

City of Grand Rapids  
Income Tax Department  
PO Box 347  
Grand Rapids, Michigan 49501-0347

**2019 GRAND RAPIDS  
INDIVIDUAL INCOME TAX  
FORMS AND INSTRUCTIONS**  
For use by individual residents.

Form GR-1040R

**ALL PERSONS HAVING GRAND RAPIDS TAXABLE INCOME IN 2019 MUST FILE A RETURN**

TAX RETURNS ARE DUE APRIL 30, 2020

**MAILING  
ADDRESSES**

**Refund returns:** Mail to: Grand Rapids Income Tax, PO Box 106, Grand Rapids, MI 49501-0106  
**Tax due returns and no refund/no tax due returns:** Grand Rapids Income Tax, PO Box 107, Grand Rapids, MI 49501-0107  
**Prior-year and amended returns:** Mail to: Grand Rapids Income Tax, PO 347, Grand Rapids, MI 49501-0347

**TAX RATES  
AND  
EXEMPTIONS**

**Resident: 1.5%**  
**Exemption value: \$600**

**PAYMENT  
OF TAX DUE**

Tax due of one dollar (\$1.00) or more must be paid with your return. **NOTE: If you are paying \$100.00 or more with your 2019 return, you may need to make estimated income tax payments for 2020. See page 2 of instructions.**

Make check or money order payable to: **CITY OF GRAND RAPIDS**  
Mail tax due return and payment to: **Grand Rapids Income Tax, PO Box 107, Grand Rapids, MI 49501-0107**

**FILING  
YOUR RETURN**

The enclosed forms are those used by most taxpayers. Additional forms may be downloaded from the city's website, [www.grcity.us/taxforms](http://www.grcity.us/taxforms). You can file your income tax return at [www.grcity.us/incometax](http://www.grcity.us/incometax)

**CONTACT US**

For assistance: find us online at [www.grcity.us/incometax](http://www.grcity.us/incometax); e-mail questions to [gr1040tax@grcity.us](mailto:gr1040tax@grcity.us); call (616) 456-3415, option 0 (zero); or visit the Grand Rapids Income Tax Department at City Hall, 300 Monroe NW, Room 380, Grand Rapids, Michigan 49503.

**Failure to attach documentation or attaching incorrect or incomplete documentation will delay processing of the return or result in corrections being made to the return.**

**2019 GRAND RAPIDS INCOME TAX RETURN FORM CHANGES**

There are no significant changes to the 2019 income tax return forms.

**WHO MUST FILE A RETURN**

If you had Grand Rapids taxable income greater than the total of your personal and dependency exemptions, you must file a tax return — even if you did not file a federal tax return. See Exemptions Schedule for more information on your allowable exemptions. **You are required to file a tax return and pay tax even if your employer did not withhold Grand Rapids tax from your paycheck.** You will be required to make estimated income tax payments if you work for an employer not withholding Grand Rapids tax from your 2019 wages.

**ESTIMATED TAX PAYMENTS**

When your total income tax is greater than the amount of tax withheld plus other credits by \$100 or more, you may be required to make quarterly estimated tax payments. File Form GR-1040ES (available on the Grand Rapids website) by April 30 of the tax year and pay at least one-fourth (¼) of the estimated tax. The remaining estimated tax is due in three equal payments on June 30 and September 30 of the tax year and January 31 of the following year. Adjust the remaining quarterly payments if your income increases or decreases during the year.

**Failure to make required estimated tax payments or underpayment of estimated tax will result in assessment of penalty and interest.**

If you have made estimated tax payments and do not owe more tax for the year, you still must file a tax return.

**DUE DATE AND EXTENSIONS**

Returns are due on or before April 30, 2020. If a due date falls on a weekend or holiday, the due date becomes the next business day.

The due date of the annual income tax return may be extended for a period not to exceed six months. The extension is granted Automatic Extension of Time to File an Individual Income Tax Return. Applying for a federal extension does not satisfy the requirement for filing a Grand Rapids extension. Application for an extension must be made and the tentative tax due must be paid (MCL 141.664). Filing an extension with payment is not a substitute for making estimated tax payments. **An extension does not extend the time for paying the tax due.**

When an extension form is filed and the balance due is paid, it may be assumed that the extension is automatically granted unless otherwise notified. Interest and penalty is charged on taxes paid late even if an extension of time to file is granted. Penalty may be waived by the Income Tax Administrator if the tax paid by the original due date is not understated by more than 5% of tax or the taxpayer is able to show that the failure to pay on time was due to reasonable cause.

**AMENDED RETURNS**

File amended returns using the Form GR-1040X. If a change on your federal return affects Grand Rapids taxable income, you must file an amended return within 90 days of the change. All schedules supporting the changes should accompany the filing. Every change must be explained. Mail amended returns to: Grand Rapids Income Tax, PO Box 347, Grand Rapids, MI 49501-0347.

