

The Ohio Supreme Court has denied the Ohio Attorney General's motion for reconsideration in *Emerson Electric Co. v Tracy* (2000), 90 Ohio St. 3d 157; therefore, dividends from foreign subsidiaries are deductible at 100 percent instead of 85 percent in Ohio Schedule B-2, line 2 of the 2001 FT-1120

The original version of the 2001 FT-1120 that went to press indicates that foreign dividends are deductible at 85% pending the outcome of this motion for reconsideration that has since been denied. This revised version of the 2001 FT-1120 reflects this change.

# OHIO Corporation Franchise Tax Report

Tax Year  
2001

FOR DEPARTMENT USE ONLY

Based upon calendar year 2000 or other taxable year beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, 2000.

OHIO FRANCHISE TAX I.D. No. <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	FEDERAL EMPLOYER IDENTIFICATION No. <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	Check box below if:  <input type="checkbox"/> This is an amended report (if the amended report reflects a refund, attach Form FT-REF).  <input type="checkbox"/> This taxpayer is a member of an Ohio combined report. Attach FT-1120C and FT-OTAS to the Ohio franchise tax report of the "lead" taxpayer shown in column (2) of Form FT-1120C whose Ohio franchise tax identification number is _____.  <input type="checkbox"/> This is an income-based exit tax report (see instructions).  <input type="checkbox"/> This taxpayer is a qualifying holding company (attach FT-QHC).
Ohio Charter or License No. <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 (Check box below if you are not receiving forms at the proper mailing address.) <input type="checkbox"/>		
City	State	Zip Code

<div style="border: 1px solid black; padding: 2px; text-align: center; font-weight: bold; margin-bottom: 5px;">Statutory Agent</div> <input type="checkbox"/> Check the box if both the below-reported statutory agent and the address are the same as were reported on the 2000 franchise tax report.	<div style="border: 1px solid black; padding: 2px; text-align: center; font-weight: bold; margin-bottom: 5px;">Corporate Officers</div> <input type="checkbox"/> Check the box if all the below-reported corporate officers are the same as were reported on the 2000 franchise tax report.
Name	First Name                      Middle Initial                      Last Name
Street Address	President
City	Secretary
State	Treasurer
Zip Code	

**Schedule A — Net Income Basis**

	whole dollars only (no cents)	
1. Federal taxable income (Federal 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 7. ....	2.	00
3. Base income (line 1 plus line 2) .....	3.	00
4. Allocable income everywhere (Schedule C, line 6) .....	4.	00
5. Apportionable income (line 3 minus line 4) .....	5.	00
6. Ohio apportionment ratio (Schedule D, line 4) .....	6.	00
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 (Schedule C, line 7) .....	8.	00
9. Income (loss) from transferor corporation. ORC section 5733.053 .....	9.	00
10. Related entity and related member adjustments (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). ORC section 5733.04(l)(1) .....	12.	00
13. Ohio taxable income (line 11 minus line 12) .....	13.	00
14. Tax on net income basis (Schedule K, line (c)) .....	14.	00

**Schedule A — Net Worth Basis**

	whole dollars only (no cents)	
15. Net value of stock (Schedule F, line 5) .....	15.	00
16. Tax on net worth basis (Schedule K, line (d)) .....	16.	00

**Schedule A — Computation of Total Tax**

	whole dollars only (no cents)	
17. Tax due (greater of lines 14 or 16, but not less than the minimum fee of \$50) .....	17.	00
18. Tier one and tier two litter tax (Schedule K, line (n)) .....	18.	00
19. Total nonrefundable credits (from Schedule A-1, line 17) .....	19.	00
20. Amount due after nonrefundable credits (total of lines 17 and 18 minus line 19, but not less than \$50) .....	20.	00
21. Overpayment carryforward from 2000 .....	21.	00
22. Estimated payments made in 2001: E _____, ER _____, EX _____ .....	22.	00
23. Refundable new jobs credit: .....	23.	00
24. Total payments and refundable credits (add lines 21, 22 and 23) .....	24.	00
25. Tax due (line 20 minus line 24) .....	25.	00
26. Interest _____, Penalty _____, Total interest and penalty .....	26.	00
27. Balance due (make payable to Treasurer of State of Ohio). Check box if payment made by EFT <input type="checkbox"/> ..	27.	00
28. Overpayment .....	28.	00
29. Amount of line 28 to be credited to year 2002 estimated tax .....	29.	00
30. Amount of line 28 to be refunded .....	30.	00

