City of Grand Rapids
Income Tax Department
PO Box 109
Grand Rapids, Michigan 49501-0109

2024 GRAND RAPIDS
PARTNERSHIP INCOME TAX
FORM AND INSTRUCTIONS
For partnerships with business activity in the City of Grand Rapids

TAX RATES AND EXEMPTION VALUE	**1.5% is the tax rate for a partner who is a resident individual, corporation or partnership.** **0.75% is the tax rate for a partner who is nonresident individual, estate or trust.** **Exemption value for 2024 is $600.** ***See Options to Pay Tax and Applicable Tax Rates.***
TAX FORMS	All Grand Rapids income tax forms are available on the City's website, www.grandrapidsmi.gov/Government/Departments/Income-Tax-Department under left side menu item, Corporation and Partnership Tax Forms. Tax forms will be mailed upon request.
RENAISSANCE ZONES	Schedule RZ of Form GR-1065 is available on the Grand Rapids website at: www.grandrapidsmi.gov/Government/Departments/Income-Tax-Department To check to see in which Renaissance Zone a property is located, please call the income tax office at 616 456-3415 or email gr1065tax@grand-rapids.mi.us.
FILING DATE	The due date is April 30, 2025. Penalty and interest ($2.00 minimum) will be assessed on all late payments.
PAYMENT OF TAX DUE	Tax due (line 3) of one dollar ($1.00) or more, must be paid with your return. **NOTE: If 2024 tax on line 1 is $100.00 or more, estimated income tax payments may need to be made for 2024. See page 2 under Partnership as Taxpayer.** Make check or money order payable to: **CITY OF GRAND RAPIDS** Mail tax return and payment to: **Grand Rapids Income Tax Department, PO Box 109, Grand Rapids, MI 49501-0109.**
DISCLAIMER NOTICE	These instructions are interpretations of the Grand Rapids Income Tax Ordinance. The Ordinance will prevail in any disagreement between the instructions and the Ordinance.
CONTACT	For assistance: find us online at https://www.grandrapidsmi.gov/Government/Departments/Income-Tax-Department/Forms; e-mail questions to gr1065tax@grcity.us; call (616) 456-3415, option 5; or visit the Grand Rapids Income Tax Department located at City Hall, 300 Monroe NW, 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.

GENERAL INFORMATION

PARTNERSHIPS REQUIRED TO FILE A RETURN

Every partnership with business activity in the City of Grand Rapids, whether or not an office or place of business was maintained in the city, is required to file an annual return. Syndicates, joint ventures, pools and like organizations and Limited Liability Companies (LLCs) electing to be taxed as partnerships at the federal level will also use Form GR-1065.

TAXABILITY OF PARTNERSHIP INCOME UNDER THE GRAND RAPIDS INCOME TAX ORDINANCE

Partners who are individual RESIDENTS are taxed on their entire distributive share of the net profits of the partnership, including that arising from business activities outside of Grand Rapids, interest, dividends, rents, royalties, other income, and gains from the sale or exchange of property, either tangible or intangible, regardless of where the property is located.

Partners who are individual NONRESIDENTS including estates and trusts are taxed on their distributive share of the partnership's ordinary business income which is attributable to business activity in Grand Rapids, plus net rentals of tangible property located in Grand Rapids and gains from the sale or exchange of tangible property in the City. Nonresidents are not taxed on their share of net rentals of property located outside Grand Rapids, gains from the sale or exchange of tangible property located outside Grand Rapids, gains from the sale or exchange of securities or other intangible property, or on non-business interest and dividend income. As such a deduction for IRC Section 754 Depreciation is not allowable for a non-resident partner.

When the receipt of interest and other intangible income is directly related to the nature of the business, such interest, etc., is business income taxable to a nonresident, and is to be included in ordinary business income in Schedule A.

Partners who are CORPORATIONS are taxed at the corporate tax rate on their distributive share of the partnership's: ordinary business income attributable to business activity in Grand Rapids; net rentals of tangible property; and gains from the sale or exchange of tangible property attributable to business activity in Grand Rapids. Thus, all taxable income of a corporate partner (net profits of a corporation) are determined by the business allocation percentage of the partnership.

Partners that are Real Estate Investment Trusts (REIT) are allowed to take a deduction against allocated partnership income in proportion to the Dividends Paid Deduction reported on their US-1120REIT return.

Partners who are PARTNERSHIPS, LLC's electing to be taxed as a partnership, JOINT VENTURES, ETC. are taxed at the resident individual or corporation tax rate unless documentation is provided to determine the correct taxable income tax rate for each partner of the downstream partnership. Contact the Grand Rapids Income Tax Department to see how to report these items.

Refer to the chart on page 6 of these instructions for information on the taxability of the various types of partnership income based upon the partner's entity classification. Also refer to the instructions under Schedule B for additional information on taxability of the various types of income.

LISTING OF FORMS AND SCHEDULES (Form GR-1065)

Form GR-1065, page 1
Schedule 1 – Partner Information Schedule
  Schedule 1A – Partner Information Schedule for Downstream Partnership
Schedule 2 – Tax Calculation Schedule for Partnerships Electing to Pay Tax (If information return, disregard this schedule)
  Schedule 2A – Tax Calculation Schedule for Downstream Partnership
Schedule A – Allocable Partnership Ordinary Business Income
Schedule B – Apportioned Income (income not included in Schedule A or Schedule F)
Schedule C – Distribution to Partners
Schedule D – Business Allocation Percentage
Schedule E – Rental Real Estate
Schedule F – Allocated or Apportioned Guaranteed Payments to Partners
Schedule G – Credit for Tax Paid to Another City in behalf of Resident Partners
Schedule K-1 (Form GR-1065) – Partner's Share of Income, Exclusions, Deductions, Credits and Tax Paid
Schedule RZ (Form GR-1065) – Partnership Renaissance Zone Deduction
Schedule S – Supplemental Notes and Schedules

OBTAINING PARTNERSHIP RETURN FORMS

Partnership return forms are not mailed. The forms are available at, https://www.grandrapidsmi.gov/Government/Departments/Income-Tax-Department/Forms,

Allocate and Apportion - Defined

The word allocate in these instructions means to determine partner's taxable portion of the type of partnership income using: the partner's classification and the Business Allocation Percentage calculated on Schedule D, Business Allocation Percentage, line 5; or in the case of a taxpayer authorized by the Income Tax Administrator of the city, the special allocation formula percentage calculated on Schedule D, line c.

The meaning of the word apportion as used in these instructions means to: directly determine the partner's taxable income based upon the partner's classification; or the partner's classification and the location of the source of the income.