**CHARGES FOR LATE PAYMENTS**

All taxes remaining unpaid after the due date are subject interest at the rate of 1% above the adjusted prime rate on an annual basis and to penalty at a rate of 1% per month, not to exceed a total penalty of 25% of the tax. The minimum charge for interest and penalty is \$2.00.

**DISCLAIMER**

These instructions are interpretations of the Grand Rapids Income Tax Ordinance, MCLA 141.601 et seq. The City of Grand Rapids Ordinance will prevail in any disagreement between these instructions and the Ordinance.

**COMPLETING YOUR RETURN****NAME, ADDRESS, SOCIAL SECURITY NUMBER**

- **Always write your social security number(s) on the return.** Your social security number must agree with the SSN on the Form(s) W-2 attached to your return.
- Enter your name and, if a joint return, your spouse's name.
- If the taxpayer or spouse is deceased: attach a copy of federal Form 1310 or of the death certificate; mark (X) the box under the social security numbers indicating the taxpayer and/or spouse is deceased;

if Form 1310 is attached, mark (X) box indicating the form is attached; write "deceased" in the signature area on page 2; and enter the date of death in the box on the right side of the signature line.

- Enter your **current** residence (domicile) address on the present home address line. If using a PO Box for mailing purposes, enter the PO Box number on address line 2. If using an in care of address that is not your legal residence (domicile), you must report your residence (domicile) address in the Address Schedule on page 2.

**RESIDENCY STATUS**

Indicate your residency status by marking (X) the proper box.

**Resident** – a person whose domicile (principle residence) was in the City of Grand Rapids all year. File as a resident if you were a resident the entire year.

**Nonresident** – a person whose domicile (principle residence) was outside the City of Grand Rapids all year. File as a nonresident if you were a nonresident the entire year.

**Part-Year Resident** – a person who changed their domicile (primary residence) during the year from one inside Grand Rapids to one outside Grand Rapids or vice versa. If you were a resident for only part of 2016, use form GR-1040TC to calculate the tax and attach it to the GR-1040.

**Check Residency.** See the Grand Rapids Street Directory to check if an address is located in the city: [www.grcity.us/incometax](http://www.grcity.us/incometax).

**Married with Different Residency Status.** If you were married in 2019 and had a different residency status from that of your spouse, file separate returns or file a part-year resident return using Form GR-1040TC to compute the tax.

**FILING STATUS**

Indicate filing status by marking (X) the proper box. If married filing separately, enter spouse's Social Security number in the spouse's SSN box and enter the spouse's full name in the filing status box.

**INCOME EXEMPT FROM CITY TAX**

Grand Rapids does not tax the following types of income:

1. Social security, pensions and annuities (including disability pensions), Individual Retirement Account (IRA) distributions received after reaching age 59½.
2. Proceeds of insurance where the taxpayer paid policy premiums. (Payments from a health and accident policy paid by an employer are taxed the same as under the Internal Revenue Code).
3. Welfare relief, unemployment compensation and supplemental unemployment benefits.
4. Interest from obligations of the United States, the states or subordinate units of government of the states and gains or losses on the sales of obligations of the United States.
5. Military pay of members of the armed forces of the United States, including Reserve and National Guard pay.
6. Michigan Lottery prizes won on or before December 30, 1988. (Michigan lottery prizes won after December 30, 1988 are taxable.)
7. Sub-chapter S corporation distributions.
8. City, state and federal refunds.

**ITEMS NOT DEDUCTIBLE ON THE GRAND RAPIDS RETURN**

Grand Rapids does **not** allow deductions for items such as taxes, interest, medical expenses, charitable contributions, casualty and theft losses, etc. In addition, the following federal adjustments are not deductible: educator expenses; certain business expenses of reservists, performing artists, and fee-basis government officials; health savings account deduction; deductible part of self-employment tax; self-employed health insurance deduction; penalty for early withdrawal of savings; student loan interest deduction; tuition and fees; and domestic production activities deduction.

**FORM GR-1040, PAGE 1, INSTRUCTIONS****TOTAL INCOME AND TAX COMPUTATION**

Round all figures to the nearest dollar and report whole dollar amounts.

**Lines 1 – 16, Columns A & B – Federal Data and Exclusions**

In column A enter data from federal return for each line. In column B enter exclusions and adjustments to federal data.

NOTE: Schedules, attachments and other documentation that support tax withheld, exclusions, adjustments or deductions must be provided. Failure to attach or attaching incomplete supporting information will

delay processing of your return or result in tax withheld, exclusions, adjustments or deductions being disallowed.

**Lines 1 - 16, Column C – Figure Taxable Income**

Subtract column B from column A and enter difference in column C. Support figures with schedules.

**Line 17 – Total Additions**

Add lines 2 through 16.

**Line 18 – Total Income**

Add lines 1 through 16.

**Line 19 – Total Deductions**

Enter the total deductions from line 7 of Deductions Schedule, page 2.

**Line 20 – Total Income after Deductions**

Subtract line 19 from line 18.

