

Schedule B – Adjustments to Federal Taxable Income – R.C. 5733.04(I)

1. Additions:

- a) Valuation limitation on losses from capital or 1231 assets (form FT 1120VL).....
- 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) Depreciation expense adjustment from Schedule B-4, line 1 and miscellaneous federal tax adjustments
- f) Distributive or proportionate share of pass-through entity expenses paid to, losses incurred from transactions with, and excess inventory costs paid to related members.....
- g) Deductible temporary differences in connection with the commercial activity tax credit for corporation franchise tax net operating losses. See R.C. 5751.53(H)(2)
- h) Total additions (add lines 1a through 1g).....

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| 1a. | |
| 1b. | |
| 1c. | |
| 1d. | |
| 1e. | |
| 1f. | |
| 1g. | |
| 1h. | |
| 2a. | |
| 2b. | |
| 2c. | |
| 2d. | |
| 2e. | |
| 2f. | |
| 2g. | |
| 2h. | |
| 2i. | |
| 2j. | |
| 2k. | |
| 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 (Internal Revenue Code section [I.R.C.] 243 and R.C. 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) Depreciation expense adjustment from Schedule B-4, line 19 and miscellaneous federal tax adjustments
- j) Taxable temporary differences in connection with the commercial activity tax credit for corporation franchise tax net operating losses. See R.C. 5751.53(H)(3)
- k) Total deductions (add lines 2a through 2j)

3. Net adjustments:

Line 1h minus line 2k. If negative, put in parentheses. Enter here and on Schedule A, line 2.....

Schedule B-2 – Foreign Source Income Deduction – R.C. 5733.04(I)(2)

- 1. I.R.C. section 78 and 951 income.....
- 2. Foreign dividends x 100% =
- 3. Foreign royalties x 90% =
- 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% =
- 5. Foreign source income deduction (add lines 1, 2, 3 and 4c). Enter here and on Schedule B, line 2a .

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| 1. | |
| 2. | |
| 3. | |
| 4c. | |
| 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. R.C. 5733.04(I)(12)(a).....
- 2. Related entity gains (losses) from sale of other intangible property. R.C. 5733.04(I)(12)(b).....
- 3. Total related entity gains (losses). (Add lines 1 and 2.)
- 4. Allocable portion of line 3.....
- 5. Apportionable related entity gains (losses). (Subtract line 4 from line 3.).....
- 6. Interest expense and intangible expense paid to related members. R.C. 5733.04(I)(13) and 5733.042
- 7. Add lines 5 and 6
- 8. Ohio apportionment ratio (Schedule D, line 4).....
- 9. Apportioned income (multiply line 7 by line 8)
- 10. Related entity gains (losses) allocable to Ohio.....
- 11. Add excess related entity loss (if loss deducted in all states exceeds total loss). R.C. 5733.054(B)
- 12. Excess related entity gain (if gain taxed by all states exceeds total gain). R.C. 5733.054(A)
- 13. Related members’ net interest income and net intangible income taxed by other states. R.C. 5733.055. (Enter the lesser of (i) such income taxed by other states or (ii) the product of line 6 times line 8.)
- 14. Related entity and related member adjustment (add lines 9, 10, 11, 12 and 13). Enter here and on Schedule A, line 10

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| 1. | |
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| 3. | |
| 4. | |
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| 8. | |
| 9. | |
| 10. | |
| 11. | |
| 12. | () |
| 13. | () |
| 14. | |