**Do Not Write Below**

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**Schedule B — Adjustments to Federal Taxable Income — Section 5733.04(I)**

<b>1. Additions:</b>		
(a) Valuation limitation on losses from capital or 1231 assets (Form FT-1120VL) .....	1a	
(b) Losses from sale of Ohio public obligations .....	1b	
(c) Amount claimed as a credit for taxes paid by a qualifying pass-through entity .....	1c	
(d) Net loss from an "exempted investment" in a public utility .....	1d	
(e) Total additions (Add lines 1a, 1b, 1c and 1d) .....	1e	
<b>2. Deductions:</b>		
(a) Net income from foreign sources (Schedule B-2, line 5) .....	2a	
(b) Valuation limitation on gains from capital or 1231 assets (Form FT-1120VL) .....	2b	
(c) Dividends received (IRC section 243 and ORC 5733.04(I)(7) and (I)(8)) .....	2c	
(d) Adjustment for targeted jobs tax credit or work opportunity tax credit .....	2d	
(e) Net interest income from exempt U.S. obligations .....	2e	
(f) Interest on Ohio public and purchase obligations and gain from the sale of Ohio public obligations .....	2f	
(g) Contributions to an individual development account program .....	2g	
(h) Net income from an "exempted investment" in a public utility .....	2h	
(i) Total deductions (Add lines 2a through 2h) .....	2i	
<b>3. Net adjustments:</b>		
(Line 1e minus line 2i. If negative, put in parenthesis. Enter on Schedule A, line 2.) .....	3	

**Schedule C — Allocable Income — Section 5733.051**

**Within Ohio**

**Total Everywhere**

1. Net rents .....	1		1	
2. Net royalties .....	2		2	
3. Capital gains and losses and depreciation recapture .....	3		3	
4. Dividends (not otherwise deducted and not apportionable) .....	4		4	
5. Net patent and copyright royalties and technical assistance fees .....	5		5	
6. Total everywhere (If negative, put in parenthesis. Enter on Schedule A, line 4) .....	6		6	
7. Total Ohio (If negative, put in parenthesis. Enter on Schedule A, line 8) .....	7		7	

**Schedule D — Apportionment — Section 5733.05(B)(2)**

	Within Ohio	÷	Total Everywhere	=	Ratio X Weight	Weighted Factor
1. Property						
(a) Owned (average cost) .....					(carry to 6 decimal places)	
(b) Rented (Annual rental x 8) .....						
(c) Total property .....					.	x .20
2. Payroll .....					.	x .20
3. Sales .....					.	x .60
4. Total apportionment ratio (Add weighted factor column lines 1c, 2 and 3. Enter on Schedule A, line 6 and Schedule F, line 6) .....						

**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%.

**Schedule E — Balance Sheet**

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



Name	Franchise Tax ID Number	2001
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**Schedule K — Tax Computation Worksheet**

*There are no franchise report schedules H, I, or J.*

**Section 1: Franchise Tax Computation**

**Net Income Basis**

**Note:** All related Ohio taxpayer corporations that as of January 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 Ohio Revised Code section 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 =
- (b) Ohio taxable income over \$50,000 (see note above) ..... x .085 =
- (c) Tax on net income basis. Add lines (a) and (b) (Enter on Schedule A, line 14) .....

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

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

**TAX DUE**

- (e) Greater of lines (c) or (d), but not less than \$50 (Enter on Schedule A, line 17) .....