**Line 21 – Exemptions**

Enter the total number of exemptions (page 2, Exemptions Schedule, line 1h) on line 21a, multiply line 21a by \$600.00 and enter the product on line 21b.

**Line 22 – Total Income Subject to Tax**

Subtract line 21b from line 20. If result is less than zero, enter zero.

**Line 23 – Tax**

Multiply line 22 by the appropriate tax rate to compute tax liability, and enter it on line 23b. (The resident tax rate is 1.5%. The nonresident rate is 0.75%.) If you were a part-year resident using Form GR-1040TC to compute your tax, must mark (X) line 23a and attach Form GR-1040TC to your return.

**Line 24 – Payments and Credits**

**Line 24a – Grand Rapids Tax Withheld by Employers**

The Grand Rapids tax withheld by each of your employers is to be reported on page 2 on the Excludible Wages and City Tax Withheld Schedule. Total Grand Rapids tax withheld, line 11 of this schedule, is reported on line 24a. The Form W-2 (Wage and Tax Statement) you received from each employer shows the tax withheld in box 19 and the locality name in box 20.

**You must attach a copy of each Form W-2 showing the amount of GRAND RAPIDS tax withheld and the locality name as Grand Rapids (or an equivalent indicating the tax was withheld for Grand Rapids).**

Credit for tax withheld will not be allowed without a supporting Form W-2.

**Line 24b – Other Tax Payments**

Enter the total of the following: estimated tax paid, credit forward from past tax year, tax paid with an extension, tax paid on your behalf by a partnership and any credit for tax paid by a tax option corporation.

A Grand Rapids resident reporting and paying income tax on flow through income from a tax option corporation (S corporation) may claim a credit for their proportionate share of income tax paid by the tax option corporation to Grand Rapids or another city. This credit may not exceed the amount of income tax that the corporation would pay if the income was taxable in Grand Rapids. Attach documentation of tax paid.

**Line 24c – Tax Credit for Tax Paid to Another City (Residents only)**

Enter on line 24c the credit for income taxes paid to the another city. If you had income subject to tax in another city while you were a **resident of Grand Rapids**, you may claim this credit. The credit IS NOT NECESSARILY the tax paid to the other city. This credit must be based on income taxable by both cities, and the credit may not exceed the tax that a nonresident of Grand Rapids would pay on the same income. Base the credit on the amount of the other city's tax, not the amount withheld. **You must attach a copy of the income tax return filed with the other city to receive this credit.**

**Line 24d – Total Payments and Credits**

Add lines 24a through 24c. Enter the total on line 24d.

**Line 25 – Interest and Penalty for Failure to Make Estimated Tax Payments; Underpayment of Estimated tax; or Late Payment of Tax**

Nonpayment or underpayment of estimated income tax and late payment of tax is subject to interest and penalty. You may calculate the amounts and enter interest on line 25a, penalty on 25b, and the total interest and penalty on line 25c or the city may calculate and assess it. Calculate estimated tax interest and penalty using Form GR-2210.

**TAX DUE OR REFUND**

**Line 26 – Tax Due and Payment of Tax**

If the tax on line 23b plus the interest and penalty on line 25c exceeds the total Payments and Credits on line 24d, enter the difference, the tax due, on line 26, otherwise leave blank. The tax due must be paid with the return when filed. The due date for the return is April 30, 2020.

**Pay by Check or Money Order.** Make the check or money order payable to the CITY OF GRAND RAPIDS, place the check or money order in front of page 1 of the tax form and mail the return with the payment to: Grand Rapids Income Tax, PO Box 107, Grand Rapids, Michigan 49501-0107. Do not send cash for your tax payment. The tax is due at the time of filing the return.

**Pay by Direct Withdrawal from Bank Account.** Payment by direct withdrawal from your bank account may be made on your return form by marking (X) the box on line 31b, completing lines 31c, 31d and marking (X) the type of account box, checking or savings, on line 31e.

Direct withdrawal payments are credited on the date received or the postmark date of the return or payment. Direct withdrawal payments will be processed as soon as possible after receipt of the return or receipt of the payment voucher.

**Payment Voucher.** Tax preparation software may support payment of tax due using a payment voucher, Form GR-1040PV or Form GR-1040PV-EFT. Use Form GR-1040PV to make payment with a check or money order separate from the return. Use Form GR-1040PV-EFT to make a direct withdrawal payment separate from the return. Do not complete line 31 of the return form when payment is made using a payment voucher. The voucher payment and the voucher must be mailed separately, from the return, to: Grand Rapids Income Tax, PO Box 347, Grand Rapids, Michigan 49501-0347. The tax is due at the time of filing the return. The tax due return is to be mailed to: Grand Rapids Income Tax, PO Box 107, Grand Rapids, Michigan 49501-0107.

**Line 27 – Overpayment**

If the total payments and credits on line 24d exceed the tax on line 23b plus the interest and penalty on line 25c, enter the difference, the overpayment, on line 27, otherwise leave blank. Use lines 28 through 31 to indicate what you want done with the refund. You must file the return even if there is no tax due, no overpayment or only a slight overpayment.

