

Ohio Form IT-1140 for Taxable Years Beginning in 2002

Schedule B: Qualifying Pass-through Entities – Tax Due

Use this schedule to calculate the adjusted qualifying amounts and tax due for all qualifying investors in qualifying pass-through entities. Please see "Special Rules" starting on page 3 of the instructions.

	(A) Qualifying Investors Who Are Nonresident Individuals	(B) Qualifying Investor Other Than Nonresident Individuals
1. Sum of all qualifying investors' distributive shares of income and gain ...	1. _____	_____
2a. Add: 5/6 of Internal Revenue Service section 168(k) bonus depreciation for the taxable year	2a. _____	_____
2b. Other adjustments (see page 7 of the instructions)	2b. <u> < > </u>	<u> < > </u>
3. Adjusted qualifying amount: Line 1 plus line 2a minus line 2b	3. _____	_____
4. Add: All qualifying investors' share of expenses and losses incurred in connection with all direct and indirect transactions between the qualifying pass-through entity and its related members (see note below). However, do <u>not</u> add expenses or losses incurred in connection with sales of inventory to the extent that the cost of the inventory and the loss incurred were calculated in accordance with Internal Revenue Code sections 263A and 482	4. _____	_____
5. If the qualifying pass-through entity is either a partnership or a limited liability company treated as a partnership, add all qualifying investors' shares of guaranteed payments that the qualifying pass-through entity made to any qualifying investor directly or indirectly owning at least 20% of the qualifying pass-through entity	5. _____	_____
6. If the qualifying pass-through entity is an S corporation, add all qualifying investors' shares of compensation that the qualifying pass-through entity S corporation made to any qualifying investor directly or indirectly owning at least 20% of the qualifying pass-through entity	6. _____	_____
7. Adjusted distributive share. Add lines 3, 4, 5 and 6	7. _____	_____
8. Apportionment ratio from Schedule C, line 4 on the next page	8. <u> X </u>	<u> X </u>
9. Adjusted qualifying amount: Line 7 times line 8. Complete the remainder of this worksheet only if the sum of line 9, columns (A) and (B) exceeds \$1,000	9. _____	_____
10. Tax rate	10. <u> X .05 </u>	<u> X .085 </u>
11. Tax due: Line 9 times line 10. Place the column (A) amount on Form IT-1140, line 1, column (I); place column (B) amount on Form IT-1140, line 1, column (II)	11. _____	_____

Note: "Related member" is defined in O.R.C. section 5733.042(A)(6) but is modified by O.R.C. section 5733.40(P). For purposes of the line 4 adjustment, a related member is any business entity directly or indirectly related to the taxpayer if the direct and indirect ownership interests exceed 40%.

