IT SBD – Small Business Investor Income Deduction Schedule

Complete a separate schedule for each entity/business group in which you hold an ownership interest. Include this schedule with Ohio form IT 1040 if filing by paper (see instructions if filing electronically).

Part I

A. Business Income Before Deductions

1. Self-employment income (federal Schedule C, C-EZ or F), guaranteed payments and/or compensation received from each pass-through entity in which you have at least a 20% direct or indirect ownership interest. Note: Reciprocity agreements do not apply (see line instructions) ............................................. 1.
2. Add-back for expenses paid to related members and to certain investors’ family members (see instructions)........................................................... 2.
3. Ordinary income (loss) from trade or business activities (to the extent not shown on line 1) .......................................................... 3.
4. Net income (loss) from rental activities, net royalties, interest income and dividend income .......................................................... 4.
5. Net capital gain (loss) and other gain (loss) (see the chart on page 7 of the instructions) .......................................................... 5.
6. Add adjustments from I.R.C. section 168(k) and qualifying 179 expenses (see line instructions) .......................................................... 6.
7. Other items of income and gain separately stated on federal Schedule K-1 and miscellaneous federal income tax adjustments, if any .......................................................... 7.
8. Total of lines 1 through 7 ............................................................................................................................................................................. 8.

B. Deductions From Business Income

9b. Deduct adjustments for the depreciation expenses added back in prior years (see line instructions) .......................................................... 9b.
9c. Other items of deduction and loss separately stated on federal Schedule K-1 if such deductions are allowable in computing federal adjusted gross income (individuals) or federal taxable income (estates) .......................................................... 9c.
9d. Other business income deductibles (describe) and miscellaneous federal income tax adjustments, if any (i.e. DPAD, etc.) .......................................................... 9d.
9e. Total of lines 9a through 9d ............................................................................................................................................................................. 9e.

C. Net Business Income, Apportionment

10. Net business income (line 8 minus line 9e) .......................................................................................................................................................... 10.
11. Ohio apportionment ratio (Part II, line 4) .......................................................................................................................................................... 11.
12. Total business income apportioned to Ohio (multiply line 10 by line 11) .......................................................................................................................................................... 12.

D. Ohio Small Business Investor Income Deduction

(Complete a separate schedule for each pass-through entity or sole proprietorship)

13. Ohio small business investor income (line 12 from each separate schedule; see instructions) .......................................................................................................................................................... 13.
14. Maximum Ohio small business investor income subject to deduction (see instructions) .......................................................................................................................................................... 14.
15. Ohio small business investor income deduction; 50% of line 13 or 50% of line 14, whichever is less (maximum deduction is $125,000 for married filing jointly or single/head of household/qualifying widow(er) filers and $62,500 for married filing separately filers). Enter here and on Ohio form IT 1040, line 41 .......................................................... 15.

Part II – Apportionment Formula for Business Income

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Ohio</td>
<td>Total Everywhere</td>
<td>Ratio</td>
<td>Weight</td>
<td>Weighted Ratio</td>
</tr>
</tbody>
</table>

1. Property
   (a) Owned (average cost) ................. 1c. .
   (b) Rented (annual rental x 8) ............ 2. .
   (c) Total (lines 1a and 1b) .................. 3. .
2. Payroll (see Exclusions on page 4 of the instructions) 4. .
3. Sales (see Exclusions on page 5 of the instructions) 5. .
4. Ohio apportionment ratio. Add lines 1c, 2 and 3 (enter ratio here and on Part C, line 11) 6. .