

**FT-1120**

**OHIO**  
**Corporation Franchise Tax Report**

**Tax Year**  
**2002**

FOR DEPARTMENT USE ONLY

Based upon calendar year 2001 or other taxable year beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, 2001.

Ohio Franchise Tax I.D. No. <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	Federal Employer Identification No. <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></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).  <input type="checkbox"/> This taxpayer is an electric company or a combined (electric) company. See 5733.04(P). Attach supplemental schedules.
Ohio Charter or License No. <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	North American Industry Classification System (NAICS Code) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	
Corporation Name <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>		
Address (check box if you are not receiving forms at the proper mailing address.) <input type="checkbox"/>		
City	State	Zip Code
<div style="border: 1px solid black; display: inline-block; padding: 2px;"><b>Statutory Agent</b></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 2001 franchise tax report.		<div style="border: 1px solid black; display: inline-block; padding: 2px;"><b>Corporate Officers</b></div> <input type="checkbox"/> Check the box if all the below-reported corporate officers are the same as were reported on the 2001 franchise tax report.
Name		President
Street Address		Secretary
City	State	Treasurer

**Schedule A — Net Income Basis**

**Whole Dollars Only**

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**

15. Net value of stock (Schedule F, line 5) .....	15.		00
16. Tax on net worth basis (Schedule K, line (d)) – not to exceed \$150,000 .....	16.		00

**Schedule A — Computation of Total Tax**

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 2001 .....	21.		00
22. Estimated payments made in 2002: 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 2003 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)**

**1. Additions:**

- (a) Valuation limitation on losses from capital or 1231 assets (Form FT-1120VL) and depreciation add-back .....
- (b) Losses from sale of Ohio public obligations .....
- (c) Amount claimed as a credit for taxes paid by a qualifying pass-through entity .....
- (d) Net loss from an "exempted investment" in a public utility .....
- (e) Total additions (Add lines 1a, 1b, 1c and 1d) .....

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

**2. Deductions:**

- (a) Net income from foreign sources (Schedule B-2, line 5) .....
- (b) Valuation limitation on gains from capital or 1231 assets (Form FT-1120VL) .....
- (c) Dividends received (IRC section 243 and ORC 5733.04(I)(7) and (I)(8)) .....
- (d) Adjustment for targeted jobs tax credit or work opportunity tax credit .....
- (e) Net interest income from exempt U.S. obligations .....
- (f) Interest on Ohio public and purchase obligations and gain from the sale of Ohio public obligations .....
- (g) Contributions to an individual development account program .....
- (h) Net income from an "exempted investment" in a public utility .....
- (i) Total deductions (Add lines 2a through 2h) .....

**3. Net adjustments:**

(Line 1e minus line 2i. If negative, put in parenthesis. Enter on Schedule A, line 2.) .....

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

**Within Ohio**

**Total Everywhere**

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

1	
2	
3	
4	
5	
6	
7	

1	
2	
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7	

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

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

**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.

**Schedule F — Computation of Taxable Value — Section 5733.05(C)**

1. Net worth (assets minus liabilities) .....	1	
2. Qualifying amount (if the taxpayer is a related member to a qualifying holding company) ORC 5733.05(C)(2) .....	2	
3. Adjusted net worth (Add lines 1 and 2) .....	3	
4. Exempted assets (net book value):		
(a) Air, water and noise pollution control facilities for which the taxpayer holds Ohio exemption certificates .....	4a	
(b) Qualifying improvements to land or tangible personal property in an enterprise zone for which the taxpayer holds tax incentive qualification certificates .....	4b	
(c) Energy conversion facilities for which the taxpayer holds conversion certificates under ORC 5709.31 .....	4c	
(d) Civil defense shelters .....	4d	
(e) Land in Ohio devoted exclusively to agriculture .....	4e	
(f) Total exempted assets .....	4f	
5. Net value of stock (line 3 minus line 4f) (Enter on Schedule A, line 15) .....	5	
6. Ohio apportionment ratio (Schedule D, line 4) .....	6	
7. Taxable value (Multiply line 5 by line 6. Enter on Schedule K, lines (d), (i) and (l)) .....	7	