**Line 28 – Donations**

You may donate your overpayment, or a part of it, to the following: American flags for veterans' graves in Grand Rapids (line 28a) or the Grand Rapids Children's Fund (line 28b). Enter the amount of your donation on the line for the donation(s) of your choice and enter the total on line 28d.

**Line 29 – Credit Forward**

Enter on line 29 the amount of overpayment to credit to the next year.

**Line 30 – Refund**

Enter on Line 30 the amount of the overpayment to be refunded.

**Please allow 45 DAYS before calling about a refund.** You may choose to receive your refund by a paper check or as a direct deposit to your bank account.

**Refund Check.** If you want a paper check refund, do not complete line 31 and a paper check will be issued for the amount on line 30.

**Direct Deposit Refund.** To have your refund deposited directly into your bank account, complete line 31. On line 31a, mark (X) the box "Refund (direct deposit)" and enter the bank routing number on line 31c; the bank account number on line 31d; and the account type on line 31e.

**FORM GR-1040, PAGE 2 INSTRUCTIONS**

**EXEMPTIONS SCHEDULE**

Complete the Exemptions Schedule to report and claim the total number of personal and dependency exemptions allowed. Everyone who files a Grand Rapids return gets a personal exemption of \$600 for 2019. **You may claim an exemption even if someone else claims you as a dependent on their return.**

**Lines 1a - 1c – You and Spouse.** Enter your date of birth and mark (X) the exemption box for your regular personal exemption. If filing joint, enter your spouse's date of birth and mark (X) the exemption box for your spouse's regular personal exemption. You may claim an additional exemption if you or your spouse is: 65 years of age or older; or blind.

**Lines 1d – Dependents.** You may claim the same dependents you are allowed on your federal return. Enter the names of your dependent children that live with you, then the names of other dependents and their relationship to you. Provide each dependent's Social Security number and date of birth. Enter totals on 1f and 1g.

**Lines 1e - 1h – Total Exemptions.** Add the amounts on 1e, 1f and 1g; enter the total on line 1h; and also enter the total on page 1, line 21a.

#### EXCLUDED WAGES AND TAX WITHHELD SCHEDULE

Complete columns A through F for each employer or other source of wages. In Column A enter T for taxpayer's or S for spouse's employer. In column B enter the social security number from the employer's Form W-2, box a. In column C enter the employer's ID number from the employer's Form W-2, box b. If there are no excludible wages from an employer enter a zero (0) in Column D otherwise enter the excluded wages as reported on the Wages and Excludible Wages Schedule (Attachment 2). Complete columns E and F to report Grand Rapids income tax withheld by the employer or other source of wages. If no Grand Rapids tax was withheld, leave columns E and F blank.

The Wages and Excludible Wages Schedule (Attachment 2) must also be completed. The total wages reported on The Wages and Excludible Wages Schedule must equal the wages reported on page 1, line 1, column A and the total excluded wages on this schedule must equal the amount in the Excluded Wages and Tax withheld Schedule column d, line 11.

#### DEDUCTIONS SCHEDULE

You may deduct amounts that directly relate to income that is taxable by Grand Rapids, prorating where necessary. Allowable deductions include the following line number items:

##### Line 1 – Individual Retirement Account (IRA) Contributions

Contributions to an IRA are deductible to the same extent deductible under the Internal Revenue Code. **Attach page 1 of federal return and evidence of contribution**, which includes, but is not limited to, one of the following: a copy of receipt for IRA contribution, a copy of federal Form 5498, a copy of a cancelled check that clearly indicates it is for an IRA contribution. ROTH IRA contributions are **not** deductible.

##### Line 2 – Self-Employed SEP, SIMPLE and Qualified Plans

Self-employed SEP, SIMPLE and qualified retirement plan deductions may be entered on page 2, Deductions schedule, line 2.

##### Line 3 – Employee Business Expenses

Employee business expenses are deductible only when incurred in the performance of service for an employer and only to the extent not reimbursed by the employer. Meal expenses are not subject to the reductions and limitations of the Internal Revenue Code. Under the Grand Rapids Income Tax Ordinance meals must be incurred while away from home overnight on business.

BUSINESS EXPENSES ARE LIMITED TO THE FOLLOWING:

- Expenses of transportation, but not to and from work.
- Expenses of travel, meals and lodging while away from home overnight on business for an employer.
- Expenses incurred as an "outside salesperson" away from the employer's place of business. This does not include driver-salesperson whose primary duty is service and delivery.
- Expenses reimbursed by employer from an expense account or other arrangement if included in gross earnings.

