



2015
Ohio FIT 10
Ohio Financial
Institutions Tax
Instructions

Rev. 2/15

Ohio

Department of
Taxation

tax.ohio.gov

Ohio Financial Institutions Tax (FIT) Instructions
Tax Year (Report Year) 2015
Calendar Year 2014
General Instructions and Information

The financial institutions tax (FIT) is a business privilege tax that is imposed on financial institutions organized for profit and doing business in Ohio or otherwise having nexus in or with this state under the Constitution of the United States pursuant to Ohio Revised Code (R.C.) section 5726.02.

Tax Year

The calendar year in and for which the tax is paid is called the "tax year." The tax year is also referred to as the "report year." The FIT for tax year 2015 is paid for the privilege of doing business in Ohio during the calendar year 2015.

Taxable Year

The taxable year is the calendar year preceding the year in which an annual report is required to be filed under R.C. 5726.03.

Tax Rates and Minimum Tax

Pursuant to R.C. 5726.04, a financial institution subject to the FIT shall pay the greater of the following:

1. A minimum tax equal to \$1,000;
2. The product of the total Ohio equity capital of the financial institution multiplied by eight mills (.008) for each dollar of the first \$200 million of total Ohio equity capital, by four mills (.004) for each dollar of total Ohio equity capital greater than \$200 million and less than \$1.3 billion, and by two and one-half mills (.0025) for each dollar of total Ohio equity capital greater than or equal to \$1.3 billion.

Due Dates

Pursuant to R.C. 5726.06, the reporting person for a taxpayer shall file estimated tax reports and remit the amount of tax estimated to be due for a tax year to the tax commissioner as follows:

1. The minimum tax equal to \$1,000 or one-third of the estimated tax, whichever is greater, on or before the 31st day of January of the tax year;
2. One-half of the amount by which the estimated tax exceeds the amount paid under #1 of this section on or before the 31st day of March of the tax year; and
3. One-half of the amount by which the estimated tax exceeds the amount paid under #1 of this section on or before the 31st day of May of the tax year.

The FIT report is due on or before the 15th day of October of the tax year pursuant to R.C. 5726.03.

If the due date of the report or the due date of the estimated payment falls on a Saturday, Sunday, or legal holiday, then the report or estimated payment may be made on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

Method of Filing / Payment

1. Electronic Filing – Financial institution taxpayers are required to file each annual or estimated tax report electronically through the Ohio Business Gateway (OBG) pursuant to R.C. 5726.03.
2. Electronic Payment – Financial institution taxpayers are required to remit each tax payment electronically pursuant to R.C. 5726.03. The methods of remitting payments are either by ACH

debit through OBG or by electronic funds transfer through the Ohio Treasurer of State.

Interest on Underpayments and Overpayments

If a taxpayer fails to pay the tax by the date payment is due, interest accrues on the unpaid tax. Interest accrues during the period of the underpayment, which runs from the date payment was required to the date on which payment is made.

Interest accrues during the period of the overpayment, which runs from the later of the date the tax was paid or the date the tax payment was due until the refund is paid.

The interest rate on underpayments is the same as the interest rate on overpayments. During calendar year 2015 interest on underpayments and overpayments accrues at the rate of 3% per annum (based on the rounded federal short term rate of 0% plus the additional 3% prescribed by R.C. 5703.47(B)).

Penalties

1. A penalty may be imposed for failure to timely file a report. The penalty imposed may not exceed the greater of (i) \$50 per month up to \$500, or (ii) 5% per month of the tax due shown on the report up to 50%.
2. A penalty may be imposed for failure to timely pay the tax. The late payment penalty may not exceed 15% of the delinquent payment.
3. Additional penalties may be imposed for filing a fraudulent report and for filing a false or fraudulent refund claim.

See R.C. 5726.21.

Line Instructions

Enter your FIT account number, Ohio charter or license number, FEIN, company name and address in the spaces provided.