RENAISSANCE ZONE DEDUCTION

A partnership located and doing business in a Grand Rapids Renaissance Zone may be eligible to claim the Renaissance Zone deduction. This deduction allows the partnership or the partners, if qualified, to deduct the portion of the partnership income earned in a Renaissance Zone from income subject to tax. A taxpayer is not qualified to claim the deduction if t he taxpayer is delinquent for any Michigan or local taxes.

If the partnership elects to pay the tax on behalf of the partners, the deduction is claimed on the partnership return. Otherwise, the deduction is passed through to the partners who claim the deduction by filing Schedule RZ with their return. A Grand Rapids income tax return must be filed to claim this deduction. Schedule RZ of GR-1065 is required to be attached to t he partnership return when claiming the deduction.

DUE DATE OF PARTNERSHIP RETURN

Calendar year taxpayers must file by April 30, 2025. Fiscal year taxpayers must file within four (4) months after the end of their fiscal year. If the due date falls on a Saturday, Sunday or holiday, the due date is the next business day.

EXTENSION OF TIME TO FILE A PARTNERSHIP RETURN

For partnerships electing to pay tax, Form GR-7004, Automatic Extension of Time to File Certain Business Income Tax, Information and Other Returns, must be filed on or before the due date for filing the partnership return if an extension payment is due. Otherwise, an extension form is not required. An extension is automatically granted upon filing of Form GR-7004 and payment of the tentative tax balance due (Form GR-7004, line 3). Failure to pay the balance due invalidates the extension request. Interest and penalty will be assessed on taxes paid late even if an extension of time t o file is granted.

For partnerships filing an information return, a six month extension of time to file is automatically granted. Do not file Form GR-7004, Application for Automatic Extension of Time to File Certain Business Income Tax, information and Other Returns.

REQUIRED RETURN ATTACHMENTS

When filing a Grand Rapids partnership return, Form GR-1065, certain schedules and copies of federal forms are required to be attached. See Page 8 of these instructions for a listing of required return attachments and attachment order.

MAILING ADDRESS FOR FILING A PARTNERSHIP RETURN

GRAND RAPIDS INCOME TAX DEPARTMENT
PO BOX 109
GRAND RAPIDS, MICHIGAN 49501-0109

PARTNERSHIPS FILING AN INFORMATION RETURN

A partnership is required to file an information return unless the partnership elects to compute and pay the tax due on behalf of all partners.

Partnerships filing information returns are required to complete: Page 1: the Partner Information Schedule, Schedules A, B, C and if appropriate Schedules D, E and F.

The Partnership Return, Form GR-1065, is designed to distinguish between income taxed at the resident, nonresident or corporation tax rates. The purpose of the return is to set forth the entire net profit for the tax period and to show the distributive share of each partner and indicate the entity type of the partner and, if an individual, the residency status of the partner. If residency changes during the year for any individual partner, use two lines to indicate allocation of income by residency status. On Schedule 1, Partner Information Schedule, enter the start date of residency on the resident line and the end date of residency on the nonresident line.

Ordinary business income of the partnership is reported in Schedule A. Each partner's distributable share of the ordinary business income is reported on Schedule C, column 1.

Apportioned income is reported in Schedule B, by type of income and the taxable and nontaxable portions for partners taxed at the resident, nonresident or corporation tax rate. The taxable income from Schedule B, columns 6 and 7 is reported by partner in Schedule C, columns 5 or 6. Schedule K-1 (Form GR-1065), Partners Share of Income, Exclusions, Deductions, Credits and Tax Paid, is to be provided to each partner to assist then in filing their Grand Rapids income tax return.

PARTNERSHIPS ELECTING TO PAY TAX

If the partnership elects to pay tax for the partners, the individual partners are not required to file a return if such partners have no other income subject to Grand Rapids income tax. However, an individual return is required from any partner having taxable income other than the distributive share of the net profits of the partnership. In such instances, a partner required to file an individual return should refer to the instructions for the individual return, Form GR-1040 or GR-1040, for instructions on reporting partnership income and claiming credit for tax paid by the partnership.

Partnerships electing to pay the tax on behalf of the partners assume the status of taxpayer to the following extent: (1) timely payment must be made; and (2) estimated income tax payments, Form GR-1065ES, are required if the total 2024 estimated tax for the partnership is expected to exceed $100. The calendar or fiscal year of the partnership will govern in establishing the due dates for making estimated tax payments.

Partnerships electing to pay tax must prepare and file all the forms and schedules required for an information return and complete Schedule 2, Tax Calculation Schedule, and Form GR-1065, lines 1 through 8. Schedule 2 details each partner's share of their Grand Rapids taxable income, deductions, exemptions, tax at the resident, nonresident or corporation tax rate and any credit for tax paid to another city. Form GR-1065, lines 1 through 8, reports: the tax; all payment and credits; any balance due or overpayment; and how any overpayment is to be credited, donated or refunded.

Payment of tax for partnership partners (downstream partnership) requires additional schedules, Schedule 1A, Partnership Information Schedule for Downstream Partnership, and Schedule 2A, Tax Calculation Schedule for Downstream Partnership. An alternative to adding the additional schedules is calculation of taxable income for the downstream partnership as a resident partner and calculation of the tax at the Grand Rapids resident tax rate.

PAGE 1 INSTRUCTIONS

A partnership filing an information return is required to complete the Identification and Information section and the Signature section of page 1. Also in the Disclosure of Return Information section, the partnership may elect to allow disclosure of return information between a designated individual or firm and the Grand Rapids Income Tax Department.

A partnership electing to pay tax is required to complete the Identification and Information section, lines 1 through 7 and the Signature section of page 1. The partnership may elect on line 8: to make payment of any tax due by a direct debit withdrawal from its bank account; or to receive any overpayment refund via a direct deposit to its bank account. Also in the Disclosure of Return Information section, the partnership may elect to allow disclosure of return information between a designated individual or firm and the Grand Rapids Income Tax Department.

IDENTIFICATION AND INFORMATION

All partnerships are to provide the information requested and answer all questions in this section. New for tax year

TAX

Line 1. Add the totals from the Tax Due Schedule, columns 8 and 9, and enter on line 1.

PAYMENTS AND CREDITS

Line 2. Enter the total payments and credits for each type of tax payment listed on lines 2a through 2d and, for resident individual partners, the total of any credits for tax paid to another city on line 2e. Enter the total of the payments and credits on line 2f.