**NOTE: Other business expenses (besides items A and B) are not allowed unless taxpayer qualifies as an outside salesperson.**

**Complete the Employee Business Expense Deduction worksheet to support the claimed Employee Business Expense deduction.**

##### Line 4 – Moving Expenses

This deduction has been greatly limited by the US Tax Cuts and Jobs Act. Qualified moving expenses for moving into the Grand Rapids area are deductible to the same extent deductible under the Internal Revenue Code. Moving must be related to starting work in a new location. **Attach a copy of the Moving Expense Deduction Worksheet, Form GR-3903, to support the claimed moving expense deduction.**

##### Line 5 – Alimony Paid

This deduction has been limited by the US Tax Cuts and Jobs Act. Qualified separate maintenance payments, alimony, and principal sums payable in installments (to the extent includable in the spouse's or former

spouse's adjusted gross income under the federal Internal Revenue Code) and deducted on the federal return are deductible. Child support is not deductible. **Attach a copy of federal return, page 1.**

**NOTE: The above deductions are limited to the amount claimed on your federal return, except meals. The deductions are limited by the extent they apply to income taxable under the Grand Rapids Income Tax Ordinance. Part-year residents must allocate deductions the same way they allocate income.**

##### Line 6 – Renaissance Zone

The Renaissance Zone deduction may be claimed by: a qualified resident domiciled in a Renaissance Zone; an individual with income from rental real estate located in a Renaissance Zone; and an individual proprietor or a partner in a partnership that has business activity within a Renaissance Zone. Individuals who qualify for the deduction **must attach Schedule RZ of GR-1040** to their return to claim the deduction. Residents are not qualified to claim the deduction until they have been domiciled in a Renaissance Zone for 183 consecutive days. Individuals are not qualified to claim the Renaissance Zone deduction if they are delinquent for any Michigan or Grand Rapids taxes. A Grand Rapids income tax return must be filed to qualify and claim this deduction. Schedule RZ is available at <http://grcity.us/treasury/Income-Tax>.

##### Line 7 – Total Deductions

Add lines 1 through 6. Enter the total on line 7 and on page 1, line 19.

#### ADDRESS SCHEDULE

Every taxpayer must complete the Address schedule. Start by listing the address used on last year's return. If this address is the same as listed on page 1, write "Same." If no 2018 return was filed provide reason none was filed. Complete the schedule by listing the addresses of the other principal residences (domiciles) occupied during 2019. Mark whether the address was for the taxpayer (T), spouse (S) or both (B) and enter the beginning and ending dates of residence at each.

#### THIRD-PARTY DESIGNEE

To authorize another person to discuss the tax return information with the Income Tax Department, mark (X) the "Yes" box and enter the person's name, phone number and any five digits as their personal identification number (PIN). To designate the tax preparer, enter "Preparer."

#### SIGN THE RETURN

You must sign and date the return. If filing a joint return, both spouses must sign and date the return. If someone else prepared the return, they must sign it and provide their address and telephone number.

### RESIDENTS

##### Line 1 – Wages, Salaries, Tips, Etc.

**The front page of the federal tax return must be attached to all resident tax returns. All W-2 forms showing wages and Grand Rapids tax withheld must be attached to page 1 of the return.**

Complete the Wages and Excludible Wages Schedule to report all wages and excludible wages. The total wages from line 22 of this schedule should equal the wages reported on Form GR-1040, page 1, line 1, column A, and the wages reported on your federal tax return, Form 1040, Form 1040A or Form 1040EZ.

A resident is taxed on **ALL** earnings, including salary, bonus, separation, and incentive payments, tips, commissions and other compensation for services rendered—**no matter where earned**. Example: Taxpayer lives in the City of Grand Rapids but works in Lansing and receives a paycheck from the home office in New York City: 100% of this compensation is taxable.

If your employer did not withhold Grand Rapids tax from your paycheck, you are still required to file and pay tax on those wages at the resident tax rate. *You will also be required to make estimated tax payments if your employer does not withhold Grand Rapids tax for you in 2019.*

Report on line 1, column B, the total excluded wages. All nontaxable wages must be documented on the Wages and Excludible Wages Schedule **and** listed by employer on the Excluded Wages and Tax Withheld Schedule on page 2. A resident's wages are generally not excludible. An example of excludible (nontaxable) resident wages is military pay.

##### Line 2 – Interest

## 2019 GRAND RAPIDS FORM GR-1040 INSTRUCTIONS FOR RESIDENTS

Interest is taxable the same as on the federal return except for interest on U.S. Bonds, Treasury Bills and notes which may be excluded.

Report the amount of taxable interest income from federal 1040, on line 2, column A. Report on line 2, column B, interest from U.S. Bonds and Treasury Bills and notes; document this excluded interest on the Excludible Interest Income schedule. S corporation flow through interest income is taxable unless from a federal government obligation.

### Line 3 – Dividends

Dividends are taxable. Report on line 3, column A, the total amount of dividend income from the federal return. Report on line 3, column B, excludible dividends from U.S. Bonds, Treasury Bills and notes, and document on the Excludible Dividend Income schedule. S corporation flow through dividend income is taxable unless from a federal government obligation.