Amended Report

If an amended report is necessary due to the change in information provided on the original return, check this box. If the amended report reflects a refund, attach an Application for Financial Institutions Tax Refund, Ohio form FIT REF.

Line 1 – Total Equity Capital

Enter the total equity capital of the reporting person as reported on the FR Y-9 or the call report as of the end of the taxable year. If the financial institution does not file a FR Y-9 or a call report, enter the total equity capital as calculated in accordance with generally accepted accounting principles as of the end of the taxable year. Total equity capital is the sum of the common stock at par value, perpetual preferred stock and related surplus, other surplus not related to perpetual preferred stock, retained earnings, accumulated other comprehensive income, treasury stock, unearned employee stock ownership plan shares, and other equity components of a financial institution. Total equity capital does not include any noncontrolling (minority) interests as reported on an FR Y-9 or call report, unless such interests are in a bank organization or a bank holding company. See R.C. 5726.01(S) and R.C. 5726.04.

Line 2 – Deduction for Ohio-Qualified Real Estate Investment Trusts

Enter the taxpayer's deduction in an Ohio-qualified real estate investment trust. An Ohio-qualified real estate investment trust is a real estate investment trust that was traded on a public stock exchange on Jan. 1, 2012. See R.C. 5726.041. Compute the deduction as follows:

1. For tax year 2015, 60% of the institution's investment in an Ohio-qualified real estate investment trust as of Jan. 1, 2012;
2. For tax year 2016, 40% of the institution's investment in an Ohio-qualified real estate investment trust as of Jan. 1, 2012;
3. For tax year 2017, 20% of the institution's investment in an Ohio-qualified real estate investment trust as of Jan. 1, 2012; and
4. For tax years after 2017, no deduction is allowed for an investment in an Ohio-qualified real estate investment trust.

Line 3 – Adjusted Total Equity Capital

Subtract line 2 from line 1 and enter the total on line 3.

Apportionment Factor

The apportionment factor shall be used to determine the total Ohio equity capital and shall be based upon the gross receipts generated by the financial institution. The apportionment factor is a fraction where the numerator is the financial institution's gross receipts in Ohio during the taxable year and the denominator is the total gross receipts of the financial institution during the taxable year. The gross receipts shall be determined using the financial institution's method of accounting for income tax purposes.

Gross receipts shall be situated to Ohio in the proportion that the customers' benefit in this state with respect to the services received bears to the customers' benefit everywhere with respect to services received. The physical location where the customer ultimately uses or receives the benefit is paramount. Examples of gross receipts that must be included in the numerator are found in R.C. 5726.05(C). In addition, Ohio Adm. Code 5703-33-06 further explains siting concepts that should be used in calculating the gross receipts for the apportionment factor.

If a financial institution's total equity capital includes investments in an Ohio-qualified real estate investment trust, then deduct the following amounts from both the numerator and denominator of the apportionment factor:

1. For tax year 2015, 60% of the gross receipts from an Ohio-qualified real estate investment trust;
2. For tax year 2016, 40% of the gross receipts from an Ohio-qualified real estate investment trust;
3. For tax year 2017, 20% of the gross receipts from an Ohio-qualified real estate investment trust; and
4. For tax years after 2017, no deduction is allowed from the apportionment factor for gross receipts from an Ohio-qualified real estate investment trust.

Line 4(a) – Total Ohio Gross Receipts

Enter the financial institution's total gross receipts situated to Ohio for the taxable year.

Line 4(b) – Total Gross Receipts

Enter the financial institution's total gross receipts for the taxable year.

Line 4(c) – Apportionment Factor

Enter the ratio of receipts in Ohio to total gross receipts by dividing line 4(a) by line 4(b).

Line 5 – Total Ohio Equity Capital

Multiply line 3 by line 4c and enter the total on line 5.

Line 6 – Total Tax Liability

Calculate the tax liability by multiplying line 5 times the tax rates explained in the general instructions. Enter the greater of the tax liability computed or the minimum tax of \$1,000.