Schedule B-4 – Bonus Depreciation and Section 179 Adjustment

| R.C. 5733.04(I)(17) and (I)(18). See the department's information releases dated Nov. 7, 2002 and July 31, 2002 – revised June 2004, available on our Web site at tax.ohio.gov. | Schedule B (a) | To Schedule C Allocable to Ohio (b) | To Schedule C Allocable Everywhere (c) |
|--|-------------------|--|---|
| 1. Enter in column (a) of this schedule and include on Schedule B, line 1(e) the sum of (i) 5/6 of the IRC section 168(k) bonus depreciation amount deductible in determining federal taxable income for the taxable year ¹ and (ii) 5/6 of the "qualifying section 179 depreciation expense" ² deductible in determining federal taxable income for the taxable year. However, if the taxpayer is a member of a combined report, enter here and include the sum on form FT 1120C, Schedule B (Combined), line 2(e). | | | |
| 2. Enter in column (b) the portion of the amount on line 1 that is related to Schedule C nonbusiness income allocable to Ohio . | | | |
| 3. Enter in column (c) the portion of the amount on line 1 that is related to Schedule C nonbusiness income allocable everywhere . | | | |
| 4. Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the 2008 franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2008 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2008 franchise tax report. | | | |
| 5. If on the 2008 report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount. | | | |
| 6. If on the 2008 report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount. | | | |
| 7. Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the 2007 franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2007 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2007 franchise tax report. | | | |
| 8. If on the 2007 report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount. | | | |
| 9. If on the 2007 report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount. | | | |
| 10. Enter in column (a) 1/5 of the amount entered on Schedule B-4, line 1 of the 2006 franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2006 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2006 franchise tax report. | | | |
| 11. If on the 2006 report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount. | | | |
| 12. If on the 2006 report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount. | | | |
| 13. Enter in column (a) 1/5 the amount entered on Schedule B-4, line 1 of the 2005 franchise tax report. That is, enter 1/5 the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2005 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2005 franchise tax report | | | |
| 14. If on the 2005 report the taxpayer entered an amount in Schedule B-4, line 2, enter in column (b) 1/5 of that amount. | | | |
| 15. If on the 2005 report the taxpayer entered an amount in Schedule B-4, line 3, enter in column (c) 1/5 of that amount. | | | |
| 16. Enter in column (a) 1/5 the amount entered on Schedule B-4, line 1 of the 2004 franchise tax report. That is, enter 1/5 of the sum of (i) I.R.C. section 168(k) bonus depreciation amount included on Schedule B-4, line 1 of the 2004 franchise tax report and (ii) the "qualifying section 179 depreciation expense" amount included on Schedule B-4, line 1 of the 2004 franchise tax report. | | | |

Continued on next page

Schedule B-4 – Bonus Depreciation and Section 179 Adjustment

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|---|--|-----------------------|--|---|
| R.C. 5733.04(l)(17) and (l)(18). See the department's information releases dated Nov. 7, 2002 and July 31, 2002 – revised June 2004, available on our Web site at tax.ohio.gov. | | Schedule B (a) | To Schedule C Allocable to Ohio (b) | To Schedule C Allocable Everywhere (c) |
| 17. | If on the 2004 report the taxpayer entered an amount on Schedule B-4, line 2, enter in column (b) 1/5 of that amount. | | | |
| 18. | If on the 2004 report the taxpayer entered an amount on Schedule B-4, line 3, enter in column (c) 1/5 of that amount. | | | |
| 19. | Add lines 4, 7, 10, 13 and 16. Enter the sum here and include the sum on Schedule B, line 2(i). However, if the taxpayer is a member of a combined report, enter here and include the sum on Schedule B (Combined), line 2(q). | | | |
| 20. | Add lines 5, 8, 11, 14 and 17. | | | |
| 21. | Subtract line 20 from line 2. If the result is negative, put in parentheses. Enter here and in the Ohio column of Schedule C, line 1. | | | |
| 22. | Add lines 6, 9, 12, 15 and 18. | | | |
| 23. | Subtract line 22 from line 3. If the result is negative, put in parentheses. Enter here and in the everywhere column of Schedule C, line 1. However, if the taxpayer is a member of a combined report, enter here and on Schedule C (Combined), line 1. | | | |

Endnotes for Schedule B-4 – Bonus Depreciation and Section 179 Adjustment

¹ For purposes of the 5/6 add-back for bonus depreciation and section 179 expenses, the taxpayer's bonus depreciation and section 179 expense amounts "deductible in determining federal taxable income for the taxable year" are the taxpayer's amounts expensed for federal income tax purposes adjusted by any "miscellaneous federal adjustments" (if applicable) with respect to (i) IRC section 168(k) bonus depreciation expense and (ii) IRC section 179 depreciation expense. See the instructions for schedule B, lines 1(e) and 2(i).

² "Qualifying section 179 depreciation expense" means the difference between (i) the amount of depreciation expense directly or indirectly allowed the taxpayer under section 179 of the Internal Revenue Code adjusted by any "miscellaneous federal adjustments" (if applicable) with respect to IRC section 179 depreciation expense, and (ii) the amount of depreciation expense directly or indirectly allowed the taxpayer under IRC section 179 as that section existed on Dec. 31, 2002. See the instructions for schedule B, lines 1(e) and 2(i) and ORC section 5733.04(l)(17)(a)(ii).

