

WHO MUST FILE?

1. ALL BUSINESSES REGARDLESS OF WHETHER THE BUSINESS RESULTED IN A PROFIT OR LOSS.
2. INDIVIDUALS AND THOSE FIDUCIARIES ACTING ON THE BEHALF OF INDIVIDUALS OR DECEASED INDIVIDUALS HAVING COMPENSATION RECEIVED FOR THE RENTING OF MORE THAN (1) RENTAL UNIT OR LEASING OF RESIDENTIAL PROPERTY LOCATED WITHIN KNOX COUNTY.

ENCLOSE ONE COMPLETE COPY OF THE FOLLOWING RETURNS AS APPLICABLE (INCLUDE ALL PAGES AND ATTACHMENTS):

SELF EMPLOYED:	SCHEDULE C (1040) FEDERAL	CORPORATION:	FEDERAL FORM 1120
RENTALS:	SCHEDULE E (1040) FEDERAL	S CORPORATION:	FEDERAL FORM 1120S
	FORM 4835 (1040) FEDERAL	PARTNERSHIP:	FEDERAL FORM 1065
	ESTATES OR TRUSTS:		FEDERAL FORM 1041

1099'S REQUIRED: ANY BUSINESS WHICH MAKES 1099 PAYMENTS ARE REQUIRED TO SUBMIT A COPY OF FORM 1099 TO THE COUNTY BY FEBUARY 28TH OF THE FOLLOWING YEAR.

SECTION A: TAX COMPUTATION SHOULD BE COMPLETED BY ALL PERSONS OR BUSINESSES WHO HAVE KNOX COUNTY SALES/INCOME AND/OR PAYROLLS.

LINE 1 ENTER THE NET PROFIT OR LOSS FROM THE FORMS WHICH APPLY. 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. THESE FEDERAL DEDUCTIONS MUST BE ADDED.

LINE 3 TOTAL OF LINE 1 PLUS LINE 2.

LINE 4 DEDUCT ITEMS NOT SUBJECT (ATTACH LIST) (I.E.) ONE RESIDENTIAL RENTAL UNIT, GRATUITY SUCH AS "TIPS" PAID BY SOMEONE OTHER THAN THE EMPLOYER.

LINE 5 ADJUSTED NET BUSINESS INCOME (LINE 3 LESS LINE 4).

LINE 6 IF YOUR BUSINESS SALES AND PAYROLL IS EXCLUSIVE TO KNOX COUNTY, ENTER 100% AND GO TO LINE 7, OTHERWISE COMPLETE SECTION B AND ENTER THE PERCENTAGE FROM LINE 4.

LINE 7 NET PROFITS SUBJECT TO LICENSE FEE (LINE 5 X LINE 6).

LINE 8 PRIOR YEAR ADJUSTMENTS

LINE 9 ADJUSTED NET PROFITS (LINE 7 LESS LINE 8) IF LESS THAN "0" ENTER "NONE".

LINE 10 LICENSE FEE 1.0000% OF LINE 9

LINE 11 INTEREST 12.00% PER MONTH OR PORTION OF MONTH

LINE 12 PENALTY 5% PER MONTH OR PORTION OF MONTH UP TO 25% MINIMUM OF \$25.00.

LINE 13 TOTAL (LINES 10 + 11 + 12)

LINE 14 LESS CREDITS- ESTIMATE OR OTHER

LINE 15 BALANCE DUE (LINE 13 LESS LINE 14) PAY THIS AMOUNT

LINE 16 IF ESTIMATE IS OVERPAID INDICATE REFUND OR CREDIT