

City of Grand Rapids
Income Tax Department
300 Monroe Ave NW
Grand Rapids, Michigan 49501

GRAND RAPIDS ESTATE OR TRUST INCOME TAX FORMS AND INSTRUCTIONS

For use by estates and trusts

Form GR-1041
(Formerly Schedule G
of Form GR-1040NR)

ESTATES AND TRUSTS HAVING GRAND RAPIDS TAXABLE INCOME IN A TAX YEAR MUST FILE A RETURN
ESTATES AND TRUSTS ARE TREATED LIKE A NONRESIDENT TAXPAYER AND TAXED AT THE NONRESIDENT TAX RATE

NEW MAILING ADDRESS

Mail estate or trust returns, Form GR-1041, to: Grand Rapids Income Tax, P.O. Box 109, Grand Rapids, MI 49501-0109.

TAX RATES AND EXEMPTIONS

The nonresident tax rate is currently 0.75%; see instructions for tax rates for other tax years.

An estate or trust is allowed one exemption; the exemption is currently \$600; see instructions for the value of an exemption for other tax years.

PAYMENT OF TAX DUE

Tax due, if one dollar (\$1.00) or more must be paid with your return. NOTE: Estates and trusts are not required to make estimated income tax payments. However, forms for making estimated income tax payments are available on the Grand Rapids website at www.grcity.us/incometax;

Make check or money order payable to: **CITY OF GRAND RAPIDS CITY**

FILING OF RETURN

Only paper filed estate or trust returns are accepted.

Mail estate or trust return, Form GR-1041, to: Grand Rapids Income Tax, P.O. Box 109, Grand Rapids, MI 49501-0109.

Calendar year and fiscal year tax returns are due on the last day of the fourth month after the end of the fiscal year.

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. Mail tax correspondence to: Grand Rapids Income Tax, P.O. Box 347, Grand Rapids, MI 49501-0347.

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.

INSTRUCTIONS FOR FORM GR-1041

Estates and trusts with Grand Rapids taxable income and are required to file a U.S. Income Tax Return for Estates and Trusts, Form 1041, must file Grand Rapids Income Tax Return for Estates and Trusts, Form GR-1041. A business trust that files as a corporation with the Internal Revenue Service and is "doing business" in Grand Rapids must file a Grand Rapids corporation income tax return.

TAXABLE INCOME

The taxable income of an estate or trust is the same as the taxable income of a nonresident individual. Income distributable to a person other than an individual resident of Grand Rapids and income not distributed from the following sources is subject to tax:

1. Net profit (or loss) from the operation of a business or farm that is attributable to business activity conducted in Grand Rapids whether or not such business is located in Grand Rapids;
2. Net profit from rental of real and tangible personal property located in Grand Rapids;
3. Gain on the sale or exchange of real and tangible personal property located in Grand Rapids;
4. Income from a partnership, estate or trust taxable under the Grand Rapids Income Tax Ordinance; and
5. Other income earned in or from other activity in Grand Rapids.

Form GR-1041

The flow of income on Form GR-1041 starts in column A with income reported on the federal return; Column B is used to adjust the federal data for income taxable on the federal return that is not taxable by Grand Rapids and vice versa; and column C reports the income taxable under the Grand Rapids Income Tax Ordinance (column A less column B).

Exclusions and adjustments reported in column B must be explained by completing and attaching applicable exclusion or adjustment schedules or by attaching a separate explanation to the return. Attach copies of federal schedules to support all entries on lines 1, 2, 3, 4 and 5 of Column A.

After the determination of Grand Rapids income, a qualified estate or trust with business activity in a Renaissance Zone is allowed a Renaissance Zone deduction. A deduction is allowed for the portion of Grand Rapids income distributed to a resident of Grand Rapids. One exemption is allowed to each estate or trust.

Deductions claimed must be supported by the filing of Schedule G-1 (page 2 of Form GR-1041) and/or Schedule RZ, Renaissance Zone deduction.

PAGE 1 INSTRUCTIONS

Line 1 – Business Income or (Loss)

Net profit or (loss) from the operation of a business or profession is income to the extent it results from work done, services rendered or other business activities conducted in Grand Rapids.

Report on page 1, line 1, column A, the business income reported on federal Form 1041, line 3. Use Schedule 1, Exclusions and Adjustments to Business Income or (Loss), to calculate excluded business income. The total excluded business income from Schedule 1, line 5, is entered on page 1, line 1, column B. If a business operates both in and outside of the city, 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.

If reporting business income, attach a copy of Federal Schedule C to the return. If excluding or adjusting business income (or loss), Schedule 1 must be attached to the return.

Line 2 – Capital Gain or (Loss)

Except for a capital gain flowing through from an S corporation, a capital gain or (loss) is included in income to the extent the gain or (loss) is from sales of property located in Grand Rapids. A capital gain or (loss) flowing through from an S corporation is totally excluded from income.

