

**CITY OF KANSAS CITY, MISSOURI  
FINANCE DEPARTMENT/REVENUE DIVISION**

## INSTRUCTIONS FOR COMPLETING SCHEDULES C, Y, Z

### Schedule C--Profit (or Loss) from Business or Profession

From total net profits, deduct profits exempted, excluded, or not earned. The remainder shall be deemed "Net Profits Earned." Exemptions and exclusions are cited in 92.220 RSMo and section 68-385 of the Municipal Ordinances of the City of Kansas City, MO.

Net profits shall be determined without deduction of federal, state or local income tax.

Each corporation must file a return. **Consolidated returns will not be accepted.** A net loss may not be carried forward or back to another year. A net loss may not be deducted against salaries, wages or other compensation earned.

Proprietorships, partnerships, and corporations should submit a Balance Sheet and a reconciliation of federal taxable income to city taxable income.

### Schedule Y--Business Allocation Formula

The business allocation formula is to be used only by:

- (1) Corporations;
- (2) Nonresident individuals who derive profits from any unincorporated business, partnership, or association provided that the business activity consists of conducting business or performing services **both** within and outside the city.

In determining the allocation percentage (line 6), add the percentage determined and shown on lines 2, 3, and 4 or the percentages applicable to your business and divide the total by the number of percentages used. A percentage shall not be excluded from the computation merely because the factor is found to be allocable entirely outside the city. A factor and its resulting "0" percentage is excludable only when it **does not exist anywhere**.

### Schedule Z--K-1 Source Income For Partnerships, Limited Liability Companies, or Fiduciaries

Each pass through entity listed above must file a separate form RD-108. Schedules C & Z must be completed, and whenever one or more of the K-1 recipients are nonresidents, Schedule Y must be completed. The K-1 recipients will determine their portion of the net profits as follows:

**Resident K-1 Recipients**--Resident K-1 recipients will determine the taxable share of the pass through entity's net profits as shown on line 14, Schedule C, by multiplying line 14, Schedule C by the K-1 recipient's distributive percentage as shown in (column 2) Schedule Z and entering the computed taxable distributive share in (column 4) Schedule Z.

**Nonresident K-1 Recipients**--Nonresident K-1 recipients will determine the taxable share of the pass through entity's net profits as shown on line 7, Schedule Y, by multiplying line 7, Schedule Y by the K-1 recipient's distributive percentage as shown in (column 2) Schedule Z and entering the computed taxable distributive share in (column 4) Schedule Z.

**Payment**--Any pass through entity may remit payment with the return on the total taxable distributive shares as shown in (column 4) Schedule Z, and must attach a summary of all recipient information or copies of K-1s.

**Mail completed RD-108A with your completed Profits Return RD-108 on or before the due date.**

**Revenue Division  
PO Box 843322  
Kansas City, Missouri 64184-3322**

Visit our website at [www.kcmo.org/finance.nsf/web/forms](http://www.kcmo.org/finance.nsf/web/forms) for more forms and instructions

BUSINESS NAME \_\_\_\_\_ FEIN/SSN \_\_\_\_\_

(Complete this Schedule and attach a copy of Federal Tax Return or K-1 and file with Profit Return RD-108)  
(Attach a reconciliation of federal taxable income to city taxable income)

**SCHEDULE C--PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION**  
**SCHEDULE Y- Must Be Completed Even if There is a Loss**

1. Gross receipts or gross sales, fees, or commissions less returns and allowances ..... \$ \_\_\_\_\_

2. Cost of goods sold:

A. Inventory at beginning of year ..... \$ \_\_\_\_\_

B. Purchases ..... \_\_\_\_\_

C. Wages ..... \_\_\_\_\_

D. Other costs (attach worksheet) ..... \_\_\_\_\_

E. Total (lines 2A through 2D) ..... \_\_\_\_\_

F. Less inventory at end of year ..... \_\_\_\_\_

G. Net cost of goods sold (line 2E less line 2F) ..... \$ \_\_\_\_\_

3. Gross profit (line 1 less line 2G) ..... \$ \_\_\_\_\_

4. Other business income (specify) ..... \$ \_\_\_\_\_

5. Total business income before deductions (line 3 plus line 4) ..... \$ \_\_\_\_\_

6. Salaries ..... \$ \_\_\_\_\_

7. Rent ..... \$ \_\_\_\_\_

8. Interest ..... \$ \_\_\_\_\_

9. Taxes (attach schedule) ..... \$ \_\_\_\_\_

10. Bad debts ..... \$ \_\_\_\_\_

11. Depreciation ..... \$ \_\_\_\_\_

12. Other (attach schedule) ..... \$ \_\_\_\_\_

(Federal, state and local income taxes are NOT deductible.)

13. Total business deductions (line 6 through line 12) ..... \$ \_\_\_\_\_

14. Net profit or loss (line 5 less line 13), enter on line 4, form RD-108 or line 1, Schedule Y ..... \$ \_\_\_\_\_

**SCHEDULE Y--BUSINESS ALLOCATION FORMULA**  
**Must Be Completed Even if There is a Loss**

Corporations and nonresident businesses with no established place(s) of business other than Kansas City, MO, will use 100% of property and payroll factors and appropriate percentage of gross receipts factor.

1. Total net profit (from Schedule C, line 14) ..... \$ \_\_\_\_\_

	A Everywhere	B In KCMO	C B divided by A
2. Original cost of real and tangible personal property located .....	\$ _____	\$ _____	%
3. Total wages, salaries, commissions, and other compensation of all employees .....	\$ _____	\$ _____	%
4. Gross receipts from sales, work or services performed .....	\$ _____	\$ _____	%
5. Total percentage (line 2C through line 4C) .....			%
6. Allocation percentage (divide total percentage from line 5 by the number of percentages used) .....			%

7. Taxable net profit (line 1 multiplied by percentage from line 6, enter amount on line 4, form RD-108) ..... \$ \_\_\_\_\_

(Partnerships report as shown in Schedule Z.)

**SCHEDULE Z--DISTRIBUTIVE SHARES OF K-1 SOURCE INCOME FOR PARTNERSHIPS, LIMITED LIABILITY COMPANIES, AND FIDUCIARIES**

Name and address of each taxpayer (attach additional sheets if necessary)	Distributive Percentage	Social Security or Federal ID Number	Resident (Enter Yes or No)	Taxable Distributive Shares Amount
1. ....				\$ _____
2. ....				\$ _____
3. ....				\$ _____
4. ....				\$ _____
	100%			\$ _____

Total, Enter on Line 4, form RD-108.....

Payment--A partnership, LLC, or fiduciary may remit, with this return, at the rate of 1% on the total taxable distributive shares in the rightmost column of Schedule Z. If income is passed-through enter -0- on line 4, form RD-108 and all recipient information must be included in Schedule Z.