Line 7 – Total Nonrefundable Credits

Enter the total of nonrefundable credits from Schedule A, line 5.

Line 8 – Tax Due After Nonrefundable Credits

Subtract line 7 from line 6 and enter the greater of the difference or the minimum tax of \$1,000.

Line 9 – Estimated Payments Made in Tax Year 2015

Enter the sum of the estimated payments remitted during tax year 2015.

Line 10 – Total Refundable Credits

Enter the total of refundable credits from Schedule B, line 5.

Line 11 – Tax Due

Subtract lines 9 and 10 from line 8 and enter the total on line 11.

Line 12 – Interest and Penalty

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

Line 13 – Balance Due

Add lines 11 and 12 and enter the amount due on line 13. Financial institution taxpayers are required to remit each tax payment electronically pursuant to R.C. 5726.03. The methods of remitting payments are either by ACH debit through OBG or by electronic funds transfer through the Ohio Treasurer of State.

Line 14 – Refund (Overpayment)

If line 13 is negative, carry that amount down to line 14 to request a refund.

**Schedule A
Nonrefundable Credits**

Line 1 – Bank Organization Assessment Credit

Each bank organization organized under Title XI and included in the annual report of a financial institution may claim a nonrefundable credit that equals the sum of the annual assessments that the bank organization paid to the division of financial institutions and the schedule of fees published by the division. This credit may only be claimed if the taxpayer submits a FIT CS and a document certified by the division of financial institutions verifying the amount of state annual assessment fees and federal supervisory fees paid by the bank organization. A taxpayer may claim against the FIT any unused portion of the credits authorized under R.C. 5733.063. See R.C. 5726.51.

For more information, please visit the Ohio Department of Commerce, Division of Financial Institutions' Web site at <http://com.ohio.gov/fiin> or contact them at 614-728-8400.

Line 2 – Job Retention Credit

A taxpayer may claim a nonrefundable tax credit for each person included in the annual report of the taxpayer that is granted a credit by the tax credit authority under R.C. 122.171(B)(1). This credit applies to eligible businesses that commit to a substantial capital investment that will retain jobs in Ohio. A taxpayer may claim against the FIT any unused portion of the credits authorized under R.C. 5733.0610(B). Taxpayers claiming the job retention credit must submit a FIT CS and a copy of the credit certificate from the Ohio Development Services Agency (ODSA) with the taxpayer's tax report for verification. See R.C. 5726.50.

For more information, please visit the ODSA's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 3 – New Markets Tax Credit

A taxpayer may claim a nonrefundable credit for each person included in the annual report of the taxpayer that holds a qualified equity investment on a credit allowance date occurring in the calendar year preceding the tax year. This credit applies only to the extent that the community development entity (in which the financial institution holds an equity investment) invests in qualified active low-income community businesses in Ohio. The aggregate total Ohio credit cannot exceed \$10 million per year, and a taxpayer may carry forward any balance of the credit for up to four years. In addition, a taxpayer may claim against the FIT any unused portion of the credits authorized under R.C. 5725.33 and R.C. 5733.58. See R.C. 5726.54. **Note:** A FIT CS is required to be submitted for each report year where the credit is claimed.

For more information, please visit the Ohio Development Services Agency's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 4 – Credit for Qualified Research Expenses

A taxpayer may claim a nonrefundable credit equal to 7% of the excess of (1) the qualified research expenses incurred by the taxpayer in this state in a taxable year over (2) the average annual qualified research expenses incurred by the taxpayer in this state in the three previous taxable years. "Qualified research expenses" has the same meaning as in section 41 of the Internal Revenue Code. Qualified research expenses incurred by the taxpayer include the expenses incurred by all persons included in the taxpayer's annual report and any insurance company subject to the tax levied under R.C. 5725.18 or Chapter 5729 that has more than 50% of its ownership interests directly or indirectly owned or controlled by a person included in the annual report. A taxpayer may carry forward any balance of the credit for up to seven years. In addition, a taxpayer may claim against the FIT any unused portion of the credit authorized under R.C. 5733.351. See R.C. 5726.56. **Note:** A FIT CS is required to be submitted for each report year where the credit is claimed.