A capital loss from property located in Grand Rapids is allowed to the same extent allowed under the Internal Revenue Code. An unused capital loss may be carried over to future tax years. The capital loss carryover for the city may be different from the carryover for federal income tax purposes. An adjustment must be made for this difference.

A deferred capital gain from an installment sale or like-kind exchange of property located in Grand Rapids is taxable in the year recognized for federal income tax purposes.

The portion of capital gain or (loss) from property purchased prior to January 1, 1968, is excluded from income. The gain (or loss) on property purchased prior to January 1, 1968 must be determined by one of the following methods:

1. The basis may be the adjusted fair market value of the property on 12/31/1967 (the 12/31/1967 closing price for traded securities), or
2. Divide the number of months the property was held since January 1, 1968, by the total number of months the property was held, and apply this fraction to the total gain or (loss) of each separate property as reported on federal form 1041.

Report on page 1, line 2, column A, the capital gain or (loss) reported on federal Form 1041, line 4. Use Schedule 2, Exclusions and Adjustments to Capital Gain (or Loss), to calculate the excluded capital gain (or loss). On line 2, column B, enter the total excluded capital gain (or loss) from Schedule 2, line 4.

If reporting capital gain (or loss), attach a copy of federal Schedule D (Form 1041) to the return. If excluding or adjusting reported capital gain (or loss), attach a copy of Schedule 2 to the return.

Line 3 – Rental Real Estate, Royalties, Partnerships, Other Estates, Trusts, Etc.

Except for S corporation income (or loss), all income reported on the federal Schedule E that comes from business activity in Grand Rapids or property located in Grand Rapids is income in Grand Rapids. Flow through income from an S-corporation is totally excludable. A flow through loss from an S corporation must be entered as a negative adjustment and added back to income.

The following income reported on federal Schedule E is excludable: income from business activity outside of Grand Rapids; income from property located outside of Grand Rapids; and income from other estates and trusts.

Report on page 1, line 3, column A, the income or (loss) from rents, royalties, partnerships, other estates and trusts reported on federal Form 1041, line 5. Use Schedule 3, Exclusions and Adjustments to Rents, Royalties, Partnerships, Other Estates and Trusts, to calculate excluded income or (loss). On line 3, column B, enter the total excluded income or (loss) from Schedule 3, line 6.

If reporting income or (loss) from rents, royalties, partnerships, other estates and trusts, attach a copy of Federal Schedule E (Form 1040) to the return. If excluding or adjusting income or (loss) from rents, royalties, partnerships, S corporations, other estates and trusts, Schedule 3 must be attached to the return.

Line 4 – Farm Income or (Loss)

Profit or (loss) from a farm is included in 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.

INSTRUCTIONS FOR FORM GR-1041

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

Report on page 1, line 4, column A, the income or (loss) from a farm reported on federal Form 1041, line 6. Use Schedule 4, Exclusions and Adjustments to Farm Income or (Loss), to calculate excluded income or (loss). On line 4, column B, enter the total excluded farm profit or (loss) from Schedule 3, line 4.

If reporting farm income or (loss), attach a copy of federal Schedule F (Form 1040) to the return. If excluding or adjusting reported farm income or (loss), attach a copy of Schedule 4 to the return.

Line 5 – Ordinary Gain or (Loss)

Except for an ordinary gain or (loss) flowing through from an S corporation, an ordinary gain or (loss) is included in income to the extent the gain or (loss) is from sale of property located in Grand Rapids. An ordinary gain flowing through from an S corporation is total excluded. A loss flowing through from an S corporation must be entered as a negative and added back to income.

Deferred ordinary gain or (loss) from installment sales and like-kind exchanges of property that is in Grand Rapids are taxable in the year recognized for federal income tax purposes.

Report on page 1, line 5, column A, the ordinary gain or (loss) reported on federal Form 1041, line 7. Use Schedule 5, Exclusions and Adjustments to Ordinary Gain or (Loss), to compute and report exclusions and adjustments to ordinary gain and (loss) reported on the federal income tax return. On line 3, column B, enter the total excluded other gains or (losses) from Schedule 5, line 4.

Ordinary gain or (loss) from property purchased prior to January 1, 1968 is treated in the same manner as a capital gain or (loss) from property purchased prior to January 1, 1968. See Line 2 instructions above for more information.

If reporting ordinary gain or (loss), attach a copy of federal Form 4797 to the return. If excluding or adjusting reported ordinary gain or (loss), attach a copy of Schedule 5 to the return.

Line 6 – Other Income

Other income is included in income to the extent it was earned in Grand Rapids.

Report on page 1, line 6, column A, the other income reported on federal Form 1041, line 8. Use Schedule 6, Exclusions and Adjustments to Other Income, to compute and report exclusions and adjustments to other income reported on the federal income tax return. List each item of other income excluded or adjusted. Attach a separate schedule if necessary.

