

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 nonresidents.

Form GR-1040N

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%
Nonresident: 0.75%
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

Prepare and e-file your Grand Rapids return using the city's free online tax tool, go to www.grcity.us/taxtool, and follow the instructions. The enclosed forms are those used by most taxpayers. Additional forms may be downloaded from the city's website, www.grcity.us/taxforms.

CONTACT US

For assistance: find us online at www.grcity.us/incometax; e-mail questions to 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.

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.

2019 GRAND RAPIDS FORM GR-1040 INSTRUCTIONS FOR NONRESIDENTS

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 a 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.

NONRESIDENTS

NONRESIDENT INCOME SUBJECT TO TAX:

- Compensation for work done or services performed in Grand Rapids, which includes, but is not limited to, the following: salaries, wages, bonuses, commissions, fees, tips, incentive payments, severance pay, vacation pay and sick pay.
- Net profits from the operation of an unincorporated business, profession or other activity attributable to business activity conducted in Grand Rapids, whether or not such business is located in Grand Rapids. This includes business interest income from business activity in Grand Rapids.
- Gains or losses from the sale or exchange of real or tangible personal property located in Grand Rapids.
- Net profits from the rental of real or tangible personal property located in Grand Rapids.
 - Premature distributions from an Individual Retirement Account (IRA) where a deduction was claimed on a current or previous year's Grand Rapids income tax return.
 - Premature distributions from a pension plan attributable to work performed in Grand Rapids.
 - Deferred compensation earned in Grand Rapids.

Line 1 – Wages, Salaries, Tips, Etc.

All wages of a nonresident are to be reported on the Wages and Excludible Wages Schedule. The total wages from line 22 of this schedule is the amount reported on Form GR-1040, page 1, line 1, column A. The total wages should be the same as the wages reported on your federal tax return (Form 1040, Form 1040A or Form 1040EZ).

2019 GRAND RAPIDS FORM GR-1040 INSTRUCTIONS FOR NONRESIDENTS

All W-2 forms showing income earned in Grand Rapids and/or tax withheld for Grand Rapids must be attached to the return.

Report on page 1, line 1, column B, the total excluded wages from Line 16 of the Wages, Excludible Wages and City Tax Withheld schedule.

All excluded wages must be documented on the Wages and Excludible Wages Schedule and listed, by employer, on the Excluded Wages and Tax Withheld Schedule on Form GR-1040, page 2. On the Wages and Excludible Wages schedule, line 7, list the address of the work station where you performed the work for the employer and on line 19, enter the reason the wages are excludible.

Do not use box 18 of W-2 form to report taxable wages or to allocate wages, use all wages reported on your federal return as the allocation basis. A separate wage allocation must be completed for each employer. Wages are normally allocated using the actual number of days or hours worked in and outside of Grand Rapids during the tax year for an employer. Vacation time, sick time and holidays are not included in total days worked in arriving at the wage allocation percentage. Vacation pay, holiday pay, sick pay, bonuses, severance pay, etc. are taxable to same extent as normal earnings.

100% Earned in Grand Rapids. All wages, salaries, tips, sick pay, bonuses, deferred compensation, severance pay, and other compensation (Form W-2, boxes 1 and 8) is taxable to nonresidents who worked 100% of the time in Grand Rapids.

Wage Allocation. Nonresidents who performed only part of their services for an employer in the Grand Rapids must allocate their wages. Use the Nonresident and Part-Year Resident Wage Allocation section of the Wages and Excludible Wages Schedule.

Wage Allocations on Commissions, Etc. A nonresident salesperson paid on a commission basis or other results achieved should allocate wages based on commissions received or other results achieved attributable to efforts expended in Grand Rapids. A nonresident insurance salesperson paid sales commissions and renewal commissions should allocate compensation on the following basis: Allocate commissions from life, health, accident and vehicle (auto) insurance based on the location (residence) of the purchaser. Allocate commissions from group insurance based on the location of the group. Allocate commissions from fire and casualty insurance based on the location of the risk insured.