BALANCE DUE

Line 3. If total tax (line 1) is greater than the total tax payments (line 2) subtract line 2 from line 1 and enter balance of tax due. The balance due must be paid when filing the return.

To pay with a check or money order make the check or money order payable to the CITY OF GRAND RAPIDS, place the payment in front of the return and mail the payment and return to: Grand Rapids Income Tax Department, PO Box 109, Grand Rapids, Michigan 49501-0109.

To make payment via direct withdrawal from firm's bank account mark (X) the box on line 8, Pay tax due – Electronic funds withdrawal, and complete (line 8a) the bank routing number, (line 8b) the bank account number and (line 8c) the account type. For additional information on completing line 8 to pay the tax due via an electronic funds withdrawal refer to the income tax web page: www.grcity.us/incometax.

OVERPAYMENT

Line 4. If the total payments and credits (line 2) is greater than the tax due (line 1) subtract line 1 from line 2 and enter the overpayment amount.

CREDIT FORWARD

Line 5. Enter all or the portion of the overpayment to be credited forward.

DONATIONS

Line 6. Donate all or any portion of overpayment to Grand Rapids to: purchase American flags to be placed on veterans' graves in Grand Rapids (line 6a): or the Grand Rapids Children's Fund (line 6b). Enter the amount of the donation in the appropriate box and enter the total of the donations on line 6d, otherwise leave blank.

REFUND

Line 7. Enter the amount overpayment to be refunded. A refund will be issued via a paper refund check unless you choose to receive the refund via direct deposit. To receive the refund by direct deposit, mark (X) the box on line 8 for Refund – Direct deposit and enter (line 8a) the bank routing number, (line 8b) the bank account number and (line 8c) the account type, checking or savings. For additional information on completing line 8, go to the Income Tax web page: www.grcity.us/incometax.

DISCLOSURE OF RETURN INFORMATION

By marking (X) the "Yes" box in the Disclosure of Return Information section the partnership is authorizing the Grand Rapids Income Tax Department to contact the preparer for answers to any questions that may arise relating to its return and to answer any questions from the preparer about the return. Also, by marking (X) the "Yes" box, the partnership is authorizing the preparer to: provide the Grand Rapids Income Tax Department with any information about or missing from the return; respond to notices about math errors, offsets and return preparation; and contact the Income Tax Department for information about the return or the status of any related refund or payments.

SIGNATURE

In the Signature section the partner or member representing the entity must sign the return and the following information must be provided: the date the return was signed; the printed name of the partner or member signing the return; and a day time phone number of the partner or member.

Also preparer must sign the return and enter the date prepared, the name and address of the preparer's firm, the preparer's PTIN, EIN or SSN, the preparer's telephone number and the NACTP number of the software used to prepare the return.

INSTRUCTIONS FOR OTHER SCHEDULES

SCHEDULE 1 – PARTNER INFORMATION SCHEDULE

All partnerships must complete the Partner Information Schedule. See Partner Classification Table on page 4 for information to complete columns 3, 4 and 5. Column 3 data entry is based upon federal Form 1065 instructions for Schedule K-1, Item I.

If column 3 for the partner equals individual, nominee for an individual or a disregarded entity owned by an individual, enter the residency classification of the individual in column 4 (R, N, PR or PN). If column 4 for the partner equals part-year resident (PR or PN), report the resident portion (PR) and nonresident portion (PN) on separate partner lines and in column 5 enter the residency start date (mm/dd/yyyy) for the tax year on the resident (PR) line and the residency end date for the year on the nonresident (PN) line.

SCHEDULE 1A – PARTNER INFORMATION SCHEDULE FOR DOWNSTREAM PARTNERSHIP (Disregard if information return)

When partnership is a partner (downstream partnership) subsidiary Schedule 1A, Partner Information for Downstream Partnership, must be completed in the same manner as Schedule 1 and placed directly behind Schedule 1 when partnership elects to pay tax in behalf of all partners.

SCHEDULE 2 – TAX CALCULATION SCHEDULE (Disregard if information return)

Partnerships electing to pay tax for partners must complete the Schedule 2, Tax Calculation Schedule. Partnerships filing an information return disregard this schedule.

Columns 1, 2 and 3. Enter partner's name, entity type and tax identification number as listed on Partner Information Schedule.

Column 4. Enter partner's total Grand Rapids income as reported on Schedule C, column 6 or column 7.

Column 5. Allowable partner deductions which relate to the partnership are deducted in column 5. These deductions include the self-employed pension plan deduction, the Renaissance Zone deduction and any other deduction allowed the partner under the Grand Rapids Income Tax Ordinance. This column is also used to adjust (add back) for a net capital loss realized by any of the partners, in excess of the partner's maximum allowable ($3,000) capital loss deduction. Therefore, a net capital loss realized by any of the partners, in excess of the partner's allowable capital loss deduction must be added back in column 5. The allowable capital loss deduction for each partner is the lesser of (1) the net capital loss, (2) the amount in column 4, computed without regard to capital gains and losses, or (3) $3,000. Capital loss carryovers may be carried forward to the same extent allowed in the Internal Revenue Code but may not be carried back to prior years. **Attach a schedule detailing computation of amounts reported in column 5**.

Column 6. Personal and dependency exemptions are allowed to be claimed for each partner who is an individual resident or nonresident, the partner's spouse and dependents as allowed on the partner's federal return. Additional exemptions are allowed if the taxpayer or spouse is 65 years of age or older or is blind. In general, the same rules apply in determining dependents as under the federal Internal Revenue Code. A spouse may be taken as an exemption on the partnership return only if such spouse has no income subject to the Grand Rapids income tax. Exemptions for a partner whose residence status has changed from a resident to a nonresident or from a nonresident to a resident of Grand Rapids during the taxable year are first applied against income while a resident, with the balance, if any, applied to Grand Rapids income while a nonresident. A partner's personal and dependency exemptions may not be claimed on more than one partnership return. Partners who are estates or trusts are allowed one exemption. Exemptions are not allowed to any other partners (i.e., corporations, partnerships, etc.). The value of each Grand Rapids exemption is $600.

Column 7. Enter the taxable income, column 4 less columns 5 and 6.

Column 8. Enter tax due at the resident or corporation tax rate of 1.5% (0.015) all taxpayers except nonresident individuals, estates or trusts.

Column 9. Enter tax due at the nonresident tax rate of 0.75% (0.0075), nonresident individuals, estates or trusts only.

Column 10. The tax paid for each partner is equal to the tax due (column 8 or 9) less, for resident individual partners only, any credit for tax paid to another city (Schedule G, column 6, for the partner).