If excluding or adjusting reported ordinary gain or (loss), attach a copy of Schedule 5 to the return.

Line 7 – Total income

Add lines 1 through 6 of each column and enter the totals in column A, column B and column C.

Line 8 – Renaissance Zone Deduction

Complete and attach Schedule RZ of GR-1041.

Line 9 – Deductible Resident Beneficiaries Share of Income Less Share of Renaissance Zone Deduction

Enter total from Schedule G (page 2 of Form GR-1041), line 11, after completing Schedule G. See Instructions for Schedules for more detail.

Line 10 – Exemption

For tax year 2011 and following years the exemption is \$600. For other tax years the exemption is as follows: tax year 2010 the exemption is \$675; tax years 2005 through 2009 the exemption is \$750; for tax years 2001 through 2004 the exemption is \$1,000; and for tax years prior to 2001 the exemption is \$750.

Line 11 – Grand Rapids Taxable Income

Enter the Grand Rapids taxable income, line 7 less lines 8, 9 and 10.

Line 12a – Tax Rate

Enter the tax rate for the tax year. The tax rate for 2011 and following tax years is 0.75% (0.0075). The tax rate for 2010 is 0.7% (0.007); this is the average of the tax rate of 0.65% for the first half of the year and the tax rate of 0.75% for the last half of the tax year. The tax rate for tax years 1996 to 2010 is 0.65%. The tax rate for years prior to 2006 is 0.5% (0.005).

Line 12b – Tax

Enter the tax due, line 11 multiplied by line 12a.

Line 13 – Grand Rapids Tax Withheld

Enter total Grand Rapids income tax withheld on line 13. Attach a copy of all documents showing the reported tax withheld.

Line 14 – Estimated Income Tax, Credit Forward and Extension Payments

Total the estimated income tax payments, any credit forward from the previous tax year and any extension payment. Enter the total of these payments or credits on line 14.

Line 15 – Total Payments

Enter the total of lines 13 and 14 on line 15.

Line 16 – Tax Due

If tax (line 12) is greater than the total payments (line 15), enter the difference (line 12 less line 15) on line 17, otherwise leave blank. The tax due must be paid with the return when filed. The due date for the return is the last day of the fourth month after the close of the tax year. If the due date falls on a Saturday, Sunday or Holiday, the due date becomes the next business day.

Pay by Check or Money Order: Make the check or money order payable to CITY OF GRAND RAPIDS, and mail with the return to the Grand Rapids Income Tax, P.O. Box 109, Grand Rapids, Michigan 49501-0109. Do not send cash for your tax payment.

Pay by Direct Withdrawal from Bank Account: To make payment by direct withdrawal, complete line 21. Mark (X) the box on line 21b, "Pay tax due (direct withdrawal)," and enter the bank routing number on line 21c, the account number on line 21d and the type of account on line 21e. The tax is due at the time of filing the return. Direct withdrawal payments will be processed as soon as possible after receipt of the return.

Line 17 – Overpayment

If total payments (line 15) are greater than the tax (line 12), enter the overpayment, the difference of line 15 less line 12. If total payments (line 15) is equal to the tax (line 12), enter a zero (0) on line 17. Otherwise leave blank.

Line 18 – Donation of Overpayment

All or a portion of the overpayment, may be donated to the city. To make a donation, enter the amount of the donation in the box for the specific donation; American flags for veterans' graves in Grand Rapids (18a) and/or the Grand Rapids Children's Fund (18b). Enter the total of the donations on line 18d.

Line 19 – Credit Forward to Next Tax Year

Enter the portion of the overpayment to be credited as a payment against next year's tax liability on line 19.

Lines 20 and 21 – Refund

Enter the portion of the overpayment to be refunded on line 20.

Refund by Direct Deposit: To have the refund directly deposited to the estate or trust's bank account, on line 21a, mark (X) the box "Refund (direct deposit)" and enter the bank routing number on line 21c; the bank account number on line 21d; and the account type on line 21e.

Refund by Check: To receive a paper refund check, leave lines 21a through 21e blank.

INSTRUCTIONS FOR SCHEDULES

Schedules 1 through 6

Schedules 1 through 6 are for calculating and documenting the exclusions and adjustments to income reported in column A of the

INSTRUCTIONS FOR FORM GR-1041

related line on the return. Follow the instructions on the schedule or the instructions included under the related line instructions. (The schedule number (1 - 6) relates to line numbers 1 through 6.)

Schedule G – Resident Beneficiary’s Share of Distributable Income and Share of the Renaissance Zone Deduction (Page 2 of Form GR-1041)

On lines 1 through 10 enter each resident beneficiary’s name, address, social security number, their share of distributable income included in Grand Rapids income (see paragraph below) and their share of the Renaissance Zone deduction (line 8). Subtract the Renaissance Zone deduction from the distributable income and enter the difference in the deduction column. Add the amounts in the deduction column, lines 1 through 10, and enter the total on line 11 and on page 1, line 9.