### Line 4 – Taxable Refunds, Credits or Offsets

NOT TAXABLE. Exclude all. No explanation needed.

### Line 5 – Alimony Received

Alimony received is taxable. Report on line 5, columns A and C, the amount of alimony received as reported on the federal return.

### Line 6 – Business Income

All self-employment income is taxable regardless of where the business is located. Report on line 6, columns A and C, the total business income from the federal return. **Attach a complete copy of federal Schedule C.** Federal rules concerning passive losses are applicable to losses deducted on a Grand Rapids return.

### Line 7 – Capital Gain or (Loss)

The Uniform City Income Tax Ordinance follows the Internal Revenue Code regarding capital gains. All capital gains realized while a resident are taxable regardless of where the property is located, with the following exceptions:

1. Capital gains on sales of obligations of the United States and subordinate units of government.
2. The portion of the capital gain or loss on property purchased prior to the inception of the Grand Rapids income tax ordinance that is attributed to the time before inception ordinance.
3. Capital loss carryovers that originated prior to the taxpayer becoming a resident of Grand Rapids are not deductible.

Capital losses are allowed to the same extent they are allowed under the Internal Revenue Code and limited to \$3,000 per year. Unused net capital losses may be carried over to future tax years. The capital loss carryover for Grand Rapids may be different than the carryover for federal income tax purposes.

Deferred capital gain income from installment sales and like-kind exchanges are taxable in the same year reported on the taxpayer's federal income tax return.

Flow through income or loss from an S corporation reported on federal Sch. D is taxable. **Attach copies of federal Sch. K-1 (Form 1120S).**

Residents reporting capital gains or losses **must attach a copy of federal Schedule D.**

Excluded capital gains must be explained by completing and attaching the Exclusions and Adjustments to Capital Gains or (Losses) schedule.

### Line 8 – Other Gains or (Losses)

Other gains or losses are taxable to the extent that they are taxable on the federal 1040. Other gains and losses realized while a resident are taxable regardless of where the property is located, except the portion of the gain or loss on property purchased prior to the inception of the Grand Rapids Income Tax Ordinance.

Deferred other gains from installment sales and like-kind exchanges are taxable in the year recognized on the federal income tax return. Deferred gains **must be supported by attaching a copy of federal Form 6252 and/or Form 8824.**

Residents reporting other gains and losses **must attach a copy of federal Form 4797.**

Flow through income or loss from an S corporation reported on federal Form 4797 of a resident is taxable. **Attach copies of federal Schedule K-1 (Form 1120S).**

Use the Exclusions and Adjustments to Other Gains or (Losses) schedule to compute exclusions and adjustments to other gains and losses reported on your federal income tax return.

### Line 9 – IRA Distributions

In column A enter the IRA distributions reported on federal Form 1040 or Form 1040A. Premature IRA distributions (Form 1099-R, box 7, distribution code 1) and IRA distributions made to a decedent's beneficiary other than the decedent's spouse (Form 1099-R, box 7, distribution code 4) are **taxable.**

Exclude in column B, IRA distributions qualifying as retirement benefits: IRA distributions received after age 59½ or described by Section 72(t)(2)(A)(iv) of the IRC and all other excludible IRA distributions. The Exclusions and Adjustments to IRA Distributions schedule is used to document excluded IRA distributions.

The conversion of a traditional IRA to a ROTH IRA is taxable to a resident (Form 1099-R, box 7, Distribution Code, G) unless the individual making the conversion is 59 ½ years old or older at the time of the conversion.

### Line 10 – Taxable Pension Distributions

Enter on line 10, column A, pension and annuities reported on federal Form 1040 or Form 1040A. Excluded pension and retirement benefits are reported on line 10, column B and explained on the Exclusions and Adjustments to Pension Distributions schedule.

Pension and retirement benefits from the following are **not** taxable:

1. Pension plans that define eligibility for retirement and set contribution and benefit amounts in advance;
2. Qualified retirement plans for the self-employed;
3. Distributions from a 401(k) or 403(b) plan attributable to employer contributions or attributable to employee contributions to the extent they result in matching contributions by the employer;
4. IRA distributions received after age 59 ½ or described by Section 72(t)(2)(A)(iv) of the IRC;
5. Benefits from any of the previous plans received on account of disability or as a surviving spouse if the decedent qualified for the exclusion at the time of death;
6. Benefits paid to an individual from a retirement annuity policy that has been annuitized and paid over the life of the individual.

Pension and retirement benefits from the following **are** taxable:

1. Premature pension plan distributions (those received prior to qualifying for retirement);
2. Amounts received from deferred compensation plans that let the employee set the amount to be put aside and do not set retirement age or requirements for years of service. These plans include, but are not limited to, plans under IRC Sections 401(k), 457 and 403(b):
  - Amounts received before the recipient could retire under the plan provisions, including amounts paid on separation, withdrawal or discontinuance of the plan;
  - Amounts received as early retirement incentives, unless the incentives were paid from a pension trust;
3. Benefits paid from a retirement annuity policy other than annuitized benefits paid over the life of the individual are taxable to the same extent taxable under the Internal Revenue Code.
4. Excess contributions plus earnings or excess deferrals and/or earnings taxable in current tax year (Form 1099-R, box 7, code 8). Note, Form 1099-R, box 7, code P, reports excess contributions plus earnings or excess deferrals and/or earnings taxable in the prior tax year and probably requires the filing of an amended return for the prior tax year.

