

RECONCILIATION TO MUNICIPAL TAXABLE INCOME INSTRUCTIONS:

I. Corporations and Partnerships should use this form to arrive at municipal taxable income.

II. BUSINESS ALLOCATION FORMULA

A business allocation formula consisting of the average of property, gross receipts and wages paid, may be used by business entities not required to pay tax on entire net profits, by reason of doing business both within and without this municipality. However, if the books and records of the taxpayer shall disclose with reasonable accuracy the net profit attributable to this municipality, then only this portion shall be considered as having a taxable situs in this municipality.

SPECIAL NOTE: Sales and gross receipts in this municipality (Step 2

(b)) means:

1. All sales of tangible personal property which is shipped from this municipality to purchasers outside of this municipality regardless of where title passes if the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.
2. All sales of tangible personal property which is delivered within this municipality regardless of where title passes, even though transported from a point outside this municipality, if the taxpayer is regularly engaged through its own employees in the solicitation and the sales result from such solicitation or promotion.
3. All sales of tangible personal property which is delivered within this municipality regardless of where title passes, if shipped or delivered from a stock of goods within this municipality.

III. PARTNERSHIPS

Attach a list of all partners. Include in the list each partner's home address and each partner's share of municipal taxable income.