A resident beneficiary’s share of distributable income included in line 7 is computed as follows:

1. Divide the reported Grand Rapids income on line 7 by the total income from federal Form 1041, line 9;
2. Multiply the result of step 1 by the income distribution deduction from federal Form 1041, line 18; and
3. Divide the result in step 2 in the same manner as the federal distributable income is divided between beneficiaries.

The resident beneficiary’s share of the Renaissance Zone deduction is computed in the same manner that the related income is divided between beneficiaries.

Schedule RZ – Renaissance Zone Deduction

Renaissance Zones 1 – 6 are being phased out. 2011 is the last year of this deduction for these zones. In 2011 only 25% of the deduction is allowable for these Renaissance Zones.

A Renaissance Zone deduction may be claimed by a qualified estate or trust with income from: a proprietorship or as a partner in a partnership with business activity within a Renaissance Zone; rental real estate located in a Renaissance Zone; or an estate or trust that qualifies for the deduction. A taxpayer, including an estate or trust, is not qualified to claim the Renaissance Zone deduction if the taxpayer is delinquent for any Michigan or Grand Rapids taxes. A Grand Rapids Income Tax Return for Estates and Trusts must be filed to qualify and claim the Renaissance Zone deduction. **Schedule RZ of GR-1041** must be attached to the return to claim the Renaissance Zone deduction.

- Line 1. List the business name, DBA, Renaissance Zone number and address of each location within a Renaissance Zone.
- Line 2a. Enter the business and farm income reported on GR-1041, column C of lines 1 and 4, from business activity in a Renaissance Zone.
- Line 2b. Enter the net operating loss deduction claimed on GR-1041, line 6, related to the income reported on line 2a.
- Line 2c. Base income for Renaissance Zone Deduction, line 2a less line 2b.
- Line 3. The Renaissance Zone apportionment percentage is used by companies doing business in Grand Rapids both inside and outside a Renaissance Zone. If the business income is 100% within the Renaissance Zone, enter 100% on line 3f and complete the form from there.
- Line 3a. In column 1 enter the average net book value of all real and tangible personal property owned and located in Grand Rapids. In Column 2 enter the average net book value of the real and tangible personal property owned and located in a Grand Rapids Renaissance Zone. The average net book value of real and tangible personal property may be determined by adding the net book value at the beginning of the year to the net book value at the end of the year and dividing the sum by two, or if the business was located in the Renaissance Zone for less than a year, on a monthly average basis.

Line 3b. Enter in column 1 the gross annual rent multiplied by 8 for all rented real property located in Grand Rapids. In column 2 show the gross annual rent multiplied by 8 for rented real property located in a Grand Rapids Renaissance Zone.

Line 3c. Total column 1 and column 2. In column 3 enter the percentage, column 2 divided by column 1.

Line 3d. Enter in column 1 compensation paid to employees for work or services performed within Grand Rapids. In column 2 enter compensation paid to employees for work or services performed within a Grand Rapids Renaissance Zone. In column 3 enter the percentage, column 2 divided by column 1.

Line 3e. Add column 3, line 3c and 3d.

Line 3f. Divide line 3e by 2.

Line 4. Renaissance Zone Deduction for business, line 2c multiplied by line 3f.

Line 5. Enter partnership’s FEIN in line 5a and enter the partner’s share of the partnership’s Renaissance Zone deduction in line 5b. The amount on line 5b must be adjusted for any related net operating loss deduction claimed on Form GR-1041, line 6.

Attach list if more than one partnership is included in amount reported on this line.

Line 6. Enter the address and Renaissance Zone number for each parcel of rental real estate located in a Renaissance Zone. Attach list if more room is needed to report the address and zone number of each parcel of rental real estate in a Grand Rapids Renaissance Zone.

Line 7. Enter the income from rental real estate located in a Grand Rapids Renaissance Zone less any net operating loss deduction claimed.

Line 8. Enter the Renaissance Zone deduction base, the sum of lines 4, 5b and 7.

Line 9a. Enter the deduction allowance factor, 100%, 75%, 50% or 25%.

Line 9b. Enter the Renaissance Zone deduction. Compute the deduction by multiplying the amount on line 8 by the Renaissance Zone allowance factor. Also enter on GR-1041, line 8.

Schedule N – Supporting Notes and Statements

Use Schedule N to support data reported on the return. This data includes calculations, statements, comments or notes.

RESIDENT BENEFICIARIES

A Grand Rapid resident beneficiary must report their distributable income from an estate or trust on their Grand Rapids income tax return, Form GR-1040, in the same manner and same amounts they report the income on their federal income tax return, Form 1040.