Report taxable pension and retirement income on line 10, column C.

### Line 11 – Rental Real Estate, Royalties, S Corporations, Partnerships, Royalties, Estates, Trust, Etc.

Except for royalty income upon which Michigan severance tax was paid all income reported on federal Schedule E is taxable. A resident's share of an S corporation's flow through income is taxable to the same extent and on the same basis the income is taxable under the Internal Revenue Code. Report this income on line 11, columns A, exclude royalty income upon which Michigan severance tax was paid in column B and report taxable portion of this income in column C.

### Line 12 – Reserved – Not used

### Line 13 – Farm Income or (Loss)

Profit or loss from the operation of a farm is taxable as reported on the federal return regardless of where the farm is located. There are no exclusions. **Attach a complete copy of federal Schedule F.**

**Line 14 – Unemployment Compensation**

NOT TAXABLE. Exclude all. No explanation needed.

**Line 15 – Social Security Benefits**

NOT TAXABLE. Exclude all. No explanation needed.

**Line 16 – Other Income**

Other income reported on the resident's federal return is taxable except for income from recoveries related to federal itemized deductions from prior tax years. Report on this line a net operating loss carryover from the previous tax year. Report exclusions and adjustments on p. 2, using the Exclusions and Adjustments to Other Income schedule.

**Line 17 – Reserved – Not used**

**Line 18 – Total Income**

Add lines 1 through 16 of each column and enter amounts on line 18.

**Line 19 – Deductions**

Enter amount from Deductions schedule, page 2, line 7.

Revised 10/21/2019

INDIVIDUAL RETURN DUE APRIL 30, 2020

Taxpayer's SSN		Taxpayer's first name Initial Last name		<b>RESIDENT TAX FORM</b>		
Spouse's SSN		If joint return spouse's first name Initial Last name				
Mark (X) box if deceased <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse		Present home address (Number and street) Apt. no.			Part-year resident - dates of residency (mm/dd/yyyy) From <input type="text"/> To <input type="text"/>	
Enter date of death on page 2, right side of the signature area		Address line 2 (P.O. Box address for mailing use only)			<b>FILING STATUS</b> <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly	
Mark box (X) below if form attached <input type="checkbox"/> Federal Form 1310		City, town or post office State Zip code		Married filing separately. Enter spouse's SSN in Spouse's SSN box and Spouse's full name here.		
<input type="checkbox"/> Check here if you Itemized in 2019		Foreign country name	Foreign province/county	Foreign postal code	Spouse's full name if married filing separately	