Bonus Depreciation and Section 179 Adjustment

| Add-back Year | Franchise tax report years in each of which the taxpayer deducts 1/5 of the I.R.C. section 168(k) and qualifying section 179 amounts added back on a previous year's tax report. | | | | | | | | | | Total Deduction |
|---------------|--|------|------|------|------|-------|-------|-------|-------|-------|-----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010* | 2011* | 2012* | 2013* | 2014* | |
| 2004 | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | | | | | | 5/5 |
| 2005 | | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | | | | | 5/5 |
| 2006 | | | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | | | | 5/5 |
| 2007 | | | | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | | | 5/5 |
| 2008 | | | | | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | | 5/5 |
| 2009 | | | | | | 1/5 | 1/5 | 1/5 | 1/5 | 1/5 | 5/5 |

*Because the franchise tax will expire with the 2009 report for taxpayers other than financial institutions and corporations described in R.C. 5751.01(E)(5), (6), (7), (8) or (10), the bonus depreciation and section 179 deductions for tax years 2010, 2011, 2012, 2013 and 2014 will apply only to corporations described in R.C. 5751.01(E)(5), (6), (7), (8) or (10). Corporations described in R.C. 5751.01(E)(5), (6), (7), (8) and (10) are generally (i) financial holding companies, (ii) bank holding companies, (iii) savings and loan holding companies, (iv) certain subsidiaries of financial institutions, financial holding companies, bank holding companies, and savings and loan holding companies, and (v) securitization companies.

CAUTION: All income, gain, loss and expense is presumed to be business income. See instructions.

Schedule C – Allocable Income – R.C. 5733.051

Within Ohio

Total Everywhere

| | | | | |
|---|----|--|----|--|
| 1. Amounts from Schedule B-4, lines 21 and 23 | 1. | | 1. | |
| 2. Nonbusiness income (attach explanation)..... | 2. | | 2. | |
| 3. Total everywhere. (If negative, put in parentheses. Enter here and on Sched. A, line 4.) | 3. | | 3. | |
| 4. Total Ohio. (If negative, put in parentheses. Enter here and on Schedule A, line 8.)..... | 4. | | 4. | |

Schedule D – Net Income Apportionment Ratio – R.C. 5733.05(B)(2)

In computing the property, payroll and sales factors do not include the portion of property, payroll and sales to the extent such portion relates to, or is used in connection with, the production of nonbusiness income.

Compute Schedule D on a separate company basis even if the taxpayer is a member of a combined report.

| (a) Within Ohio | (b) Total Everywhere | (c) Ratio | (d) Weighted Factor |
|--------------------|----------------------------|--------------|---------------------------|
|--------------------|----------------------------|--------------|---------------------------|

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%.

| | | | | | | |
|--|-------|---------|-------------------------------|---------|-----|-------|
| 1. Property | | | | | | |
| (a) Owned (average cost)..... | _____ | _____ | | | | |
| (b) Rented (annual rental x 8)..... | _____ | _____ | (carry to six decimal places) | | | |
| (c) Total property | _____ | ÷ _____ | = _____ | x .20 = | 1c. | _____ |
| 2. Payroll | _____ | ÷ _____ | = _____ | x .20 = | 2. | _____ |
| 3. Sales | _____ | ÷ _____ | = _____ | x .60 = | 3. | _____ |
| 4. Total apportionment ratio (add weighted factor column (d), lines 1c, 2 and 3). Enter here and on Schedule A, line 6 and, if applicable, Schedule F, line 6 (see note following Schedule F). | | | | | 4. | _____ |

CAUTION: Schedule D-2 applies only if the taxpayer has nonbusiness income.

Schedule D-2 – Net Worth Apportionment Ratio – R.C. 5733.05(C)(2)

In apportioning net worth, adjust the numerator and denominator of the apportionment ratio to include the portion of any real and tangible personal property, payroll and sales related to, or used in connection with, the production of nonbusiness income allocated under R.C. 5733.051.

