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

1. **WHO MUST FILE:** This annual Earnings Tax return must be filed by every resident or non-resident individual, partnership, (which includes a joint venture, pool, syndicate, LLC, trust, etc.) or corporation regardless of profit or loss, that maintains a business or professional office, branch office, warehouse, inventory or conducts any type of business (including self-employment), service or other activity 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 to be reported on Form E-234.

2. **FILING INFORMATION:** A calendar year return must be filed on or before April 15th, while fiscal year returns must be filed within 105 calendar days of the close of the fiscal year. Consolidated returns are not permitted. Please mail all returns and payments to:

   Gregory F.X. Daly
   Collector of Revenue
   1200 Market Street, Room 410
   St. Louis, MO 63103-2841

3. **FILING EXTENSIONS:** All extension requests must be received by this office prior to the filing deadline. Requests must be filed on Extension Form E-8 as the I.R.S. does not inform the City of St. Louis of any granted federal extensions. Additional filing and payment instructions are included on Form E-8.

4. **PENALTY AND INTEREST:** All taxes received after the filing deadline 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 the taxes are paid. Penalty and interest will be assessed if the extension prepayment is not 90% of the original tax due.

5. **INCOMPLETE RETURNS:** All sections of the return must be completed or noted as “Not Applicable” (N/A). Only complete, legible and signed returns will be processed. All others may be subject to penalty and interest.

6. **IDENTIFICATION NUMBER:** Employers, partnerships and corporations must submit their Federal Employer Identification Number (FEIN) on the front side of the return. Non-employers should submit the identification number used for federal tax purposes (FEIN or SSN).

7. **BUSINESS INFORMATION:** Please indicate the appropriate type of return, and include the principal business activity. If applicable, please check the appropriate box regarding due month change, amended return, etc.

8. **SECTION A – NET PROFIT:** Please complete all lines and submit any supporting documentation. You may include copies of your federal return and accompanying schedules.

   A. **Commissions, fees, interest, royalties and rent derived from that specific conduct of business or other activity are subject to City Earnings Tax except dividends and interest upon the obligations of the State of Missouri, or any political subdivision or upon the obligations of the U.S. or its possessions. Please report as “Other Income”.

   B. **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)”.

   C. **Business Expense Deductions:** All necessary expenses of operation are allowable deductions from gross receipts with the following exceptions: federal and state income tax, City Earnings Tax, charitable and political contributions, operating loss carryover, life insurance premiums including those on partners or corporate individuals, corporate dividends, withdrawals and other charges to capital or surplus and club dues not allowed by the IRS. Only 50% of business meals and entertainment expenses are deductible. Guaranteed payments to partners are not an allowable expense item, and are to be included in the net profit of the partnership. Fines and penalties assessed in violation of any law are not deductible.
9. SECTION B - BUSINESS ALLOCATION OF TAXABLE NET PROFIT:
   A. A non-resident business or profession, either individual or partnership, that transacts business both within and without the city shall be entitled to an apportionment or allocation of its net profits. A corporation shall be entitled to an allocation regardless of location.
   B. Taxpayers using an allocation must complete the Section B worksheet and attach a list of business locations. Average value of real and tangible property is to be based on original cost. If the taxpayer is renting the property, the value is rent times 8.
   C. When claiming an allocation on the basis of other business locations, the taxpayer must be prepared to prove that the place of business in question is an established location to the satisfaction of the Collector of Revenue.
   D. A resident business of the City of St. Louis, individual proprietor, or partnership can not allocate and is therefore subject to the City Earnings Tax on 100% of the net profit. A non-resident individual whose only place of business is in the City of St. Louis and transacts business both within and outside the City of St. Louis, can not allocate. The business situs shall be considered to be the taxable residence of the taxpayer.
   E. Partner's Share of Net Profit: Partnerships doing any business activity partly within the City must complete Section B-1.
   F. In determining the allocation percentage taxpayers may only divide by the number of factors used.

10. SECTION C - COMPUTATION OF TAX:
    A. On line 9 enter the taxable net profit, which is line 7, line 8b, or the total of Column 3, on the Section B-1 worksheet.
    B. On line 10 enter 1% of line 9.
    C. The Payroll Expense Tax credit is an amount equal to 20% of the original tax paid using Form P-10 or 25% of the amount indicated on line 10. Please use Section C-1 to calculate and enter the lesser amount on line 11.
    D. On line 12 subtract line 11 from line 10.
    E. On line 13 enter the total amount paid with any extension or estimated payments.
    F. On line 14 subtract line 13 from line 12, if applicable.
    G. Complete lines 15 and 16, if applicable. See instruction #4.
    H. On line 17 enter the amount due.
    I. On line 18 enter the total amount overpaid. Please check the refund or carry forward box. No refund due if under $1.00. There is a one-year statute of limitation on refund claims.

11. SECTION A-1 – BUSINESS EXPENSE DEDUCTIONS: Please list the allowable deductions in the space provided or attach a separate list, or provide a copy the following documents from your federal tax return:
    - Individual businesses may provide, a copy of Schedule C-EZ or Schedule C, including any substantiating documentation.
    - Partnerships may attach a copy of Form 1065. Please include all appropriate schedules and substantiating documentation.
    - Corporations may attach Form 1120. Please include all appropriate schedules and any additional substantiating documentation.
    - Please note: for a LLC or LLP we do not require copies of the individual shareholder's K-1.

12. SECTION A-2 – INFORMATIONAL DISBURSEMENT REPORT: Section A-2 must be completed when the following deductions are claimed: sub or independent contracting, professional fees, director's fees, management fees, consulting fees, equipment leasing, entertainment, commissions, bonuses, or legal fees (not reported on an employee’s W-2). Please report only resident businesses or individuals of the City of St. Louis, or non-resident businesses or individuals that performed work in the City, and received payments totaling more than $1,000.00 in the calendar year. All payments made to booking agents, promoters, and entertainers must be reported as “Entertainment”. Please attach additional sheets if necessary or 1099’s and remember to indicate “N/A” if there are no expenses that meet this criteria. Failure to complete this section may result in the disallowance of these deductions.

13. PLEASE BE SURE TO SIGN YOUR RETURN AND INCLUDE ANY PAYMENTS AND SUPPORTING DOCUMENTS BEFORE MAILING