ASSISTANCE

If you need forms or assistance, call (616) 456-3415. Questions by mail should be directed to: Grand Rapids Income Tax Department, PO Box 109, Grand Rapids, Michigan 49501-0109. Income tax forms and instructions are available on the Grand Rapids website at www.grcity.us/incometax under the menu item Tax Forms.

NOTICE

These instructions are interpretations of the Grand Rapids Income Tax Ordinance. The Ordinance will prevail in any disagreement between forms or instructions and the Ordinance.

**GRAND RAPIDS INCOME TAX RETURN
FOR ESTATES AND TRUSTS**

Tax year

For fiscal year or other taxable period beginning / and ending

A1. Tax ID number of estate or trust A2. Date entity created / 	B1. Name of estate or trust B2. Name and title of fiduciary B3. Address (Number and street) B4. Room/suite no. B5. Address line 2 (P.O. Box address for mailing use only) B6. City, town or post office B7. State B8. Zip code	C. Check applicable boxes: <input type="checkbox"/> C1. Initial return <input type="checkbox"/> C2. Final return <input type="checkbox"/> C3. Change in fiduciary's name <input type="checkbox"/> C4. Change in fiduciary's address <input type="checkbox"/> C5. Change in trust's name <input type="checkbox"/> C6. Amended return <input type="checkbox"/> C7. Amended due to federal audit <input type="checkbox"/> C8. If yes, enter IRS determination date
--	--	--

INCOME	ATTACH COPY OF PAGE 1 OF FEDERAL FORM 1041 ROUND NUMBERS UP TO NEAREST DOLLAR	Column A Federal Return Data	Column B Exclusions/Adjustments	Column C Taxable Income
1. Business income or (loss) (Attach copy of federal Schedule C (Form 1040))	1			
2. Capital gain or (loss) (Attach copy of federal Schedule D (Form 1041))	2			
3. Rents, royalties, partnerships, other estates and trusts, etc. (Attach copy of federal Schedule E (Form 1040))	3			
4. Farm Income or (loss) (Attach copy of federal Schedule F (Form 1040))	4			
5. Ordinary gain or (loss) (Attach copy of federal Form 4797)	5			
6. Other income (Attach copy of federal Form 1041)	6			
7. Total income (Add lines 1 through 6 of each column)	7			

DEDUCTIONS	
8. Renaissance Zone deduction (Attach Schedule RZ)	8
9. Deductible resident beneficiary's share of distributable income included in line 7, column C, less resident beneficiary's share of Renaissance Zone Deduction included in line 8 (Enter total from page 2, Schedule G-1, line 11)	9
10. Exemption (Enter exemption amount; see instructions for exemption amount for tax year)	10
11. Taxable income (Add line 7 less lines 8, 9 and 10)	11
12. a. Tax rate for tax year (See instructions)	12a
b. Tax at nonresident tax rate for tax year (Multiply line 11 by tax rate on line 12a)	12b

PAYMENTS	
13. Grand Rapids tax withheld	13
14. Estimated payments, credit forward and extension payments	14
15. Total payments and credits (Add lines 13 and 14)	15

TAX DUE	
16. If line 15 is smaller than line 12b, enter tax due (Subtract line 15 from line 12b) Make check or money order payable to: GRAND RAPIDS CITY TREASURER, and pay tax due with return or pay with a direct withdrawal from your bank account by marking (X) line 21b and completing lines 21c, 21d and 21e	16

OVERPAYMENT	
17. If line 15 is larger than line 12b, enter overpayment (Subtract line 12b from line 15)	17
18. Donation of overpayment Donation 1 18a Donation 2 18b Donation 3 18c Total donations 18d	
19. Credit forward to next tax year (Enter portion of overpayment, line 17, to be credited forward)	19
20. Refund (Subtract lines 18 and 19 from line 17) (For direct deposit refund mark (X) refund (direct deposit) box, line 21a, and complete line 21 c, d & e, otherwise a paper check will be issued)	Refund >>> 20
21. (Mark appropriate box 21a or 21b and complete lines 21c, 21d and 21e)	
<div style="width: 45%;"> Direct deposit refund or direct withdrawal payment 21a Refund (direct deposit) 21c Pay tax due (direct withdrawal) 21d </div> <div style="width: 45%;"> Routing number Account number </div>	
21e Account Type:	
<input type="checkbox"/> 21e1. Checking	<input type="checkbox"/> 21e2. Savings

Schedule G-1
RESIDENT BENEFICIARY'S SHARE OF DISTRIBUTABLE INCOME LESS SHARE OF RENAISSANCE ZONE DEDUCTION
 Complete for Grand Rapids Resident Beneficiaries Only