Line 5 – Total Nonrefundable Credits

Add lines 1 through 4 and enter the amount on line 5 of Schedule A and on line 7 above.

**Schedule B
Refundable Credits**

Line 1 – Ohio Historic Preservation Credit

A taxpayer may claim a refundable tax credit for each person included in the annual report of the taxpayer that is a certificate owner of a rehabilitation tax credit certificate issued under R.C. 149.311. The credit is equal to 25% of the dollar amount on the certificate and must not exceed \$5 million for each certificate. If the credit exceeds the amount of tax otherwise due, the excess shall be refunded to the taxpayer, provided that, if any amount of the credit is refunded, the sum of the amount refunded and the amount applied to reduce the tax shall not exceed \$3 million. A taxpayer may carry forward any balance of the credit for up to five years. In addition, a taxpayer may claim against the FIT any unused portion of the credit authorized under R.C. 5725.151. Taxpayers claiming the Ohio historical preservation credit must submit a FIT CS and a copy of the credit certificate from the Ohio Development Services Agency (ODSA) with the taxpayer's tax report for verification. See R.C. 5726.52.

For more information, please visit the ODSA's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 2 – Job Retention or Job Creation Credit

A taxpayer may claim a refundable tax credit for each person included in the annual report of the taxpayer that is granted a credit by the tax credit authority under R.C. 122.17 and R.C. 122.171(B) (2) and (B)(3). This credit applies to eligible businesses that commit to a substantial capital investment that will retain jobs in Ohio, or eligible businesses that foster job creation meeting a certain payroll threshold. Taxpayers claiming the job retention or job creation credit must submit a FIT CS and a copy of the credit certificate from the Ohio Development Services Agency (ODSA) with the taxpayer's tax report for verification. See R.C. 5726.50.

For more information, please visit the ODSA's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 3 – Losses on Loans Made Under the Ohio Venture Capital Program

A taxpayer may claim a refundable credit for each person included in the annual report of the taxpayer that was issued a tax credit certificate by the Ohio venture capital authority under R.C. 150.07. This credit is to provide Ohio venture capital lenders and investors some security against losses on their loans to the Ohio Venture Capital Program. The amount of the credit is equal to the amount on the tax credit certificate. Taxpayers claiming the credit for losses on loans made under the Ohio venture capital program must submit a FIT CS and a copy of the credit certificate from the Ohio Development Services Agency (ODSA) with the taxpayer's tax report for verification. See R.C. 5726.53.

For more information, please visit the ODSA's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 4 – Motion Picture Production Credit

A taxpayer may claim a refundable credit for each person included in the annual report of the taxpayer that is a certificate owner of a tax credit certificate issued under R.C. 122.85. This credit applies to a motion picture company whose motion picture was pre-certified by the director of the Ohio Development Services Agency (ODSA) as a tax credit-eligible production. The credit amount equals the amount on the certificate and must be claimed for the taxable year in which the certificate is issued by the director of development services. Taxpayers claiming the motion picture production credit must submit a FIT CS and a copy of the credit certificate from the ODSA with the taxpayer's tax report for verification. See R.C. 5726.55.

For more information, please visit the ODSA's Web site at <http://development.ohio.gov> or contact them at 1-800-848-1300.

Line 5 – Total Refundable Credits

Add lines 1 through 4 and enter the amount on line 5 of Schedule B and on line 10 above.

**Administrative Code
Tax Commissioner Rules
Applicable to the Ohio Financial Institutions Tax**

5703-33-01	Electronic filing of annual or estimated tax reports and tax payments
5703-33-02	Captive finance companies
5703-33-03	Notification of change in ownership or applicability of chapter
5703-33-04	Pawn shops and pawnbrokers
5703-33-05	Reporting of total equity capital
5703-33-06	General situsing provision