Compute Schedule D-2 on a separate company basis even if the taxpayer is a member of a combined report.

| (a) Within Ohio | (b) Total Everywhere | (c) Ratio | (d) Weighted Factor |
|--------------------|----------------------------|--------------|---------------------------|
|--------------------|----------------------------|--------------|---------------------------|

| | | | | | | |
|--|-------|---------|-------------------------------|---------|-----|-------|
| 1. Property | | | | | | |
| (a) Owned (from Sched. D, line 1a) .. | _____ | _____ | | | | |
| (b) Adjustments | _____ | _____ | | | | |
| (c) Rented (from Sched. D, line 1b) .. | _____ | _____ | (carry to six decimal places) | | | |
| (d) Adjustments | _____ | _____ | | | | |
| (e) Total adjusted property..... | _____ | ÷ _____ | = _____ | x .20 = | 1e. | _____ |
| 2. Payroll | | | | | | |
| (a) From Schedule D, line 2..... | _____ | _____ | | | | |
| (b) Adjustments | _____ | _____ | | | | |
| (c) Total adjusted payroll | _____ | ÷ _____ | = _____ | x .20 = | 2c. | _____ |
| 3. Sales | | | | | | |
| (a) From Schedule D, line 3..... | _____ | _____ | | | | |
| (b) Adjustments | _____ | _____ | | | | |
| (c) Total adjusted sales..... | _____ | ÷ _____ | = _____ | x .60 = | 3c. | _____ |
| 4. Total apportionment ratio (add weighted factor column (d), lines 1e, 2c and 3c). Enter here and on Schedule F, line 6, even if the taxpayer is a member of a combined report. | | | | | 4. | _____ |

Schedule E — Balance Sheet

Attach to this franchise tax report a balance sheet (e.g., IRS form 1120, Schedule L) that 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 – R.C. 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) R.C. 5733.05(C)(2)..... | 2. | |
| 3. Adjusted net worth (add lines 1 and 2)..... | 3. | |
| 4. Exempted assets (net book value) | | |
| (a) Civil defense shelters..... | 4a. | |
| (b) Land in Ohio devoted exclusively to agriculture..... | 4b. | |
| (c) Total exempted assets..... | 4c. | |
| 5. Net value of stock (line 3 minus line 4c). Enter here and on Schedule A, line 15..... | 5. | |
| 6. Ohio apportionment ratio (from Schedule D or D-2, line 4, see note below)..... | 6. | . |
| 7. Taxable value (multiply line 5 by line 6). Enter here and on Schedule G, lines (d), (i) and (l)..... | 7. | |

Note: Taxable value is determined on a separate company basis even if the taxpayer is a member of a combined report. Multiply the taxpayer's separate company net value of stock by the taxpayer's separate company apportionment ratio.

| Minimum Fee Requirements | |
|--|---|
| Caution: The phase-out factor along with the taxpayer's nonrefundable credits and the grant for purchases of new manufacturing machinery and equipment <u>cannot</u> reduce the taxpayer's liability below the minimum fee. | |
| Minimum Fee | Thresholds |
| \$1,000 | 1. The sum of the taxpayer's gross receipts from activities within and without Ohio during the taxable year equals or exceeds \$5 million; or 2. The total number of the taxpayer's employees within and without Ohio during the taxable year equals or exceeds 300. Note: In determining these thresholds, the taxpayer must include its proportionate share of the gross receipts of any pass-through entity in which the taxpayer has a direct or indirect ownership interest and its proportionate share of the number of employees of the pass-through entity. Gross receipts include receipts that generate business income and receipts that generate nonbusiness income. |
| \$50 | If both the taxpayer's gross receipts and number of employees are less than the thresholds above. |

Instructions for Check Boxes on Page 1

- Amended report – If the amended report reflects a refund, attach form FT REF and see the instruction booklet, general instructions 11C and 28.
- Combined report – Attach forms FT 1120C and FT OTAS to the Ohio franchise tax report of the "lead" taxpayer shown in column 2 of the FT 1120C and show the lead taxpayer's Ohio franchise tax I.D. number on the line next to the check box.
- Qualifying holding company – Attach form FT QHC.
- Electric company or combined (electric) company – Attach supplemental Schedules B, C and A-1 for electric companies.
- Telephone companies – Attach supplemental Schedule A-1 for telephone companies.
- Taxpayers described in R.C. 5751(E)(5), (6), (7), (8) or (10) are not subject to the franchise tax phase-out. Such taxpayers must add Schedule A lines 17 and 18 and from the sum subtract line 19 – **do not multiply the result by 20%**. See R.C. 5733.01(G)(2).

