-------------------|--------------|
| Sales Factor – R.C. 5733.056(F) | | | |
| 1. Receipts from the lease, sublease or rental of real property..... | _____ | _____ | |
| 2. Receipts from the lease or rental of tangible personal property..... | _____ | _____ | |
| 3. Interest from loans secured by real property..... | _____ | _____ | |
| 4. Interest from loans not secured by real property..... | _____ | _____ | |
| 5. Net gains from the sale of loans secured by real property..... | _____ | _____ | |
| 6. Net gains from the sale of loans not secured by real property..... | _____ | _____ | |
| 7. Interest and fees charged to credit card holders..... | _____ | _____ | |
| 8. Net gains from the sale of credit card receivables..... | _____ | _____ | |
| 9. Credit card issuer's reimbursement fees..... | _____ | _____ | |
| 10. Receipts from merchant discount..... | _____ | _____ | |
| 11. Loan-servicing fees from loans secured by real property..... | _____ | _____ | |
| 12. Loan-servicing fees from loans not secured by real property..... | _____ | _____ | |
| 13. Loan-servicing fees for servicing the loans of others..... | _____ | _____ | |
| 14. Receipts from services not otherwise apportioned..... | _____ | _____ | |
| 15. Interest, dividends, net gains and other income from both investment assets and activities and trading assets and activities..... | _____ | _____ | |
| Check method: <input type="checkbox"/> Avg. value method <input type="checkbox"/> Gross income method | | | |
| 16. Certain other receipts..... | _____ | _____ | |
| 17. Total. Enter ratio here and on Summary, line 1, below..... | _____ | ÷ | = |
| | | | . |
| Property Factor – R.C. 5733.056(D) | | | |
| | Ohio | Everywhere | |
| 18. Real property and tangible personal property owned..... | _____ | _____ | |
| 19. Real property and tangible personal property rented x 8..... | _____ | _____ | |
| 20. Loans and credit card receivables..... | _____ | _____ | |
| 21. Total. Enter ratio here and on Summary, line 2, below..... | _____ | ÷ | = |
| | | | . |
| Payroll Factor – R.C. 5733.056(E) | | | |
| 22. Compensation paid to employees. Enter ratio here and on Summary, line 3, below..... | _____ | _____ | . |

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

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

Federal Privacy Act Notice

Because we require you to provide us with a Social Security number, the *Federal Privacy Act of 1974* requires us to inform you that providing us your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax.

Taxpayer Assistance

By Internet



Ohio Department of Taxation Web Site – tax.ohio.gov

E-mail Us
Frequently Asked Questions
Information Releases

Instructions
Refund Status
Tax Forms

By Phone



Toll-Free Telephone Numbers

Toll-Free 24-Hour **Refund Hotline** 1-800-282-1784
Toll-Free **Form Requests** 1-800-282-1782
Toll-Free **Tax Questions** 1-800-282-1780

Written



Ohio Department of Taxation Taxpayer Services Mailing Address

Ohio Department of Taxation
Taxpayer Services Division
P.O. Box 182382
Columbus, OH 43218-2382

Walk-in



Ohio Department of Taxation Taxpayer Service Center

Taxpayer Service Center Hours
Office hours: 8 a.m. – 5 p.m.
Monday through Friday
4485 Northland Ridge Blvd., 1st Floor
Columbus, OH 43229-6596

For the deaf, hearing-impaired or speech-impaired who use TTY or TDD only: Please contact the Ohio Relay Service at 1-800-750-0750 or 7-1-1 and give the communication assistant the Ohio Department of Taxation phone number that you wish to contact.

Volunteer Income 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 IRS at 1-800-829-1040.