COLUMN A RESIDENT BENEFICIARY'S NAME AND ADDRESS	COLUMN B SOCIAL SECURITY NUMBER	COLUMN C DISTRIBUTABLE INCOME INCLUDED IN PAGE 1, LINE 7	COLUMN D SHARE OF RZ DED. INCLUDED IN PAGE 1, LINE 8	COLUMN E DEDUCTION (DISTRIBUTABLE INC. LESS RZ DEDUCTION)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11. Total deductible resident beneficiaries share of net income. (Add lines 1 through 10; enter here and on page 1, line 9. If more than 10 resident beneficiaries, attach separate schedule)				

DISCLOSURE OF RETURN INFORMATION

12. Do you want to allow the preparer or another person to discuss this return with the Income Tax Office?		12a. Yes, complete 13a and 13b	12b. No
13a. Designee's name	13b. Designee's phone number	13c. Personal identification number (PIN)	

SIGNATURE

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.

14a. Date signed	14b. Signature of fiduciary	14c. Printed name of fiduciary signing return	14d. Phone number
15a. Signature of preparer		15d. Address 1 (include suite #)	15. Date prepared
15b. Printed name of preparer		15e. Address 2	15h. Preparer's phone number
15c. Firm name		15f. City, state & zip code	15i. Preparer ID number

Form GR-1041	Name of estate or trust	Tax ID number	Tax Year
---------------------	-------------------------	---------------	----------

Schedule EXCLUSIONS AND ADJUSTMENTS TO BUSINESS INCOME OR LOSS - GR-1041, PAGE 1, LINE 1, COLUMN B Revised 07/13/2015

Use this schedule to compute excludible business income reported on federal Schedule C that is from business activity outside of Grand Rapids

COLUMN A BUSINESS INCOME	COLUMN B BUSINESS # 1	COLUMN C BUSINESS # 2
1. Net profit (or loss) from business or profession		
2. Business allocation percentage (For each separate business compute the business allocation percentage using the Business Allocation Formula below and enter it here)		
3. Allocated net profit (loss) (For each column, multiply line 1 by line 2)		
4. Excludible net profit (loss) (Line 1 less line 3 for each column)		
5. Total excludible net profit (loss) (Add amounts on line 4 of each column; enter here and on Form GR-1041, page 1, line 1, column B)		

6a. BUSINESS # 1 NAME:

BUSINESS ALLOCATION FORMULA WORKSHEET	COLUMN A EVERYWHERE	COLUMN B IN GRAND RAPIDS	COLUMN C PERCENTAGE (Column 2 divided by column 1)
6b. Average net book value of real and tangible personal property			
6c. Gross rents paid on real property multiplied by 8			
6d. Total property			
6e. Total wages, salaries and other compensation of all employees			
6f. Gross receipts from sales made or services rendered			
6g. Total percentages (Add the percentages computed in Column C)		6g.	
6h. Business allocation percentage (Divide line 6 by the number of apportionment factors used)		6h.	

7a. BUSINESS # 2 NAME:

BUSINESS ALLOCATION FORMULA WORKSHEET	COLUMN A EVERYWHERE	COLUMN B IN GRAND RAPIDS	COLUMN C PERCENTAGE (Column 2 divided by column 1)
7b. Average net book value of real and tangible personal property			
7c. Gross rents paid on real property multiplied by 8			
7d. Total property			
7e. Total wages, salaries and other compensation of all employees			
7f. Gross receipts from sales made or services rendered			
7g. Total percentages (Add the percentages computed in Column C)		7g.	
7h. Business allocation percentage (Divide line 6 by the number of apportionment factors used)		7h.	

Attach a copy of each federal Schedule C.
 Attach a separate Business Allocation Formula calculation for each separate federal Schedule C if allocating income of a business.
 Note: In determining the average percentage, if a factor does not exist, you must divide the total of the percentages by the number of factors used.
 Note: If you are authorized to use a special formula, attach a copy of the administrator's approval letter and a schedule detailing calculation.
 Note: Net operating loss from prior year is reported on Line 6, Other income.

Schedule 2 Revised: 12/22/2015
EXCLUSIONS AND ADJUSTMENTS TO CAPITAL GAIN OR (LOSS) - GR-1041, PAGE 1, LINE 2, COLUMN B

Use this schedule to report exclusions and adjustments to an estate's or trust's capital gains or (losses)	EXCLUSIONS AND ADJUSTMENTS
1. Capital gain or (loss) on property located outside of Grand Rapids and securities issued by U.S. Government	1
2. Portion of capital gain or (loss) from property located in Grand Rapids and allocated to period of time prior to 07/01/1967 (Attach a schedule that identifies and shows the calculation for each such exclusion.)	2
3. Capital gain or (loss) from Sub. S corporations not included in lines 1 or 2	3
4. Adjustment for difference between federal and Grand Rapids capital loss carryover from prior year (The Grand Rapids capital loss carryover is usually different from the capital loss carryover reported on federal return; an adjustment must be made for this difference.)	4
5. Adjustment to limit Grand Rapids capital loss to \$3,000 for tax year	5
6. Total exclusions and adjustments to capital gains or (losses) (Enter total here and on Form GR-1041, page 1, line 2, column B)	6

Attach copy of federal Schedule D (Form 1041) and all supporting schedules to return.
 Deferred gains from sales of property located in Grand Rapids or property sold while a resident of Grand Rapids are taxable when reported on federal return.