The total of column 10 should equal the actual amount of tax paid by the partnership; the sum of the amounts reported on page 1 lines 2a, 2b, 2c, 2d and 3 less line 4, the tax overpayment.

SCHEDULE 2A – TAX CALCULATION SCHEDULE FOR DOWNSTREAM PARTNERSHIP (Disregard if information return)

When partnership is a partner (downstream partnership) Schedule 2A, Tax Calculation Schedule for Downstream Partnership, must be completed in the same manner as Schedule 2. On the Schedule 2 line for the downstream partnership, enter the downstream partnership name, employer identification number and the totals from Schedule 2A, columns 4 through 10. Schedule 2A is to be placed directly behind Schedule 2 when filed. A separate Schedule 2A is required for each downstream partnership.

SCHEDULE A – ALLOCABLE ORDINARY BUSINESS INCOME (LOSS)

Schedule A is used to report and adjust the ordinary business income of the partnership. The ordinary business income as reported on federal Form 1065, page 1, line 22, must be adjusted for the following; Grand Rapids income tax deducted on the federal return must be added back; interest and any other costs incurred with the production of tax exempt income must be added back; the federal Section 179 deduction and other deductions allowed must be deducted; and ordinary income (loss) from another partnership must be removed (as it is reported in Schedule B).

The total adjusted ordinary business income reported on Schedule A, line 6, is allocated to the partners in Schedule C. The total reported on Schedule C, column 1, must equal the amount listed on Schedule A, line 6.

Income not included in Schedule A is reported in Schedule B, Apportioned Income, or Schedule F, Allocated or Apportioned Guaranteed Payments to Partners. Instructions for the Schedules indicate how amounts are allocated to the individual partners.

SCHEDULE B – APPORTIONED INCOME (INCOME NOT INCLUDED IN SCHEDULE A OR SCHEDULE F)

Schedule B is used to report income not included in Schedule A (Adjusted Ordinary Business Income) or Schedule F, (Allocated or Apportioned Guaranteed Payments to Partners) and apportion this income between partners taxed at the individual resident, corporation or individual nonresident tax rates. After determining the total taxable apportioned income for the various partners, the totals are transferred to Schedule C, columns 5 or 6 to report the amount of this income apportioned to each partner. Enter the income by category as reported on the federal Form 1065, Schedule K or page 1, on Schedule B, column 1.

The various types in partnership income are taxed differently based upon the partner entity type. Refer to the chart page 8 of these instructions for information on the taxability of the various types of partnership income for the various types of partner entities. Also refer to the instructions below for additional information on exclusion or taxability of the various types of partnership income.

Interest and Dividend Income. All partners may exclude interest and dividend income from obligations of the United States, the states or subordinate units of government. Interest and dividend income is totally excluded for individual nonresident, estate and trust partners. Compute the excludible and taxable portions of interest or dividend income. Enter the excluded and taxable income totals on Schedule B.

Sales or Exchange of Property. This category included sales and exchanges of short-term, long-term and Section 1231 property. The portion of the gain or loss attributable to the period prior to July 1, 1967 is excludible for all partner entity types. Compute the excludible and taxable portions of short-term, long-term and Section 1231 gains or losses. Enter the excluded and taxable income totals on Schedule B.

Rent and Royalty Income. Compute the excludible and taxable portions of rental income from rental real estate activities, rental income from other rental activities or royalty income. Enter the excluded and taxable income totals on Schedule B.

Other Income. Determine the excludible and taxable portions of other income. Enter the excluded and taxable income totals on Schedule B.

Ordinary Income from Other Partnerships. Determine the excludible and taxable portions of ordinary income (or loss) from other partnerships. Attach a worksheet for each partnership, estate or trust that details the name, address, FEIN and the apportionment of this income. The ordinary business income of another partnership is allocated based upon the other partnership's Grand Rapids business allocation percentage and/or the entity type of partner. Enter the excluded and taxable income totals on Schedule B.

Total Apportioned Income. The totals from Schedule C, columns 5 and 6 must equal the total reported on Schedule B, columns 6 and 7, respectively.

SCHEDULE C – DISTRIBUTION TO PARTNERS

The totals reported in Schedule C, columns 1, 4, 5 and 6, the income distribution to partners of adjusted ordinary business income, apportioned income, and guaranteed payments to partners, must agree with the totals transferred from Schedule A, line 6, Schedule F, column 4 and Schedule B, line 11 of columns 6 and 7, respectively.

Column 1. Enter in column 1 each individual partner's share of ordinary adjusted business income from Schedule A, line 6. If Sec. 179 depreciation is included in Schedule A, and the partners have unequal credits for such additional depreciation (e.g., if one partner is single and one is married filing jointly for federal income tax purposes), the apportionment of income t o partners may require a special computation.

Column 2. Enter the appropriate business allocation percentage based upon partner entity type. Individual resident and partnership partners (Sch 2A not provided) use a 100% allocation. Individual nonresident, estate, trust, corporation, exempt entity and foreign government partners enter the business allocation percentage from Schedule D, line 5, or the special allocation percentage authorized. Disregarded entity and nominee partners enter the appropriate allocation percentage based upon the entity type of t he actual owner of the partnership interest.

Column 4. Enter the taxable portion of the guaranteed payments to partners receiving them. If any portion of any guaranteed payment is nontaxable Schedule F must be completed. The total of Column 4 must equal the total of Schedule F, column 4.

Column 5. Enter taxable portion the individual resident, corporation or other partners Schedule B.

Column 6. Enter the taxable portion of the individual nonresident, Estate or trust partners Schedule B.

Column 7. Add the amounts reported for each partner in columns 3, 4, 5, and 6 and enter the total for the column. Also enter the amount for each partner and the column total in column 1, page 1 of the return.

SCHEDULE D – BUSINESS ALLOCATION PERCENTAGE

The business allocation percentage is to be applied to the distributive share of business income of CORPORATE AND NONRESIDENT partners if business activity of the partnership is conducted both within and outside t he City of Grand Rapids.

Elective use of the Multistate Tax Compact apportionment provisions is no longer allowed. On 09/14/2014 the Multistate Tax Compact provisions of Michigan law were retroactively repealed effective 01/01/2008.

Line 1a. Enter in column 1 the average net book value of all real and tangible personal property owned by the business, regardless of location; and in column 2 report the net book value of the real and tangible personal property owned and located or used in the City of Grand Rapids. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning and end of the year and dividing the sum by two.

