

**INSTRUCTIONS FOR FILING PROFITS RETURN--EARNINGS TAX (RD-108)****General Instructions****1. Who must file:**

- a. Every **resident** individual who derives income from an unincorporated business, association, profession, or other business activity.
- b. Every **nonresident** individual who derives income from an unincorporated business, association, profession, or other activity doing business **within the city**.
- c. Every **corporation and partnership** conducting business within the city or rendering or performing services within the city.
- d. K-1 source income for partnerships and LLCs must file a return with payment of tax due, and the partnership or LLC must file an information return or a partnership or LLC may file a return with payment of tax due, and must attach a summary of all recipient information and copies of K-1s.

**2. Exceptions:**

- a. File Form RD-109, Wage Earner Return, if entire earnings are from salaries, wages, commissions, or other taxable compensation from which **earnings tax has not been withheld**.
- b. Form RD-108, Profits Return, cannot be substituted for RD-109, Wage Earner Return.

**3. When and where to file:**

- a. This return is to be filed on or before April 15 of each year unless your annual accounting period is on a fiscal year basis in which case it is to be filed 105 days from the end of your fiscal year. In the event a corporation or partnership ceases to engage in any business activity in the city, the income from which is taxable in whole or in part, a final return shall be filed within 105 days from the date such business activity is terminated. Mail completed returns to the Finance Department, Revenue Division, and P.O. Box 15623, Kansas City, MO 64106-0623. **To avoid delays in processing use forms approved by the Revenue Division of the City of Kansas City, Missouri.**
- b. **Extension**--An extension of time to file the Kansas City, MO Profits Return may be obtained by filing **Form RD-111, Application for Automatic Extension (or state or federal extension forms), with PAYMENT of the estimated tax due, on or before the original due date.** Failure to submit a timely request with estimated payment to the city of at least 90% of the tax due, subjects the profits tax obligation to penalty. An extension is granted for a period of six months.

**Complete form RD-108A before completing form RD-108.****Instructions for RD-108**

Taxable Period: If this return is made for a period other than the calendar year, insert the beginning and ending dates of the period.

- Line 1. Indicate type of business.
- Line 2. Check if nonresident business (not located in Kansas City, Missouri).
- Line 3. Enter gross receipts amount shown on form RD-108A Line 1 of Schedule C or line 4B of Schedule Y.
- Line 4. Enter total taxable net profit from business or profession from schedule C or Y or total from schedule Z. **ATTACH SUPPORTING SCHEDULES. IF A LOSS, ENTER "0."**
- Line 5. Enter any other taxable earnings or profits and **ATTACH SCHEDULE** showing computation of this amount, including partnership income. **IF LOSS, ENTER "0."**
- Line 6. Total taxable earnings (line 4 plus line 5).
- Line 7. Multiply Line 6 by .01 (1%) and enter on this line.
- Line 8. Enter estimated profits tax paid with extension plus any profits tax credits carry forwards from prior periods.. The balance of the tax is due with the filing of the return together with interest at 12% per annum from the date the return was originally due. If the return is not filed and the balance of the tax due is **NOT** paid within the period as extended, penalty of 5% per month up to but not exceeding 25% shall be computed in addition to the interest charges.
- Line 9. **Only residents** are allowed a credit for earnings tax or income tax paid to another city. This credit is to be applied only to the extent of the tax imposed by Kansas City (1% rate) upon amounts earned in other cities where the tax is paid. The credit may not exceed the amount of tax due on line 7. **ATTACH DOCUMENTATION OF TAX PAYMENT.**
- Line 10. Line 7 minus the sum of lines 8 and 9.
- Line 11. If return is delinquent, compute **penalty on the amount in line 10 at 5% per month** or portion thereof from due date to date of payment (not to exceed 25%) and enter on this line.
- Line 12. If return is delinquent, compute **interest on the amount in line 10 at .01 (1%) per month** from due date to date of payment and enter on this line.
- Line 13. Total amount due (sum of lines 10, 11 and 12).
- Line 14. If an overpayment has been made (sum of lines 8 and 9 is greater than line 7), enter difference on line 14 to receive **CREDIT**;  
**OR**
- Line 15. Enter the difference on line 15 to receive a **REFUND**. Overpayments of less than \$1.00 will not be refunded.
- Line 16. Enter amount paid.
- Line 17. "X" if this is an amended return.
- Line 18. If no longer in business, enter date business closed.

**BE SURE TO SIGN YOUR RETURN**

Visit our web site at [www.KCMO.org](http://www.KCMO.org) for more tax forms and information