Form GR-1041	Name of estate or trust	Tax ID number	Tax Year
---------------------	-------------------------	---------------	----------

Schedule 3 Revised 12/22/2015
EXCLUSIONS AND ADJUSTMENTS TO INCOME FROM RENTAL REAL ESTATE, ROYALTIES, PARTNERSHIPS, S CORPORATIONS, OTHER ESTATES AND TRUSTS - CF-1041, PAGE 1, LINE 3, COLUMN B

Use this schedule to report exclusions and adjustments to income from rental real estate, royalties, partnerships, S corporations, other estates and trusts, etc.	EXCLUSIONS AND ADJUSTMENTS
1. Rental income (loss) from real estate located outside of Grand Rapids	1
2. Royalties earned outside of Grand Rapids	2
3. Partnership income (loss) from partnership business activity outside of Grand Rapids	3
4. S corporation income or (loss) as reported on Federal Schedule E (Form 1040)	4
5. Other estate and trust income (or loss)	5
6. Total adjustments to income from rental real estate, royalties, partnerships, S corporations, other estates, trusts, etc. (Enter the sum of lines 1 through 5 and also enter on page 1, line 3, column B)	6

Attach a schedule detailing the complete address of each piece of rental real estate.
 Attach a schedule detailing name and ID number of each partnership and amount of adjustment.
 Attach a schedule detailing name and ID number of each estate or trust and amount of adjustment.
 Attach copy of federal Schedule E (Form 1040).

Schedule 4 Revised: 07/13/2015
EXCLUSIONS AND ADJUSTMENTS TO FARM INCOME OR LOSS - GR-1041, PAGE 1, LINE 4, COLUMN B

Use this schedule to compute excludible farm income reported on federal Schedule C that is from business activity outside of Grand Rapids

FARM INCOME	FARM INCOME
1. Net profit or (loss) from farming	1
2. Farm allocation percentage (Compute using the Farm Allocation Formula below and enter here)	2
3. Allocated farm net profit or (loss) (Multiply line 1 by line 2)	3
4. Excludible farm net profit or (loss) (Enter total of line 1 less line 3, and also enter on page 1, line 4, column B)	4

5a. FARM ADDRESS #1:

FARM ALLOCATION FORMULA WORKSHEET		COLUMN A EVERYWHERE	COLUMN B IN GRAND RAPIDS	COLUMN C PERCENTAGE
5b. Average net book value of real and tangible personal property	5b.			(Column 2 divided by column 1)
5c. Gross rents paid on real property multiplied by 8	5c.			
5d. Total property	5d.			
5e. Total wages, salaries and other compensation of all employees	5e.			
5f. Gross receipts from sales made or services rendered	5f.			
5g. Total percentages (Add the percentages computed in column C)			5g.	
5h. Farm allocation percentage (Divide line 6 by the number of apportionment factors used)			5h.	

Attach a copy of each Federal Schedule F.
 Attach a separate Farm Allocation Formula calculation for each separate federal Schedule F if allocating income of a farm.
 Note: In determining the average percentage, if a factor does not exist, you must divide the total of the percentages by the number of factors used.
 Note: If you are authorized to use a special formula, attach a copy of the administrator's approval letter and attach a schedule detailing calculation.
 Note: Net operating loss from prior year is reported on Line 6, Other income.

Schedule 5 Revised: 12/22/2015
EXCLUSIONS AND ADJUSTMENTS TO ORDINARY GAIN OR (LOSS) - GR-1041, PAGE 1, LINE 5, COLUMN B

Use this schedule to report exclusions and adjustments to ordinary gain or (loss)	EXCLUSIONS AND ADJUSTMENTS
1. Ordinary gain or (loss) on property located outside of Grand Rapids	1
2. Portion of ordinary gain or (loss) from property located in Grand Rapids allocated to period of time prior to 07/01/1967 (Attach a schedule that identifies and shows the calculation for each)	2
3. Capital gain or (loss) from Sub. S corporations not included in lines 1 or 2	3
4. Total excludible ordinary gain or (loss) (Enter total of lines 1, 2 and 3 here and also on page 1, line 5, column B)	4

Deferred gains from sales of property located in Grand Rapids or while a resident of Grand Rapids are taxable when reported on federal return.
 Attach copy of federal Form 4797 and all supporting scheduled to return.