Line 1b. Enter in column 1 the gross annual rent multiplied by 8 for all rented real property regardless of location. In column 2 show the gross annual rent multiplied by 8 for rented real property located in the City of Grand Rapids. Gross annual rent refers to real property only, rented or leased during the taxable period, and should include the actual sums of money or other consideration payable, directly or indirectly, by the taxpayer f or the use or possession of such property.

Line 2. Enter in column 1 the total compensation paid to all employees during the year and in column 2 show the amount of compensation paid to employees for work or services performed within the City of Grand Rapids.

Line 3. Enter in column 1 the total gross revenue from all sales or services rendered during the year, and in column 2 show the amount of revenue derived from sales made or services rendered in the City of Grand Rapids during the year. To allocate net profit (or loss), a partnership must have business activity outside of Grand Rapids.

SCHEDULE E – RENTAL REAL ESTATE

If the business activity of the partnership includes rental of real estate, list the complete address and the gain or loss from each separate piece of rental real estate in Schedule E.

SCHEDULE F – GUARANTEED PAYMENTS

A guaranteed payment, defined under the Internal Revenue Code of 1986, Section 707(c) and related regulations is a distributive share of the partnership's profits.

To the extent a "guaranteed payment" is includable in a resident partner's gross income, the amount is fully taxable under the Grand Rapids Income Tax Ordinance except for the amount paid as a retirement benefit to a retired partner that qualifies as a retirement benefit and is not self-employment earnings under the Internal Revenue Code.

A nonresident partner is taxed on a guaranteed payment for personal services to the extent the payment is includable in federal gross income and then multiplied by the partnership's business allocation percent. Except for when the guaranteed payment is expensed against rental receipts, then the portion expensed against Grand Rapids rental receipts is subject to tax. A guaranteed payment for the use of capital is allocated to the nonresident partner's residence (domicile) and is not taxable under the Grand Rapids Income Tax Ordinance. The amount paid as a retirement benefit to a retired partner that qualifies as excludible from Grand Rapids income under 4 USC Sec. 114(b)(I) is not taxable under the Ordinance.

SCHEDULE G – CREDIT FOR TAX PAID TO ANOTHER CITY IN BEHALF OF RESIDENT PARTNERS

If the partnership incurs an income tax liability to any other city in addition to Grand Rapids, a credit is allowed for tax paid to the other city on income of a Grand Rapids resident individual that is taxable by both cities. The credit is limited to the smaller of: (1) the income tax paid to the other municipality on behalf of the resident partner; or (2) 0.75% of the amount obtained by deducting the value of the exemptions claimed by the partner (Form GR-1065, page 1, column 3) from the amount of Grand Rapids income subject to tax by the other city. DO NOT take credit for income taxes paid to any other municipality on behalf of nonresident, corporate or partnership partners.

SCHEDULE K-1 (Form GR-1065) – PARTNER'S SHARE OF INCOME, EXCLUSIONS, DEDUCTIONS, CREDITS AND TAX PAID

A partnership is required to prepare and give Schedule K-1 (Form GR-1065) to each person who was a partner in the partnership at any time during the year. Schedule K-1 (Form GR-1065) must be provided to each partner on or before the day on which the partnership return is required to be filed.

Partnerships electing to pay tax that have a partnership partner (downstream partnership) are also required to provide Schedule K-1 (Form GR-1065) to each partner of the downstream partnership (or chain of downstream partnerships) if the tax for the downstream partnership is calculated based upon the downstream partnership's partner's classification.

If the return is for a fiscal year or a short tax year fill in the fiscal tax year spaces at the top of each Schedule K-1. If this is a final or an amended K-1, mark (X) the appropriate box at the top of each Schedule K-1.

On each Schedule K-1, enter the information about the partnership and the partner in Parts I and II (items A through M). In Part III, enter: in column A the amounts from the partners federal Schedule K-1 (Form 1065); in column B the amounts of exclusions or adjustments to the amounts in column A; and in Column C the partner's city taxable share of each item of income, deduction or information.

Part I. Information About the Partnership

On each Schedule K-1, enter (A) the identifying number of the partnership, and its (B) name and address. Also enter the (C) partnership's business allocation percentage (Form GR-1065, Schedule D, line 5 or special formula line d).

Part II. Information About the Partner

On each Schedule K-1 complete the information for the partner for items E through I1 and J through M as it was completed on the partner's federal Schedule K-1 (Form 1065). For item I2, if the partner code for item I1 is a code that represents an individual, estate or trust, enter in item I2 the following code for the partner: R for resident partner, N for a nonresident partner, PR for the resident portion and PN for the nonresident portion of the year for a part-year resident partner. See page 8, Partner Classification Table, for additional information. For Item I3, mark (X) the box if the partner is a retirement plan. For item N enter the partner's partner number as reported on Form GR-1065, Schedule 1. When a partner is a part-year resident, two Schedule K1's (Form GR-1065) are to be issued, one for the resident portion of the year and one for the nonresident portion of the year as two lines are required for reporting the partner's income.

If the partnership elects to pay tax and the partner is a partnership, mark (X) the item D box and enter the partnership partner's identification number. Complete the other items for this partnership partner. Parts III and Part IV for this downstream partnership is a compilation of their partner's Schedules K-1. Also, complete a Schedule K-1 (Form GR-1065) for each partner of the downstream partnership completing item D for the downstream partnership and completing Part II, Part III and Part IV for each downstream partnership partner.

Part III. Partner's share of Current Year Income, Exclusions/Adjustments and City Income.

This part of the Schedule K-1 (Form GR-1065) is divided into three columns: Column A, Federal Partnership Return Data; column B, Exclusions and Adjustments; and column C, City Taxable Income.

Column A, Federal Partnership Return Data.

Column A, line 1, lines 2 through 13 and line 20 are used for reporting income, deductions and other information as reported on the federal Schedule K-1 (Form 1065) for the partner. In each line of column A enter the data as reported in the federal Schedule K-1 except for lines 1a, 11, 13 and 20 follow the instructions below.

Line 1a. Ordinary income from other partnerships. This line on the city Schedule K-1 (GR-1065) is used to properly report ordinary business income from other partnerships, estates and trusts. Column A of this line is blank or zero (0) as this line is not on the federal Schedule K-1.

Codes for lines 11, 13 and 20. In boxes 11, 13 and 20, identify each item by entering the federal code in the column to the left of Column A.

Line 13. Other deductions. In box 13 report only the federal coded items that affect city income of the partner. There are only a few (line 13) other deductions that affect a partner's city income. Deductions that are claimed on the partner's federal return Form 1040 as adjustments to income or itemized deductions are not reported on line 13. If you have a question about reporting a line 13 item, please contact the city for an answer. An example of a line 13 is item I, deductions – royalty income.

