



OFFICE OF THE COLLECTOR OF REVENUE

CITY OF ST. LOUIS
EARNINGS & PAYROLL TAX DIVISION
1200 MARKET STREET, ROOM 410
ST. LOUIS, MO 63103



INSTRUCTION AND INFORMATION SHEET FOR FORM E-234 CHAPTER 5.22., REVISED CODE, CITY OF ST. LOUIS, 1980

1. **WHO MUST FILE:** The annual Earnings Tax Return, Form E-234, must be filed by every resident or non-resident individual, partnership, (which includes a joint venture, pool, syndicate, LLC, etc.) or corporation regardless of profit or loss, who or which maintains a business or professional office, branch office, warehouse, inventory or conducts any type of business (including self-employment), service or other activity or operation within the City of St. Louis. A city resident who maintains a business or is a partner in a business outside of the City of St. Louis is subject to the Earnings Tax. All 1099-MISC Income is reported on Form E-234.
2. **WHERE TO FILE:** This return and total remittance, made payable to **Gregory F.X. Daly**, is to be filed with the Collector of Revenue, Earnings Tax Division, 1200 Market Street, Room 410, St. Louis, Missouri 63103-2841.
3. **FILING DATE:** A calendar year return must be filed on or before April 15 of the year following the calendar year for which tax is due. Fiscal year returns must be filed within 105 days after close of fiscal year.
4. **PENALTY AND INTEREST:** All taxes not paid when due will be subject to a penalty of 5% of the amount of tax for each month, or fraction thereof (not to exceed 25%) plus interest at the rate of 1% per month or fraction thereof (12% per year), until tax is paid. Penalty and Interest assessed if extension prepayment is not 90% of Tax Due.
5. **EXTENSIONS OF TIME TO FILE:** Requests for extension of time to file Form E-234 with estimated payment of taxes must be made prior to due date, on Extension Form E-8. For an extension to be approved all City taxes are to be paid and up to date. Send request to: Collector of Revenue, Extension Section, 1200 Market Street, Room 410, St. Louis, MO 63103. This does not extend your time to pay. Receiving a Federal Extension does not automatically extend your City filing date.
6. **INCOMPLETE RETURNS:** All schedules **MUST** be completed or noted as "Not Applicable" (N/A). Incomplete, frivolous, illegible or unsigned returns will be returned to the taxpayer, subject to penalty and interest if the return is filed after due date.
7. **TAXPAYER'S I.D. NUMBER:** Employers of one or more persons, partnerships and corporations must show their Federal Employer Identification Number (FEIN) and non-employers must show their Social Security Number (SSN) above the name section on the front page of the return.
8. **NAME AND ADDRESS:** Please complete in area provided.
9. **BUSINESS TYPE:** Check appropriate line and complete boxes marked "Principal Business Activity" and, if applicable, due month change, amended return, changes in address or account terminated.
10. **SECTION A - NET PROFIT (OR LOSS):** This schedule will determine the net profit (or loss) of the business. Complete all lines. The amounts that are entered on Lines 2, 4, and 6 **MUST** be supported by attaching separate schedules. You, the taxpayer, **may** elect to attach copies of your Federal Return and Schedules, or you may attach your P & L statement to support these figures.
 - A. Commissions, fees, etc. are taxable and should be reported as **other income**.
 - B. Interest, royalties and rent derived from that specific conduct of business or other activity are subject to City Earnings Tax except (1) dividends, and (2) interest upon the obligations of the State of Missouri, or any political subdivision thereof of the United States or its possessions. Report as **other income**.
 - C. **Capital Gains (or Losses):** Capital gains are taxable in full and capital losses are deductible in full, where property sold constitutes a business asset. Report as **other income (or loss)**.
 - D. **Operating Loss Carryover or Carryback** is not applicable towards computing Earnings Tax.
 - E. **Business Expense Deductions – Allowable and Non-Allowable:** All necessary expenses of operation are allowable deductions from gross receipts. Non-allowable deductions are: Federal and State Income Taxes, City Earnings Tax, contributions, life insurance premiums including those on partners or corporate individuals, corporate dividends, withdrawals and other charges to capital or surplus. Only 50% of business "meal and entertainment" expense is deductible. **Guaranteed Payments to Partners are not an allowable expense item, and are to be included in the net profit of the partnership. Non-Allowable deductions that are made will be disallowed and additional tax will be assessed.**
 - F. A non-resident business or profession, either an individual or a partnership, which maintains a place of business or office, either outside the City of St. Louis or both inside and outside the City of St. Louis and transacts business both inside and outside of the City, shall be entitled to an apportionment or allocation of its net profits. A corporation shall be entitled to an allocation whether or not such corporation has an office or place of business in the City.
 - G. Taxpayers using the Allocation Formula **MUST** complete (where applicable) the Section B worksheet and attach a list of business locations.
 - H. If the taxpayer claims an allocation on the basis of other locations, the taxpayer must be prepared to prove that the place of business or office is an established, self-sustaining, bona fide location. Factors to consider as proof of location could be: personnel, inventory, office equipment, signage, telephone listing, where records are kept or other such factors as may be determined by the Collector of Revenue.
 - I. **Allocation – Alternative Method:** If a different basis of allocation is to be used, the taxpayer **MUST** attach a schedule showing in detail the method used in determining the amount of net profit allocable to the City of St. Louis. This alternative formula **MUST** have the approval of the Collector of Revenue prior to submission of the return. This approval is subject to revision or cancellation by the Collector at any time.
 - J. **Partner's Share of Net Profit:** Partnerships doing business partly within the City **MUST** complete both parts of Section B.
11. **SECTION A-1 - BUSINESS EXPENSE DEDUCTION:** List allowable expenses or attach separate list. **If you elect to attach a copy of your Federal Return to satisfy this instruction, please only attach the following:**
 - For an individual in business, please attach either the Schedule C-EZ or C with any additional list of expenses that may have been used.
 - For a Partnership attach the 1065, Schedule A Cost of Goods Sold, Schedule K Distributive Share Items, and any statements that substantiate the deductions listed on these forms.