ATTACH COPY OF PAGE 1 OF FEDERAL RETURN	ROUND ALL FIGURES TO NEAREST DOLLAR (Drop amounts under \$.50 and increase amounts from \$.50 to \$.99 to next dollar)		Column A Federal Return Data	Column B Exclusions/Adjustments	Column C Taxable Income
	1.	Wages, salaries, tips, etc. ( W-2 forms must be attached)	1	.00	.00
2.	Taxable interest	2	.00	.00	.00
3.	Ordinary dividends	3	.00	.00	.00
4.	Taxable refunds, credits or offsets of state and local income taxes	4	.00	.00	NOT TAXABLE
5.	Alimony received	5	.00	.00	.00
6.	Business income or (loss) (Attach copy of federal Schedule C)	6	.00	.00	.00
7.	Capital gain or (loss) (Attach copy of fed. Sch. D) 7a. <input type="checkbox"/> Mark if federal Sch. D not required	7	.00	.00	.00
8.	Other gains or (losses) (Attach copy of federal Form 4797)	8	.00	.00	.00
9.	Taxable IRA distributions (Attach copy of Form(s) 1099-R)	9	.00	.00	.00
10.	Taxable pensions and annuities (Attach copy of Form(s) 1099-R)	10	.00	.00	.00
11.	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (Attach copy of federal Schedule E)	11	.00	.00	.00
12.	Reserved	12			
13.	Farm income or (loss) (Attach copy of federal Schedule F)	13	.00	.00	.00
14.	Unemployment compensation	14	.00	.00	NOT TAXABLE
15.	Social security benefits	15	.00	.00	NOT TAXABLE
16.	Other income (Attach statement listing type and amount)	16	.00	.00	.00
17.	Total additions (Add lines 2 through 16)	17	.00	.00	.00
18.	Total income (Add lines 1 through 16)	18	.00	.00	.00
19.	Total deductions (Subtractions) (Total from page 2, Deductions schedule, line 7)	19		.00	.00
20.	Total income after deductions (Subtract line 19 from line 18)	20		.00	.00
21.	Exemptions (Enter the total exemptions, from Form GR-1040, page 2, box 1h, in line 21a and multiply this number by \$600 and enter on line 21b)	21a <input type="text"/>		21b <input type="text"/>	.00
22.	Total income subject to tax (Subtract line 21b from line 20)	22		.00	.00
23.	Tax at {tax rate} (Multiply line 22 by Grand Rapids resident tax rate of 1.5% (0.015) or nonresident tax rate of 0.75% (0.0075) and enter tax on line 23b, or if using Schedule TC to compute tax, mark (X) box 23a and enter tax from Schedule TC, line 23c)	23a <input type="text"/>		23b <input type="text"/>	.00
24.	Payments and credits 24a <input type="text"/> Grand Rapids tax withheld 24b <input type="text"/> Other tax payments (est. extension, or fwd, partnership & tax option corp) 24c <input type="text"/> Credit for tax paid to another city 24d <input type="text"/> Total payments &	24a .00	24b .00	24c .00	24d .00
25.	Interest and penalty for: failure to make estimated tax payments; underpayment of estimated tax; or late payment of tax 25a <input type="text"/> Interest 25b <input type="text"/> Penalty 25c <input type="text"/> Total interest & penalty	25a .00	25b .00	25c .00	.00
26.	TAX DUE Amount you owe (Add lines 23b and 25c, and subtract line 24d) MAKE CHECK OR MONEY ORDER PAYABLE TO: CITY OF GRAND RAPIDS, OR TO PAY WITH A DIRECT WITHDRAWAL, mark (X) pay tax due, line 31b, and complete lines 31c, d & e) 26				.00
27.	OVERPAYMENT Tax overpayment (Subtract lines 23b and 25c from line 24d; choose overpayment options on lines 28 - 30) 27				.00
28.	Amount of overpayment donated 28a <input type="text"/> Flags for Veterans graves in GR 28b <input type="text"/> Grand Rapids Childrens Fund 28c <input type="text"/> Total donations 28d <input type="text"/>	28a .00	28b .00	28c <input type="text"/>	28d .00
29.	Amount of overpayment credited forward to 2020 Amount of credit to 2020 >>				.00
30.	Amount of overpayment refunded (Line 27 less lines 28d and 29) (For refund to be directly deposited to your bank account, mark refund box, line 31a, and complete line 31 c, d & e) Refund amount >>				.00
31.	Direct deposit refund (Mark (X) box 31a and complete lines 31c, 31d and 31e) 31a <input type="checkbox"/> Refund (direct deposit) 31c Routing number 31b <input type="checkbox"/> Pay tax due (direct withdrawal) 31d Account number 31e Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings				

Taxpayer's name

Taxpayer's SSN

EXEMPTIONS SCHEDULE

Form with fields for exemptions: 1a. You, 1b. Spouse, 1d. List Dependents, 1e. Enter the number of boxes checked on lines 1a and 1b, 1f. Enter number of dependent children listed on line 1d, 1g. Enter number of other dependents listed on line 1d, 1h. Total exemptions (Add lines 1e, 1f and 1g; enter here and also on page 1, line 21a)

EXCLUDED WAGES AND TAX WITHHELD SCHEDULE (See instructions. Resident wages generally not excluded)

Table with columns: W-2 #, Col. A T or S, COLUMN B SOCIAL SECURITY NUMBER, COLUMN C EMPLOYER'S ID NUMBER, COLUMN D EXCLUDED WAGES, FAILURE TO ATTACH W-2 FORMS TO PAGE 1 WILL DELAY PROCESSING OF RETURN. WAGE INFORMATION STATEMENTS PRINTED FROM TAX PREPARATION SOFTWARE ARE NOT ACCEPTABLE., COLUMN E GRR TAX WITHHELD, COLUMN F LOCALITY NAME

DEDUCTIONS SCHEDULE (See instructions; deductions allocated on the same basis as related income)

Table with columns: Deduction description, FROM, TO, DEDUCTIONS

ADDRESS SCHEDULE (Where taxpayer (T), spouse (S) or both (B) resided during year and dates of residency)

Table with columns: MARK T, S, B, List all residence (domicile) addresses, FROM MONTH DAY, TO MONTH DAY

THIRD PARTY DESIGNEE

Do you want to allow another person to discuss this return with the Income Tax Office? Yes, complete the following No

Designee's name, Phone No., Personal identification number (PIN)

Under the penalty of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

SIGNATURE OF TAXPAYER, SPOUSE'S SIGNATURE, Date (MM/DD/YY), Taxpayer's occupation, Spouse's occupation, Daytime phone number, If deceased, date of death

SIGNATURE OF PREPARER OTHER THAN TAXPAYER, Date (MM/DD/YY), PTIN, EIN or SSN, Preparer's phone no.

FIRM'S NAME (or yours if self-employed), ADDRESS AND ZIP CODE, NACTP software number, GRR19