Line 2 – Interest

Non-business interest income of a nonresident is not taxable. Exclude all non-business interest income. No explanation needed.

Interest income that is business income from business activity in Grand Rapids is taxable and must be reported. Attach a schedule showing source and computation of taxable and nontaxable interest income.

Line 3 – Dividends

NOT TAXABLE. Exclude all dividend income. No explanation needed.

Line 4 – Taxable Refunds, Credits or Offsets

NOT TAXABLE. Exclude all. No explanation needed.

Line 5 – Alimony Received

NOT TAXABLE. Exclude all. No explanation needed.

Line 6 – Profit or (Loss) from a Business, Etc.

Profit or loss from the operation of a business or profession is taxable to the extent it results from work done, services rendered or other business activities conducted in Grand Rapids. Report on page 1, line 6, column A, business income reported taxable on your federal return.

The Exclusions and Adjustments to Business Income schedule is used to exclude business income. The total excluded business income from line 5 of this schedule is also entered on page 1, line 6, column B. If a business operates both in and outside of Grand Rapids, the taxable profit or loss is determined using the three factor Business Allocation Formula.

Where no work is done, services rendered or other business activity is conducted in Grand Rapids, the profit or loss is entirely excluded. Complete the Exclusions and Adjustments to Business Income schedule to exclude profit or loss from the operation of a business.

A Grand Rapids net operating loss carryover from the previous tax year is reported on page 1, line 16, column C. See instructions for line 16.

Line 7 – Capital Gains or (Losses)

Capital gains or losses of a nonresident are included in taxable income to the extent the gains or losses are from property located in Grand Rapids. Capital losses from property located in Grand Rapids are allowed to the same extent they are allowed under the Internal Revenue Code. Unused

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 exchange of property located in Grand Rapids are taxable in the year recognized on the taxpayer's federal income tax return.

Flow through income or loss from an S corporation reported on a nonresident's federal Schedule D is excluded on the Exclusions and Adjustments to Capital Gains or (Losses) schedule **Attach copies of federal Schedule K-1 (Form 1120S).**

Use the Exclusions and Adjustments to Capital Gains or (Losses) schedule to compute exclusions and adjustments to capital gains. **NOTE:** A common error on a nonresident return is failure to complete the Exclusions and Adjustments schedule to exclude the capital loss carryover reported on the taxpayer's federal income tax return.

Line 8 – Other Gains or (Losses)

A nonresident's other gains and losses are included in taxable income to the extent the gains or losses are from property located in Grand Rapids. Deferred other gains and losses from installment sales and like-kind exchanges of property located in Grand Rapids are taxable in the year recognized on the taxpayer's federal income tax return. Deferred other gains must be supported by attaching a copy of federal Form 6252 and/or Form 8824.

Flow through income or loss from an S corporation reported on federal Form 4797 is excluded on the Exclusions and Adjustments to Other Gains and (Losses) schedule. **Attach copies of federal Schedule K-1 (Form 1120S).**

Nonresidents reporting other gains and losses **must attach a copy of federal Form 4797.** Use the Exclusions and Adjustments to Other Gains and Losses schedule to compute exclusions and adjustments to other gains and losses reported on the federal income tax return. On line 4 of the schedule enter the total excluded other gains or losses and also enter this total on page 1, line 8, column B.

Line 9 – IRA Distributions

That portion of a premature IRA distribution that was deducted from Grand Rapids taxable income in the current or a prior tax year (reported on Form 1099-R, box 7, distribution code 1) are taxable to a nonresident. IRA distributions received after age 59 ½ or described by Section 72(t)(2)(A)(iv) of the IRC are not taxable.

Line 10 – Taxable Pension Distributions

Premature pension plan distributions (those received by a nonresident prior to qualifying for retirement) are taxable to the same extent the normal wages from the employer are taxable.