For a Corporation attach the first page of either the 1120, 1120A, 1120S, whichever is appropriate. Schedule K Distributive Share Items for 1120S, Schedule A Cost of Goods Sold, and any statements that substantiate the deductions of these forms. Also include Schedule L, M-1, and M-2 .

For a LLC or LLP please attach the appropriate information based on the Federal return you file. We do not need copies of the individual shareholders K-1's, Forms 4562, 4797 and other schedules not listed above. By following these instructions we hope to help the taxpayer cut down on making copies and sending information that is not needed by this office.

12. SECTION A-2 – Must be completed when the following deductions are claimed. 1. Sub or Independent Contracting 2. Professional Fees 3. Directors Fees 4. Management Fees 5. Consulting Fees 6. Equipment Leasing 7. Entertainment 8. Commissions or Bonuses (NOT REPORTED ON EMPLOYEES W-2'S) 9. Legal Fees. The individuals or business entities that are to be reported in SECTION A-2 are either resident businesses or individuals of St. Louis or non-resident individuals or businesses that performed work or service in St. Louis. Payments made to booking agents, promoters, entertainers, entertainment act or group, including theatrical performances done in the City of St. Louis are to be reported as Entertainment. List only those individuals or businesses that received over \$1,000.00 per year.

In Column A - List name, address, city, state and zip code, Column B - The FEIN or SSN, Column C - Total amount paid during the year. Column D - Show the amount or a percent (%) of Column C that you estimate was earned in the City. If additional space is needed, please attach separate sheet. Failure to complete this section may result in the disallowance of these deductions. If you had no expenses that meet these criteria, print N/A in Section A-2 on the return.

13. RESIDENT BUSINESS TAXPAYER: A resident business of the City of St. Louis, individual proprietor or partnership, is subject to the City Earnings Tax on the entire net profit, regardless of where earned and cannot allocate its net profit.

14. SOLE STORE/OFFICE IS IN ST. LOUIS: A non-resident individual who maintains his sole store, business or office in the City of St. Louis and transacts business both within and outside of St. Louis, cannot allocate net profit. The business situs shall be considered to be the taxable residence of the taxpayer.

