

**Supplement to Resident Form IR**

**Allocation of Credits for Schedule C and/or Schedule E Business Activity**

**Tax Year** \_\_\_\_\_

This form is to be used to calculate the credit for taxes paid for Other Income from a Federal Schedule C and/or E when there are profits and losses and the net is a profit.

Schedule C and/or Schedule E Profits and losses

Net Overall Loss

If all business activity net's to a loss, then the loss amount will be documented on page 2 of the Form IR and carried to page 1, line 2 of the Form IR. This loss can then be carried forward to offset any future net overall profits for 5 years.

Net Overall Profit when there are Profits and Losses

Schedule C and/or E shows both net profits and losses, but net is an overall profit, and all or a portion of the activity is located in another municipality(s), and taxes have been paid to said municipality(s), full credit for those taxes paid cannot be given by Springdale, since losses were used to reduce the profits.

If based on where the business activity was located, a tax return was filed with another municipality(s) and taxes paid - **See the calculation for Springdale credit on page 2 of this Form.**

If business activity is located in another municipality(s), and at the time of filing the tax return with Springdale a filing and tax payment has not been made with other municipalities, no credit will be given regarding that business activity.

Supplement to Resident Form IR

Allocation of Credits for Schedule C or Schedule E Business Activity

Tax Year \_\_\_\_\_

Calculation of Credit for Taxes paid to other Municipalities

		Office Use Only
(A) Total Business Activity Profits:	_____	
(B) Total Business Activity Losses:	_____	
(C) Net Profit (Taxable Business Activity):	_____	
For <b>Each</b> Municipality Where Taxes Were Paid, Do The Following Calculation:		
<b><u>Name of Municipality:</u></b>		
_____		
(D) Total Business Activity Profit for Municipality:	_____	
(A) Total Business Activity Profits, from above:	_____	
<u>Calculation 1:</u> Divide (D) by (A), Document %:	_____	
(C) Net Profit (Taxable Business Activity), from above:	_____	
<u>Calculation 2:</u> Multiply (C) by Calculation 1 above:	_____	
Municipality Tax Rate:	_____	
<b>Calculation 2 Amount X Municipality Tax Rate -</b>	_____	
<b>This is the Allowed Credit for the Municipality</b>	_____	

Note - Add all Allowed Credits and Carry this Total to Form IR, Page 1, Line 5. C.