A nonresident remaining employed by the particular employer in Grand Rapids may not exclude 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 Sections 401(k), 457 and 403(b) of the Internal Revenue Code (IRC): 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.

Form 1099-R, box 7, code 8, Excess contributions or excess deferrals taxable in current tax year are taxable to a nonresident to the same extent and on the same basis as the normal earning from the specific employer are taxable. Note: Form 1099-R, box 7, code P, reports excess contributions or excess deferrals taxable in the prior tax year and may require a nonresident to file an amended return for the prior tax year.

See Line 10 under "Residents" for additional information on nontaxable pension and retirement benefits.

Excludible pension distributions are listed on the Exclusions and Adjustments to Pension Income schedule. Enter the total excluded pension distributions on the last line of the schedule and also enter the amount on page 1, line 10, column B.

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

All income reported on the federal Schedule E that comes from business activity in Grand Rapids or property located in Grand Rapids is taxable to nonresidents. When an estate or trust has taxable income in Grand Rapids,

2019 GRAND RAPIDS FORM GR-1040 INSTRUCTIONS FOR NONRESIDENTS

the estate or trust must file a return and pay tax on distributions to nonresidents and on undistributed taxable income.

The following income reported on federal Schedule E is excludable: income from business activity or property outside Grand Rapids including royalty income upon which Michigan severance tax was paid; S corporation flow through income or loss reported on Schedule E; and income from estates and trusts.

Explain all exclusions on the Exclusions and Adjustments to Income from Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, Etc. schedule. On line 6 of this schedule enter the total exclusions and adjustments; enter also on page 1, line 11, column C.

Line 12 – Reserved – Not used

Line 13 – Farm Income or (Loss)

A nonresident's profit or loss from a farm are included in Grand Rapids income to the extent the profit or loss results from work done, services rendered or other activities conducted in Grand Rapids. The portion of the profit or loss reported on the Grand Rapids return is determined by use of the three factor Farm Allocation Percentage formula. Where no work is done, services rendered or other business activity is conducted in Grand Rapids, the entire farm profit or loss is excluded, using the Exclusions and Adjustments to Farm Income schedule.

Sales of crops at the produce market, any of the farmer's markets or a produce stand located in the city is Grand Rapids business activity and subjects the farm to Grand Rapids income tax.

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 is taxable if it is from work performed or other activities conducted in Grand Rapids. Use the Exclusions and Adjustments to Other Income schedule to document exclusions and adjustments. Report on this line a Grand Rapids-related net operating loss carryover from the previous tax year.

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 – Total Deductions

Enter amount from Deductions schedule, page 2, line 7. A nonresident's deductions are limited by the extent they relate to income taxable under the Grand Rapids Income Tax Ordinance. Nonresidents must allocate deductions the same way related income is allocated. See Deductions schedule (page 2 instructions) for a list of allowable deductions.

INDIVIDUAL RETURN DUE APRIL 30, 2020

Taxpayer's SSN		Taxpayer's first name		Initial	Last name	NON-RESIDENT TAX FORM	
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.		FILING STATUS <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately. Enter spouse's SSN in Spouse's SSN box and Spouse's full name here. _____ Spouse's full name if married filing separately
Enter date of death on page 2, right side of the signature area		Address line 2 (P.O. Box address for mailing use only)					
Mark box (X) below if form attached <input type="checkbox"/> Federal Form 1310		City, town or post office		State	Zip code		
<input type="checkbox"/> Supporting Notes and Statements (Attachment 22)		Foreign country name		Foreign province/county	Foreign postal code		