**Section 2: Litter Tax Computation**

**Tier One Litter Tax** (Complete tier one if the amount on line (e) is greater than \$50.)

**Net Income Basis**

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

**Net Worth Basis**

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

**Tier One Litter Tax**

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

**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 over \$50,000 (see note above) ..... x .0022 =

**Net Worth Basis**

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

**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 .....

- (n) **Total Litter Tax** – (Add lines (j) and (m). Enter on Schedule A, line 18) .....

**Schedule A-1 — NonRefundable Credits**

Credits must be claimed in the order listed. Section 5733.98

Ohio Revised  
Code Section

1. Credit for taxes paid by a qualifying pass-through entity .....	5733.0611		1.
2. Credit for qualifying affiliated groups (due to related entity and related member adjustments) .....	5733.068		2.
3. Credit for recycling and litter prevention donations .....	5733.064		3.
4. Credit for employers that enter into agreements with child daycare centers .....	5733.36		4.
5. Credit for employers that reimburse employees' child daycare expenses .....	5733.38		5.
6. Credit for purchases of lights and reflectors for tractors .....	5733.44		6.
7. Credit for purchases of new manufacturing machinery and equipment			
<i>Claim only one 20% credit.</i> <input type="checkbox"/> Original 20% credit .....	5733.31		
<i>Check credit claimed.</i> <input type="checkbox"/> Alternative 20% credit .....	5733.311		7.
8. Second credit for purchases of new manufacturing machinery & equipment (7.5%-13.5% credit) .....	5733.33		8.
9. Job training credit .....	5733.42		9.
10. Credit for eligible new employees in an enterprise zone .....	5709.66		10.
11. Credit for eligible costs associated with voluntary action (brownfield site clean-up) (Attach certificate from Department of Development) .....	5733.34		11.
12. Credit for employers that establish an on-site child daycare center (see instructions) .....	5733.37		12.
13. Credit for grape production property .....	5733.32		13.
14. Export sales credit (carryforward amount only—see instructions) .....	5733.069		14.
15. Edison center credit for research and development investors (Attach credit certificate from Technology & Enterprise Advisory Board) .....	5733.35		15.
16. Enterprise zone daycare and training credits .....	5709.65		16.
17. Total nonrefundable credits (enter on Schedule A, line 19) .....			17.

**Schedule B-2 — Foreign Source Income Deduction – Section 5733.04(I)(2)**

1. IRC section 78 and 951 income .....		1.
2. Foreign dividends _____ x 100% = <b>(See Instructions)</b> .....		2.
3. Foreign royalties _____ x 90% = .....		3.
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% =	4c.
5. Foreign source income deduction (add lines 1, 2, 3, and 4c. Enter on Schedule B, line 2a) .....		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. Section 5733.04(I)(12)(a) .....		1.
2. Related entity gains (losses) from sale of other intangible property. Section 5733.04(I)(12)(b) .....		2.
3. Total related entity gains (losses) (add lines 1 and 2) .....		3.
4. Allocable portion of line 3 .....		4.
5. Apportionable related entity gains (losses) (subtract line 4 from line 3) .....		5.
6. Interest expense & intangible expense paid to related members. Sec. 5733.04(I)(13) & 5733.042 .....		6.
7. Add lines 5 and 6 .....		7.
8. Ohio apportionment ratio (Schedule D, line 4) .....		8.
9. Apportioned income (multiply line 7 by line 8) .....		9.
10. Related entity gains (losses) allocable to Ohio .....		10.
11. Add excess related entity loss (if loss deducted in all states exceeds total loss). Section 5733.054(B) .....		11.
12. Excess related entity gain (if gain taxed by all states exceeds total gain). Section 5733.054(A) .....		12. (            )
13. Related members' net interest income & net intangible income taxed by other states. Sec. 5733.055 .....		13. (            )
(Enter the lesser of (i) such income taxed by other states or (ii) the product of line 6 times line 8) .....		
14. Related entity & related member adjustment. (Add lines 9, 10, 11, 12 & 13. Enter on Sched. A, line 10) .....		14.