15. SECTION B WORKSHEET - BUSINESS ALLOCATION OF TAXABLE NET PROFIT (PAGE 2):

A. A non-resident business or profession, either an individual or a partnership, which maintains a place of business or office, either outside the City of St. Louis or both inside and outside the City of St. Louis and transacts business both inside and outside of the City, shall be entitled to an apportionment or allocation of its net profits. A corporation shall be entitled to an allocation whether or not such corporation has an office or place of business in the City.

B. Taxpayers using the Allocation Formula **MUST** complete (where applicable) the Section B worksheet and attach a list of business locations. The Section B worksheet consists of three factors; 1. Average Value of Real and Tangible Personal Property, including inventory (The value of real and tangible personal property is to be based on Original Cost. If the taxpayer is renting the tangible property used, then this value is Rent times 8). 2. Gross receipts; and 3. Wages and Salaries (Except Officers).

C. If the taxpayer claims an allocation on the basis of other locations, the taxpayer must be prepared to prove that the place of business or office is an established, self-sustaining, bona fide location. Factors to consider as proof of location could be: personnel, inventory, office equipment, signage, telephone listing, where records are kept or other such factors as may be determined by the Collector of Revenue.

D. Allocation – Alternative Method: If a different basis of allocation is to be used, the taxpayer must attach a schedule showing in detail the method used in determining the amount of net profit allocable to the City of St. Louis. This alternative formula **MUST** have the approval of the Collector of Revenue prior to submission of the return. This approval is subject to revision or cancellation by the Collector at any time.

E. Partner's Share of Net Profit: Partnerships doing business partly within the City **MUST** complete both parts of Section B.

16. SECTION C - COMPUTATION OF TAX:

A. Enter on Line 9 the taxable net profit, which is either Line 7, Section A, Line 8B, Section B or total of Column 3, Partner's Share of Net Profit, on Section B-1 worksheet.

B. Earnings Tax due is 1% of Line 9, enter on Line 10. No tax is due if amount is less than \$1.00.

C. Payroll Expense Tax credit is an amount equal to 20% of the Payroll Expense Tax actually paid, but is not to exceed 25% of the earnings tax due. Calculate as provided in Section C-1.

D. Line 12 is net earnings tax due (Line 10 minus Line 11).

E. Line 13, enter amount paid with Extension or estimated payments.

F. Line 14, sub-total, subtract Line 13 from Line 12.

G. Line 15 (penalty) and Line 16 (interest) should be completed, if applicable. See Instruction #4.

H. Line 17 is the total amount due (Line 12 or 14, plus Line 15 & 16, if applicable). Make remittance payable to:

Gregory F.X. Daly, Collector of Revenue

I. No refund due if under \$1.00. Refunds are only valid if claimed within one year of payment. Refunds may be credited to the next year taxes by writing "Please credit refund to next year's taxes" on Line 17, Form E-234.

J. Rounding is required on your tax return. Zeros have been placed in the cents column on your return. For 1 cent through 49 cents, round down to the previous whole dollar amount. For 50 cents through 99 cents, round up to the next whole dollar amount. Example: Round \$2.49 to \$2.00. Round \$2.50 to \$3.00.

17. CONSOLIDATED BUSINESS RETURNS ARE NOT PERMITTED.

18. TAXES ARE TO BE PAID WITH RETURN.

19. THE COLLECTOR IS AUTHORIZED TO EXAMINE BOOKS, PAPERS, AND RECORDS OF ANY TAXPAYER TO VERIFY THE ACCURACY OF ANY RETURN.

20. SIGNATURE: Make sure that the signature section is properly completed and is legible. If someone other than the taxpayer prepared the return, they must also sign the return.

NOTICE

Taxes paid after due date, April 15th (Calendar Year) or 105 days after close of fiscal year are delinquent and lines 15 and 16 under "Section C – Computation of Tax" must be completed.

Website Address: www.stlouiscollector.com

Telephone: (314) 622-4248

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