Schedule G – Tax Computation Worksheet

Section 1: Franchise Tax Computation

Net Income Basis

Note: All related Ohio taxpayer corporations that as of Jan. 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 R.C. 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 = a.
- (b) Ohio taxable income greater than \$50,000 (see note above)..... _____ x .085 = b.
- (c) Tax on net income basis. (Add lines (a) and (b). Enter here and on Schedule A, line 14.)..... c.

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

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

Tax Due

- (e) Greater of lines (c) or (d), but not less than the minimum fee. (Enter here and on Sched. A, line 17.). e.

Section 2: Litter Tax Computation

Tier One Litter Tax (Complete tier one if the amount on line (e) is greater than the minimum fee.)

Net Income Basis

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

Net Worth Basis

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

Tier One Litter Tax

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

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 greater than \$50,000 (see note above)..... _____ x .0022 = k.

Net Worth Basis

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

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

Schedule A-1 – Nonrefundable Credits

Ohio Revised Code (R.C.) Section

Credits must be claimed in the order listed. R.C. 5733.98

| | | | |
|---|--------------|-----|--|
| 1. Credit for qualifying affiliated groups (due to related entity and related member adjustments)..... | 5733.068 | 1. | |
| 2. Credit for recycling and litter prevention donations..... | 5733.064 | 2. | |
| 3. Credit for maintaining railroad crossing warning devices..... | 5733.43 | 3. | |
| 4. Job retention credit (attach credit certificate). Caution: See below..... | 5733.0610(B) | 4. | |
| 5. Credit for selling alternative fuel..... | 5733.48 | 5. | |
| 6. Job training credit (carryforward amount only)..... | 5733.42 | 6. | |
| 7. Credit for qualified research expenses. Caution: See below..... | 5733.351 | 7. | |
| 8. Credit for eligible new employees in an enterprise zone..... | 5709.66 | 8. | |
| 9. Ethanol plant investment credit..... | 5733.46 | 9. | |
| 10. Credit for grape production property..... | 5733.32 | 10. | |
| 11. Technology investment credit (attach credit certificate from Technology and Enterprise Advisory Board)..... | 5733.35 | 11. | |
| 12. Enterprise zone day care and training credits..... | 5709.65 | 12. | |
| 13. Research and development loan repayment credit (attach credit certificate). Caution: See below..... | 5733.352 | 13. | |
| 14. Total of lines 1 through 13. Enter here and on Schedule A, line 19..... | | 14. | |
| 15. Credit for taxes paid by a qualifying pass-through entity. Enter here and on Schedule A, line 21..... | 5733.0611 | 15. | |

Caution: Taxpayers that are subject to the franchise tax phase-out and the commercial activity tax phase-in may not claim on this report the following three nonrefundable credits: (i) the job retention credit, (ii) the credit for qualified research expenses and (iii) the research and development loan repayment credit. Instead, these three nonrefundable credits along with the refundable new jobs credit are available under the commercial activity tax starting Jan. 1, 2008. However, a taxpayer may not apply these credits against the taxpayer's commercial activity tax liability until the tax period July 1, 2008 to Sept. 30, 2008 on the commercial activity tax return due Nov. 9, 2008. See tax commissioner's rule 5703-29-22. If the taxpayer is not subject to the franchise tax phase-out, the taxpayer may continue claiming these credits against the franchise tax.

Questionnaire (you must complete this schedule)

- Corporation tax records are in care of (name, please print) _____
Telephone number _____ E-mail address _____
- 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 _____
- 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? _____
- During the taxable year, did this corporation make payments to, or receive payments from, a "related member" as defined in R.C. 5733.042? Yes No
- During 2007 or 2008 was this corporation the survivor of a merger with another corporation that was subject to the Ohio franchise tax? Yes No
- If you entered any nonbusiness income on page 1, line 4, indicate the state(s) to which you reported such income as business income: _____
- Is the taxpayer a "related member" to a real estate investment trust (REIT) or is a REIT a related member to the taxpayer? Yes No If "yes," please identify the REIT by name, address and FEIN. _____
- During the taxable year, did the taxpayer have a direct or indirect equity interest of 20% or more in any pass-through entity? Yes No
- During the taxable year or any of the three preceding taxable years, did the taxpayer, directly or indirectly, participate in any tax shelter with respect to which registration is required under I.R.C. section 6111? Yes No

Declaration and 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 Ohio Revised Code section 3517.082, 3599.03 and 3599.031, 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 (see general Instructions, item #16). | Title |