Form GR-1041	Name of estate or trust	Tax ID number	Tax Year
---------------------	-------------------------	---------------	----------

Schedule 6 Revised: 12/22/2015

EXCLUSIONS AND ADJUSTMENTS TO OTHER INCOME - GR-1041, PAGE 1, LINE 5, COLUMN B

Use this schedule to report exclusions and adjustments to other income

COLUMN A SOURCE OF INCOME	COLUMN B FEDERAL TAX ID	COLUMN C NATURE OF INCOME	COLUMN D EXCLUSION OR ADJUSTMENT
1.			
2.			
3.			
4.			
5.			
6.			

7. Total adjustments and exclusions to other income (Add lines 1 through 6 and enter totals here and on Form GR-1041, page 1, line 16, column B)

Attach an explanation of and calculation for any reported federal and Grand Rapids Net Operating Loss deduction.
Attach an explanation for each item reported and excluded on the Other Income line.

Schedule RZ Revised: 07/01/2015

RENAISSANCE ZONE DEDUCTION SCHEDULE - FORM GR-1041, PAGE 1, LINE 8

ESTATES OR TRUSTS, WITH INCOME FROM RENTAL REAL ESTATE BUSINESS, PROFESSION OR PARTNERSHIP LOCATED AND CONDUCTING BUSINESS IN A RENAISSANCE ZONE, USE THIS TO COMPUTE THEIR RENAISSANCE ZONE DEDUCTION

DISQUALIFICATION CRITERIA

AN ESTATE OR TRUST IS NOT QUALIFIED TO CLAIM THE RENAISSANCE ZONE DEDUCTION IF ANY OF THE FOLLOWING TAXES ARE DELINQUENT:

City Income Tax	Personal Property Tax	Commercial Facilities Tax (CFT)	City (Detroit) Utilities Users Tax
Michigan Income Tax	Michigan Single Business Tax	Enterprise Zone Tax	Technology Park Development Tax
General Property Tax	Industrial Facilities Tax (IFT)	Neighborhood Enterprise Zone Tax	Commercial Forest Tax

DEDUCTION ALLOWANCE FACTOR

The Renaissance Zone deduction is phased out during the final three years of a Renaissance Zone's designation. The Deduction Allowance Factor is: 75% for the tax year that is 2 years before the final year of designation; 50% for the tax year immediately preceding the final year of designation; 25% for the final year of designation; and 100% for all other years of designation.

ESTATES AND TRUSTS WITH INCOME FROM RENTAL REAL ESTATE, BUSINESS, PROFESSION OR PARTNERSHIP LOCATED AND DOING BUSINESS IN A RENAISSANCE ZONE

COMPLETE THIS SECTION FOR ESTATES AND TRUSTS WITH INCOME FROM RENTAL REAL ESTATE, BUSINESS, PROFESSION OR PARTNERSHIP WITH BUSINESS ACTIVITY IN A RENAISSANCE ZONE.

1a. RZ Business Name (D.B.A.):					
1b. RZ Number:					
1c. RZ Address:					
2a. Business and farming income reported on Form GR-1041, page 1, lines 1 and 4				2a	
2b. Estate's or Trust's Grand Rapids net operating loss from previous year				2b	
2c. Base business and farm income for Renaissance Zone Deduction (Line 2a less line 2b)				2c	
3.	Renaissance Zone Apportionment Percentage	COLUMN 1 IN GRAND RAPIDS	COLUMN 2 IN A GR REN. ZONE	COLUMN 3 PERCENTAGE (Column 2 divided by column 1)	COLUMN 4
3a.	Average net book value of real & personal property				
3b.	Gross rents paid on real property multiplied by 8				
3c.	Total property (Add line 3a and 3b)				
3d.	Total wages, salaries and other compensation				
3e.	Total percentages (Add column 3, line 3c and 3d)				
3f.	Renaissance Zone deduction percentage (Line 3e divided by 2c)			3f.	
4. Renaissance Zone deduction for business and farming (Line 2c multiplied by line 3f).				4.	
5.	Renaissance Zone deduction from partnership (Enter partnership FEIN on line 5a and RZ deduction amount on line 5b)	5a		5b	
6a. Address for each parcel of rental real estate located in a Renaissance Zone:					
6b.	Renaissance Zone number of each parcel of rental real estate located in a Renaissance Zone	6b.			
7. Income from rental real estate located within a Renaissance Zone				7	
8. Renaissance Zone deduction base (Add lines 4, 5b and 7)				8	
9.	Enter Deduction Allowance Factor on line 9a (100%, 75%, 50% or 25%); multiply line 8 by line 9a; enter result on line 9b and on GR-1041, pg. 1, line 8.)	9a		9b	

Form GR-1041

Name of estate or trust

Tax ID number

Tax Year

Schedule 7 - SUPPORTING NOTES AND STATEMENTS

Revised 06/29/2015

Large empty rectangular area for providing supporting notes and statements.