Line 20. Other information. In box 20 report only the federal coded items that affect city income. There are few items of (line 20) other information that affect the partner's city income. If you have a question about reporting a line 20 item, please contact the city for an answer. An example of a line 20 item is M, recapture of section 179 deduction.

Column B, Exclusions and Adjustments

Complete column C, City Taxable Income, lines 1 through 13, before completing column B. Once the column C amount for a line is determined and entered, the column B amount for the line is calculated by subtracting the amount in column C from the amount in column A. Enter in the calculated amount in Column B for the line. If a line in any column is blank, it is to be read as a zero (0).

Column C, City Taxable Income

The amount of city taxable income for each partner is calculated in schedules attached to the partnership return. Enter the data for each line of Column C as determined in the schedule noted for the line.

Line 1. Ordinary business income. Enter the amount of the partner's ordinary business income as reported on Form GR-1065, Schedule C, column 3.

Line 1a. Ordinary income from other partnerships. Enter the amount of the partner's taxable share of ordinary income from other partnerships.

Line 2. Net rental real estate income (loss). Enter the amount of the partner's share of net rental real estate income (loss).

Line 3. Other rental income (loss). Enter the amount of the partner's taxable share of other rental income (loss).

Line 4. Guaranteed payments to partners. Enter the amount of the partner's taxable guaranteed payments as reported on Form GR-1065, Schedule C, column 4.

Line 5. Interest income. Enter the amount of the partner's taxable share of interest income.

Line 6. Dividend income. Enter the amount of the partner's taxable share of dividend income.

Line 7. Royalties. Enter the amount of the partner's taxable share of royalties.

Line 8. Net short term capital gain (loss). Enter the amount of the partner's taxable share of net short term capital gain (loss).

Line 9. Net long term capital gain (loss). Enter the amount of the partner's taxable share of net long term capital gain (loss).

Line 10. Net section 1231 gain (loss). Enter the amount of the partner's taxable share of net **section 1231** gain (loss).

Line 11. Other income. Enter the amount of the partner's taxable share of other income.

Line 12. Section 179 deduction. Enter a zero (0) or leave blank as this deduction is already included in the amount reported in column C, line 1.

Line 13. Other deductions. The amount to enter on this line must be calculated based upon the type of other deduction and the taxability of the city income related to the deduction. Example: Item I, deductions – royalty income, would be deductible at the same percentage the related royalty income is taxable by the city. There are very few other deduction items that relate to city income.

Line 20. Other Information. The amount to enter on this line must be calculated based upon whether the other information is city income or a deduction allowed to determine city income. Example: Item M, recapture of section 179 deduction, would be taxable at the same percentage the related property was taxable by the city. There are very few other information items that relate to city income.

Part IV. Partner's City Deductions, Credits and Tax Paid

Part IV is divided into three sections. Refer to the following instructions to complete this section.

D – Partner's deductions for items paid by the partnership. Report the partner's share of deductions allowed under the city's income tax ordinance that were paid by the partnership. These deductions are the partner's: IRA deduction; Self-employed, SEP, SIMPLE and qualified plans deduction; Renaissance Zone deduction; etc.

C – Credit for tax paid by partnership to another city. Report the tax paid to other cities by partnership on behalf of partner who is a resident of the city named at the top of the Schedule K-1.

T – Income tax paid by the partnership. Report the actual tax paid by partnership on behalf of partner to the city named at the top of the Schedule K-1. This is the amount reported on Form GR-1065, Schedule 2, column 10, for the partner.

Partner Instructions for Schedule K-1 (Form GR-1065)

Instructions for partner's reporting their partnership income on their individual return (Form GR-1040), corporate return (Form GR-1120) or partnership return (GR-1065) are part of Schedule K-1 (Form GR-1040).

SCHEDULE N – SUPPLEMENTAL NOTES AND SCHEDULES

This schedule is used to explain items reported in other forms or schedules.

SCHEDULE RZ OF (Form CF-1065) – Partnership Renaissance Zone Deduction

See separate instructions for Schedule RZ (Form CF-1065).

ASSISTANCE AND WEBSITE

If you have questions or need assistance, call (616) 456-3415, option 5 for partnership questions. Questions by mail should be directed to: Grand Rapids Income Tax Department, PO Box 109, Grand Rapids, Michigan 49501-0109. Income tax forms, instructions and additional information are available on the City's website, www.grcity.us/incometax.

DISCLAIMER 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.

PARTNER CLASSIFICATION TABLE

Information for completing Partner Information section on Form GR-1065, page 1

Enter federal classification in column 3; if column 3 equals individual owner, enter residency classification in column 4; and if column 4 equals part-year resident, enter residency start and end dates in column 5

Column 3 Federal Classification		Column 4 Individual Partner Residency Status		Column 5 Residency Dates
Description	Entry	Description	Entry	Description
Individual	I	Resident	R	
		Nonresident	N	
		Part-year resident, resident portion	PR	Residency start date
		Part-year resident, nonresident portion	PN	Residency end date
Corporation	C			
Estate	F	Nonresident	N	
Trust	F	Nonresident	N	
Partnership	P			
Disregarded Entity	DE	If DE owner is an individual		
		Resident	R	
		Nonresident	N	
		Part-year resident, resident portion	PR	Residency start date
		Part-year resident, nonresident portion	PN	Residency end date
Exempt Organization	E			
Foreign Government	FGOV			
Nominee Type				
Nominee Individual	NI	If actual owner is an individual:		
		Resident	R	
		Nonresident	N	
		Part-year resident, resident portion	PR	Residency start date
		Part-year resident, nonresident portion	PN	Residency end date
Nominee Corporation	NC			
Nominee Estate or Trust	NF	Nonresident	N	
Nominee Partnership	NP			
Nominee Disregarded Entity	NDE	If actual owner of the DE is an individual:		
		Resident	R	
		Nonresident	N	
		Part-year resident, resident portion	PR	Residency start date
		Part-year resident, nonresident portion	PN	Residency end date
Nominee Exempt Organization	NE			
Nominee Individual Retirement Arrangement	NIRA			
Nominee Foreign Government	NFGOV			