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)				
	INCOME	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	
3.	Ordinary dividends	3	.00	.00	
4.	Taxable refunds, credits or offsets of state and local income taxes	4	.00	.00	
5.	Alimony received	5	.00	.00	
6.	Business income or (loss) (Attach copy of federal Schedule C)	6	.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	
8.	Other gains or (losses) (Attach copy of federal Form 4797)	8	.00	.00	
9.	Taxable IRA distributions (Attach copy of Form(s) 1099-R)	9	.00	.00	
10.	Taxable pensions and annuities (Attach copy of Form(s) 1099-R)	10	.00	.00	
11.	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (Attach copy of federal Schedule E)	11	.00	.00	
12.	Reserved	12			
13.	Farm income or (loss) (Attach copy of federal Schedule F)	13	.00	.00	
14.	Unemployment compensation	14	.00	.00	
15.	Social security benefits	15	.00	.00	
16.	Other income (Attach statement listing type and amount)	16	.00	.00	
17.	Total additions (Add lines 2 through 16)	17	.00	.00	
18.	Total income (Add lines 1 through 16)	18	.00	.00	
19.	Total deductions (Subtractions) (Total from page 2, Deductions schedule, line 7)	19		.00	
20.	Total income after deductions (Subtract line 19 from line 18)	20		.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="checkbox"/>	21b	.00	
22.	Total income subject to tax (Subtract line 21b from line 20)	22		.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="checkbox"/>	23b	.00	
24.	Payments and credits 24a <input type="checkbox"/> Grand Rapids tax withheld .00 24b <input type="checkbox"/> Other tax payments (est, extension, or twd, partnership & tax option corp) .00 24c <input type="checkbox"/> Credit for tax paid to another city .00 24d <input type="checkbox"/> Total payments & credits .00	24a	24b	24c	24d
25.	Interest and penalty for: failure to make estimated tax payments; underpayment of estimated tax; or late payment of tax 25a <input type="checkbox"/> Interest .00 25b <input type="checkbox"/> Penalty .00 25c <input type="checkbox"/> Total interest & penalty .00	25a	25b	25c	
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="checkbox"/> .00 28b <input type="checkbox"/> .00 28c <input type="checkbox"/> Total donations 28d <input type="checkbox"/> .00	28a	28b	28c	28d
29.	Amount of overpayment credited forward to 2020 Amount of credit to 2020 >>	29			.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 >>	30			.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 <input type="checkbox"/> 31b <input type="checkbox"/> Pay tax due (direct withdrawal) 31d Account number <input type="checkbox"/>	31a	31b	31c	31d
	31e Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings				

EXEMPTIONS SCHEDULE

1a. You Date of birth (mm/dd/yyyy) Regular 65 or over Blind
1b. Spouse

1e. Enter the number of boxes checked on lines 1a and 1b

1d. List Dependents 1c. Check box if you can be claimed as a dependent on another person's tax return

Table with columns: #, First Name, Last Name, Social Security Number, Relationship, Date of Birth

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, 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. If prepared by a person other than taxpayer, the preparer's declaration is based on all information of which preparer has any knowledge.

SIGN HERE TAXPAYER'S SIGNATURE - If joint return, both spouses must sign Date (MM/DD/YY) Taxpayer's occupation Daytime phone number If deceased, date of death
SPOUSE'S SIGNATURE Date (MM/DD/YY) Spouse's occupation Daytime phone number If deceased, date of death

PREPARER'S SIGNATURE 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

WAGES AND EXCLUDIBLE WAGES SCHEDULE - GR-1040, PAGE 1, LINE 1, COLUMN B **Attachment 2-1**
All W-2 forms must be attached to page 1 of the return Revised 09/30/2019

Use this form to provide details for all Forms W-2 and all other wage income reported on federal Forms 1040 (line 1) such as: wages received as a household employee for which you did not receive a W-2; tips reported on federal Form 4137; taxable dependent care benefits; employer-provided adoption benefits; scholarship and fellowship grants not reported on Form W-2; disability pensions shown on Form 1099-R if the taxpayer has not reached the minimum retirement age set by the employer; corrective distributions from a retirement plan shown on Form 1099-R from excess salary deferrals and/or excess contributions (plus earnings); wages from Form 8919, line 6; and other wage items not included in a Form W-2.