**Schedule G — Questionnaire (You Must Complete this Schedule)**

1. State or country where incorporated \_\_\_\_\_
2. Corporation tax records are in care of (Name) \_\_\_\_\_  
Telephone No. ( ) \_\_\_\_\_ E-mail Address \_\_\_\_\_
3. Is this corporation a member of a consolidated U.S. 1120?  Yes  No. If "yes," enter the name and FEIN of the common parent: (Name) \_\_\_\_\_ (FEIN) \_\_\_\_\_ and the number of corporations that are included in the consolidated U.S. group \_\_\_\_\_.
4. Is the corporation currently under audit by the IRS?  Yes  No If yes, what years? \_\_\_\_\_  
Does the corporation currently have IRS audits under appeal?  Yes  No If yes, what years? \_\_\_\_\_  
What was the last year the IRS redetermined the corporation's federal taxable income? \_\_\_\_\_  
Were the adjustments reported to Ohio?  Yes  No
5. During the taxable year, did this corporation make payments to or receive payments from a "related member" as defined in ORC section 5733.042?  Yes  No
6. If the corporation is currently an S corporation but was a C corporation during any portion of a taxable year ending in 2001, check the box: . An S corporation is subject to the franchise tax for tax year 2002 based upon the corporation's taxable year ending in 2001 for which the federal S election was not in effect.
7. During 2000 or 2001, was this corporation the survivor of a merger with another corporation which was subject to the Ohio franchise tax?  Yes  No.

**Declaration/Signatures (An officer or managing agent of the corporation must sign this declaration. )**

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

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

▶		
Date	Signature of officer or managing agent	Title
▶		
Date	Signature of preparer other than taxpayer based on all information of which preparer has knowledge	Title

<b>Name</b>	<b>Franchise Tax ID Number</b>	<b>2002</b>
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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 maintaining railroad crossing warning devices .....	5733.43		6.
7. Credit for purchases of lights and reflectors for tractors .....	5733.44		7.
8. Second credit for purchases of new manufacturing machinery & equipment (7.5%-13.5% credit) .....	5733.33		8.
9. Credit for qualified research expense .....	5733.351		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% = .....		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.

# Ohio Taxpayers' Affiliation Schedule

### Special Notes

1. Ohio Revised Code section 5733.06(F) requires that all related Ohio taxpayer corporations meeting the ORC section 5733.052(A) greater than 50% "ownership or control requirements" share the first \$50,000 taxable income bracket to which the lower 5.1% tax rates applies. Related Ohio taxpayer corporations must share the first \$50,000 bracket regardless of whether the Ohio taxpayers file as members of an Ohio combined franchise tax report. The purpose of this affiliation schedule is to identify all related Ohio taxpayers and to pro-rate the first \$50,000 of Ohio taxable income [indicate in column (g)]; however, a taxpayer's pro-rata amount may not be less than zero.

2. In columns (b), (c), and (d), list the name, federal employer ID number (FEIN) and Ohio franchise tax ID number of all related Ohio taxpayer corporations as of January 1 of the report year, regardless of whether the related Ohio taxpayers file an Ohio combined franchise tax report.
3. For each corporation listed in column (b) that is a member of an Ohio combined franchise tax report, enter in column (e) the corporation number from column (a) for the taxpayer (Ohio parent or lead corporation) whose name appears in column (2) on Ohio form FT-1120C and attach this affiliation schedule, along with a copy of the taxpayer group's Federal form 851, only to the Ohio FT-1120 of the Ohio parent or lead corporation.

4. For each corporation listed in column (b) that is not a member of an Ohio combined franchise tax report, do not make an entry into column (e); however, attach this affiliation schedule, along with a copy of the taxpayer group's Federal form 851, to each taxpayer's Ohio FT-1120.

5. In column (f), identify all qualifying holding companies by placing a checkmark in the box.

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Corporation Number	Corporation's Name	Federal Employer ID Number	Ohio Franchise Tax ID Number	If a member of an Ohio combined group indicate here the corp. no. from column (a) of the Ohio parent or lead corporation	Check box if a qualifying holding company	Proration of first \$50,000 of Ohio taxable income (not less than -0-)
1.						
2.						
3.						
4.						
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9.						
10.						
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20.						

Attach additional sheets if necessary.