GRAND RAPIDS PARTNERSHIP INCOME TAX FORMS, GR-1065

APPENDIX Q

TAXABILITY OF PARTNERSHIP INCOME UNDER THE MICHIGAN UNIFORM CITY INCOME TAX ORDINANCE

Revised 08/17/2015

TYPE OF INCOME → / PARTNER ENTITY ↓	ORDINARY BUSINESS INCOME OF PARTNERSHIP	GUARANTEED PAYMENTS TO PARTNER	INTEREST INCOME	DIVIDEND INCOME	NET SHORT-TERM GAIN (LOSS)	NET LONG-TERM GAIN (LOSS)	SECTION 1231 GAIN OR LOSS	NET INCOME (LOSS) FROM RENTAL REAL ESTATE ACTIVITIES	NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES	ROYALTY INCOME	OTHER INCOME	ORDINARY INCOME FROM OTHER PARTNERSHIPS
Individual Resident Partner	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable	100% taxable
Individual Nonresident Partner	Taxable on the partnership's business allocation percentage	Taxable based upon type of guaranteed payment; see Sch. F for more	Not taxable unless related to city business activity	Not taxable	Taxable if property located in city Not taxable if property located	Taxable if property located in city Not taxable if property located	Taxable if property located in city Not taxable if property located	Taxable if property located in city Not taxable if property located	Taxable if property located in city Not taxable if property located	Taxable on the partnership's business allocation percentage	Taxable on the partnership's business allocation percentage	Taxable on the originating partnership's business allocation percentage portion
Corporate Partner	Taxable on partnership's business allocation percentage	Taxable based upon type of guaranteed payment; see Schedule F for	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on partnership's business allocation percentage	Taxable on the originating partnership's business allocation percentage portion
Estate or Trust Partner	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident	Taxed on the same basis as an individual nonresident
Partnership Partner (Downstream Partnership - DSP)	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity	DSP Income split per DSP agreement and taxed based on DSP partner's entity classification
Disregarded Entity Partner	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded	Taxable on the same basis as the owner of the disregarded entity
Exempt Organization Partner	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC	Taxable on the same basis as a corporate partner unless the partnership income of the partnership is not taxable under the IRC
Foreign Government	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner	Taxable on the same basis as a corporate partner
Nominee Partner	Taxable on the same basis as the actual owner (partner); If an IRA arrange-ment, not	Taxable on the same basis as the actual owner (partner); If an IRA arrange-ment, not	Taxable on the same basis as the actual owner (partner); If an IRA arrange-ment, not	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrange-ment, not	Taxable on the same basis as the actual owner (partner); If an IRA arrangement,	Taxable on the same basis as the actual owner (partner); If an IRA arrangement, not taxable

GR-1065 **GRAND RAPIDS PARTNERSHIP INCOME TAX RETURN** 2024 24MI-GRR-1065-1

For fiscal year or other taxable period beginning ___ / ___ / 2024 and ending ___ / ___ / ___

IDENTIFICATION AND INFORMATION

A1. Name of partnership	B1. Employer identification No.
	B2. Date business started
A2. In care of	B3. Principal business activity
	B4. Principal product or service
A3. Street number and name / A4. Rm. or Ste. No.	B5. Number of partners / B6. Number of employees
A4. Address 2	
A5. City, town or post office / A6. State / A7. Zip code	
A8. Foreign country name / A9. Foreign province/county / A10. Foreign postal code	

C. What type of entity is filing this return? Check the appropriate box:

- C1. Domestic general partnership
- C2. Domestic limited liability company (LLC)
- C3. Foreign partnership
- C4. Domestic limited partnership
- C5. Domestic limited liability partnership (LLP)
- C6. Other ►

D. What type of return filed. Check all boxes that apply:

- D1. Information only
- D2. Initial return
- D3. Amended return
- D4. Final return

Enter below the general partner or member manager designated as the tax matters partner (TMP) on the federal partnership return for the tax year of this return:

E1. Name of designated TMP		E4. Identifying number of TMP
E2. If the TPM is an entity, name of TMP representative		E5. Phone number of TMP
E3. Address of designated TMP		

F. Mark (X) box if partnership elects to pay tax on behalf of partners, complete the remaining sections of the return that apply and the remainder of this page.

The partnership may elect to pay tax for partners only if it pays the tax for ALL partners subject to the tax. If the partnership elects to file an information return, complete the Identification and Information section, the Disclosure section, the signature section of this page and the remaining sections of the return that apply to the partnership.

TAX	1. Tax (Sum of totals of Schedule 2, column 8 and column 9)		1
PAYMENTS & CREDITS	2a. Estimated income tax payments for tax year	2a	
	2b. Prior year credit forward	2b	
	2c. Extension Payment	2c	
	2d. Tax paid by another partnership	2d	
	2e. Credit for tax paid to another city on behalf of resident partners (Enter total from Sch G, col 7)	2e	
	2f. Total tax paid (Add lines 2a through 2e)		2f
BALANCE DUE	3. If the tax due (line 1) is larger than the payments and credits (line 2f), enter balance due Enclose check or money order payable to the Grand Rapids City Treasurer. To pay with an electronic funds withdrawal: mark (X) Pay Tax Due box, line 8 and complete line 8 a, b & c		3
OVERPAYMENT	4. If payments and credits (line 2f) are larger than tax (Line 1), enter overpayment		4
CREDIT FWD	5. Overpayment to be credited forward and applied to 2025 estimated tax		5
DONATIONS	6. Donations: Flags for Veterans Graves in GR 6a. ___ Grand Rapids Childrens Fund 6b. ___ 6c. ___ Total Donations		6d
REFUND	7. Refund. For direct deposit refund mark (X) box on line 8 and complete lines 8 a, b & c (Line 4 less lines 5 and 6d)		7
ELECTRONIC REFUND OR PAYMENT DATA	8. Direct deposit refund or direct withdrawal payment (Mark (X) appropriate box 8a or 8b and complete lines 8c, 8d and 8e) 8a Refund (Direct Deposit) 8b Pay tax due (direct withdrawal) 8c Routing number 8d Account number 8e Account Type: 8e1. Checking 8e2. Savings		

DISCLOSURE OF RETURN INFORMATION

9. Do you want to allow the preparer or another person to discuss this return with the Income Tax Office? 9a. Yes, complete 10a and 10b 9b. No

10a. Designee's name	10b. Designee's phone number

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.

11a. Date signed	11b. Signature of partner	11c. Printed name of partner signing return	11d. Phone number ( ) -

12a. Signature of preparer	12c. Firm name	12g. Date prepared
	12d. Address 1 (include suite #)	
12b. Printed name of preparer	12e. Address 2	12h. Preparer's phone number ( ) -
	12f. City, state & zip code	

Return is due April 30, 2025 or the last day of the fourth month after the close of tax year.