Use this form to calculate excludible (nontaxable) wages included in total wages reported on your federal tax return (Forms 1040, line 1). Excludible wages for each employer are also reported on Form GR-1040, page 2, Excluded Wages and Tax Withheld Schedule and the total amount of excludible wages is reported on Form GR-1040, page 1, line 1, column B.

WAGES, ETC.	Employer (or source) 1	Employer (or source) 2	Employer (or source) 3
1. Employer's ID number (W-2, box b) or source's ID Number if available			
2. Employer's name (Form W-2, box c) or source's name			
3. SSN from Form W-2, box a			
4. Enter T for taxpayer or S for spouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Dates of employment during tax year	From <input type="checkbox"/> To <input type="checkbox"/>	From <input type="checkbox"/> To <input type="checkbox"/>	From <input type="checkbox"/> To <input type="checkbox"/>
6. Mark (X) box if you work at multiple locations in and out of the Grand Rapids	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Address of work station (Where you actually work, not address on Form W-2 unless you work there: include street number and street name, city, state and ZIP code; if line 6 is checked enter primary work location)			
8. Wages, tips, other compensation (Form W-2, Box 1) Report statutory employee wages as zero			
9. Wages not included in Form W-2, box 1 (See instructions)			
10. Code for wage type reported on line 9			

NONRESIDENT WAGE ALLOCATION	Employer (or source) 1	Employer (or source) 2	Employer (or source) 3
For use by nonresidents or part-year residents who worked both in and outside of the Grand Rapids for the employer while a nonresident. Part-year residents working both in and outside while a nonresident must use the wage allocation to determine wages earned in Grand Rapids while a nonresident (use only wages and days worked while a nonresident for computations.) Nonresidents working all of their work time for an employer in the Grand Rapids should skip this Nonresident Wage Allocation section for that employer as all of their wages are taxable.			
11. Enter actual number of days or hours on job for employer during period (Do not include weekends you did not work)			
12. Vacation, holiday and sick days or hours included in line 11, only if work performed in and outside of Grand Rapids			
13. Actual number of days or hours worked (Line 11 less line 12)			
14. Enter actual number of days or hours worked in Grand Rapids			
15. Percentage of days or hours worked in Grand Rapids (Line 14 line 13; default is 100%)	%	%	%
16. Wages earned in Grand Rapids (Total of lines 8 and 9 multiplied by line 15; part-year residents use only the portion of wages earned while a nonresident)			

EXCLUDIBLE WAGES	Employer (or source) 1	Employer (or source) 2	Employer (or source) 3
17. Enter nonresident excludible wages (Total of lines 8 & 9 less line 16)			
18. Enter resident excludible wages			
19. Enter reason excludible wages reported on lines 17 and/or 18 are not taxable by Grand Rapids			
20. Total excludible wages (Line 17 plus line 18; Enter here and on GR-1040, page 2, Excluded Wages schedule)			
21. Total taxable wages (Line 8 plus line 9 less line 20)			
22. Total wages (Add lines 8 and 9 for all employers and other sources; must equal amount reported on Form GR-1040, page 1, line 1, column A; Part-year residents must equal amount reported on Schedule TC, line 1, column A)			
23. Total excludible wages from all employers and other sources (Add line 20 for all columns; enter here and also on Form GR-1040, page 1, line 1, column B; part-year residents enter here and on Schedule TC, line 1, column B)			
24. Total taxable wages from all employers and other sources (Line 22 less line 23); enter here and also on Form GR-1040, page 1, line 1, column C; part-year residents enter here and allocate on Schedule TC, line 1, between columns C and D)			

FAILURE TO ATTACH ALL FORMS W-2 OR PROPERLY COMPLETE AND ATTACH THIS SCHEDULE WILL DELAY PROCESSING OF RETURN.