

## INSTRUCTIONS FOR NET PROFIT RETURN

### WHO MUST FILE?

ALL BUSINESSES REGARDLESS OF WHETHER THE BUSINESS RESULTED IN A PROFIT OR LOSS.

**FAILURE TO FILE WILL RESULT IN A \$25.00 MINIMUM PENALTY EVEN IF THE BUSINESS SHOWS A LOSS.**

**ENCLOSE ONE COMPLETE COPY WITH ALL ATTACHMENTS OF THE FOLLOWING RETURNS AS APPLICABLE:**

<b>SELF EMPLOYED</b>	SCH C (1040)/FEDERAL	<b>CORPORATION</b>	ALL PAGES OF FEDERAL FORM 1120
<b>RENTALS</b>	SCH E (1040)/FEDERAL	<b>S CORPORATION</b>	ALL PAGES OF FEDERAL FORM 1120S
	FORM 4835(1040)/FEDERAL	<b>PARTNERSHIP</b>	ALL PAGES OF FEDERAL FORM 1065
<b>FARMING</b>	SCH F (1040)/FEDERAL	<b>ESTATES OR TRUSTS</b>	ALL PAGES OF FEDERAL FORM 1041

**INCLUDING ALL ATTACHED STATEMENTS**

**\*\*NOTE\*\***

**K-1'S ARE NOT REQUIRED TO BE ATTACHED**

**CONTRACTORS:** DEFINED AS ANY BUSINESS WHICH INCUR SUB-CONTRACT FEES AND/OR CONTRACT LABOR/SERVICE EXPENSES. YOU MUST ATTACH A LIST OF ALL SUBCONTRACTORS AFFILIATED WITH YOUR WORK IN ROCKCASTLE COUNTY. INCLUDE NAME, ADDRESS, TELEPHONE NUMBER, AND FEDERAL ID#. YOU MAY SUBMIT 1099'S IN LIEU OF LIST.

**SECTION A – TAX COMPUTATION** SHOULD BE COMPLETED BY ALL PERSONS WHO HAVE ROCKCASTLE COUNTY SALES/INCOME AND/OR PAYROLLS. FOLLOWING ARE LINE BY LINE INSTRUCTIONS.

**LINE 1.** ENTER THE NET PROFIT OR LOSS FROM THE FORMS WHICH APPLY TO YOU. **PARTNERSHIPS AND S CORPORATIONS: INCOME SECTION LESS DEDUCTIONS SECTION FROM FORM 1065 SCHEDULE K OR FORM 1120S SCHEDULE K. CORPORATIONS SHOULD USE TAXABLE INCOME BEFORE NOL DEDUCTION.** A SEPARATE NET PROFIT RETURN MUST BE COMPLETED FOR EACH BUSINESS. FOR EXAMPLE, A SELF EMPLOYED ENTITY WHO OWNS RENTAL PROPERTY CANNOT COMBINE THEIR SCHEDULE C AND SCHEDULE E PROFITS AND/OR LOSSES TOGETHER.

**LINE 2. ITEMS NOT DEDUCTIBLE (ATTACH LIST):** (I.E.) STATE AND/OR LOCAL TAXES BASED ON INCOME AND NET OPERATING LOSS CARRYOVER'S ARE NOT DEDUCTIBLE.

**LINE 3. ITEMS NOT SUBJECT:** FOR TAXPAYERS AGE 65 AND OVER, THE FIRST \$4,000.00 OF SELF EMPLOYED, RENTAL AND FARMING INCOME.

**LINE 5.** IF YOUR BUSINESS SALES AND PAYROLL IS EXCLUSIVE TO ROCKCASTLE COUNTY, ENTER 100% AND GO TO LINE 6. OTHERWISE, COMPLETE SECTION B AND ENTER THE PERCENTAGE FROM LINE D HERE.

**LINE 10.** IF YOUR RETURN IS FILED TIMELY, SKIP LINE 10. A TIMELY FILED RETURN IS ONE THAT IS POSTMARKED BY THE DUE DATE INCLUDING EXTENSIONS. OTHERWISE, CALCULATION SHOULD BE MADE ON A MONTHLY BASIS. A FRACTION OF A MONTH IS COUNTED AS AN ENTIRE MONTH. **THE LATE PAYMENT OR LATE FILING PENALTY IS 5% PER MONTH, MAXIMUM 25%, MINIMUM PENALTY IS \$25.00.**

**LINE 11.** IF YOUR TAX IS PAID BY THE **ORIGINAL DUE DATE**, SKIP LINE 11 OTHERWISE, CALCULATION SHOULD BE MADE ON A MONTHLY BASIS. A FRACTION OF A MONTH IS COUNTED AS AN ENTIRE MONTH. THE FORMULA FOR THE CALCULATION IS **(LINE 9 + LINE 10) X .01 X NUMER OF MONTHS LATE).**

**EXTENSIONS –** YOU MAY RECEIVE AN EXTENSION FOR FILING YOUR RETURN BY SUBMITTING A WRITTEN REQUEST ON OR BEFORE THE DUE DATE. THOSE WHO RECEIVE A FEDERAL OR STATE EXTENSION ARE NOT REQUIRED TO REQUEST A SEPARATE ROCKCASTLE COUNTY EXTENSION BUT MUST ATTACH A COPY OF THE FEDERAL OR STATE EXTENSION TO THE RETURN. THIS IS ONLY AN EXTENSION FOR FILING YOUR RETURN AND IS NOT AN EXTENSION OF TIME TO PAY THE TAX. **INTEREST WILL BE ASSESSED ON TAX PAID AFTER THE ORIGINAL DUE DATE.**

**LINE 14.** ENTER THE AMOUNT OF OVERPAYMENT. THE SENIOR EXEMPTION **CANNOT** CREATE AN OVERPAYMENT. **YOU MUST CHECK THE REFUND BOX IF YOU WANT YOUR OVERPAYMENT REFUNDED.** OTHERWISE, THE OVERPAYMENT WILL BE APPLIED TO YOUR ACCOUNT FOR FUTURE RETURNS.