13. NACTP software number GRR24

Mail to: Grand Rapids Income Tax Department, PO Box 109, Grand Rapids, MI 49501-0109

Revised 09/30/2019

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedule 1

Revised 09/30/2019

SCHEDULE 1 - PARTNER INFORMATION SCHEDULE

Attachment 1

PARTNER NUMBER	COLUMN 1 NAME AND ADDRESS OF ALL PARTNERS (Complete column 1, column 2 and, if necessary, columns 3 and 4; if column 4 for partner equals part-year (PR or PN), report the resident and nonresident portions on separate partner lines) Enter partner's name and address as per example below	COLUMN 2 PARTNER'S SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	COLUMN 3 TYPE OF ENTITY OF PARTNER (Follow Federal Form 1065 instructions for Schedule K-1, Item I; see Partner Entity Classification Chart)	COLUMN 4 IF PARTNER IS AN INDIVIDUAL OR NOMINEE REPRESENTING AN INDIVIDUAL, ENTER RESIDENCE STATUS OF PARTNER (R = Resident, N = Nonresident, PR = Part-year resident portion, PN = Part-year nonresident portion)	COLUMN 5 IF COLUMN 4 EQUALS PART-YEAR RESIDENT ENTER RESIDENCY START DATE ON RESIDENT (PR) LINE AND END DATE ON NONRESIDENT (PN) LINE
EX	Partner's Name Street number, street name and suite number City, state, zip code				
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedule 1A Revised 09/30/2019

SCHEDULE 1A - PARTNER INFORMATION SCHEDULE FOR DOWNSTREAM PARTNERSHIP

Attachment 1A

A1. Name and address of downstream partnership	A2. Downstream partnership's FEIN		A5. Number of Partners	
	A3. Date Business Started		A6. No. of Employees	
	A4. Contact person		A7. Telephone Number	

PARTNER NUMBER	COLUMN 1 NAME AND ADDRESS OF ALL PARTNERS OF DOWNSTREAM PARTNERSHIP (Enter the name and address of downstream partnership below and complete columns 1 and 2 and, if necessary, columns 3 and 4; if column 4 for partner equals part-year resident (PR or PN), report the resident and nonresident portions on separate partner lines) Enter partner's name and address as per example below Partner's Name Street number, street name and suite number City, state, zip code	COLUMN 2 PARTNER'S SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	COLUMN 3 TYPE OF ENTITY OF PARTNER (Follow Federal Form 1065 instructions for Schedule K-1, Item I; see Partner Entity Classification Chart)	COLUMN 4 IF PARTNER IS AN INDIVIDUAL OR NOMINEE REPRESENTING AN INDIVIDUAL, ENTER RESIDENCE STATUS OF PARTNER (R = Resident, N = Nonresident, PR = Part-year resident portion, PN = Part-year nonresident portion)	COLUMN 5 IF COLUMN 4 EQUALS PART-YEAR RESIDENT ENTER RESIDENCY START DATE ON RESIDENT (PR) LINE AND END DATE ON NONRESIDENT (PN) LINE
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedule 2,

Revised 09/30/2019

SCHEDULE 2 - PARTNER INCOME AND TAX CALCULATION SCHEDULE

Partnerships filing an information return complete only columns 1 through 4.

Partnerships electing to pay tax must complete all applicable columns.

Attachment 2

PARTNER NUMBER	COLUMN 1 PARTNER'S NAME	COLUMN 2 TYPE OF ENTITY OF PARTNER (From Partner Information Sch.)		COLUMN 3 PARTNER'S SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER (From Partner Information Sch.)	COLUMN 4 TOTAL INCOME (From Schedule C, column 7; See page 1, box F)	COLUMN 5 ALLOWABLE DEDUCTIONS (See instructions)	COLUMN 6 EXEMPTIONS (See note 2 on page 1 and instructions)	COLUMN 7 TAXABLE INCOME (Column 4 less columns 5 and 6)	COLUMN 8 TAX AT RESIDENT OR CORPORATION TAX RATE (Column 7 multiplied by tax rate)	COLUMN 9 TAX AT NONRESIDENT TAX RATE (Column 7 multiplied by tax rate)	COLUMN 10 TAX PAID (Column 8 less Schedule G, column 6; or column 9; see Instructions)
		Federal Classification	Residency Status								
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedule 2A

Revised 09/30/2019

SCHEDULE 2A - PARTNER INCOME AND TAX CALCULATION SCHEDULE FOR DOWNSTREAM PARTNERSHIP

Attachment 2A

Partnerships electing to pay tax who have a partnership as a partner must complete and attach this schedule for all partners of the downstream partnership.

Name and address of of downstream partnership	Downstream partnership's FEIN	

PARTNER NUMBER	COLUMN 1 PARTNER'S NAME	COLUMN 2 TYPE OF ENTITY OF PARTNER (From Partner Information Sch.)		COLUMN 3 PARTNER'S SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER (From Partner Information Sch.)	COLUMN 4 TOTAL INCOME (From Schedule C, column 7; See page 1, box F)	COLUMN 5 ALLOWABLE DEDUCTIONS (See instructions)	COLUMN 6 EXEMPTIONS (See instructions)	COLUMN 7 TAXABLE INCOME (Column 4 less columns 5 and 6)	COLUMN 8 TAX AT RESIDENT OR CORPORATION TAX RATE (Column 7 multiplied by tax rate)	COLUMN 9 TAX AT NONRESIDENT TAX RATE (Column 7 multiplied by tax rate)	COLUMN 10 TAX PAID (Column 8 less Schedule G, column 6; or column 9; see Instructions)
		Federal Classification	Residency Status								
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
Totals (Enter here and on Schedule 2 partner line for this partnership)											

If this schedule is not attached to partnership return, all income of downstream partnership will be taxed at the resident tax rate.

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedules A & B

Revised 09/30/2019

SCHEDULE A – ALLOCABLE PARTNERSHIP ORDINARY BUSINESS INCOME

Attachment 3

1. Ordinary business income (loss) (Form 1065, pg. 1, line 22) (Attach copy of federal Form 1065, Sch K (1065), ancillary schedules and statements)	
2. Add City of {City Name} income tax, if deducted in determining income on federal Form 1065	
3. Add interest and other costs incurred in connection with the production of income exempt from {City Name} income tax (Attach schedule)	
4. Deduct Sec. 179 depreciation (Federal Schedule K, line 12)	
5. Other partnership deductions allowed under Michigan Uniform City Income Tax Ordinance (Attach explanation)	
6 Deduct ordinary income (loss) from other partnerships, estates & trusts (Federal Form 1065, page 1, line 4; attach explanation)	
7. Total adjusted ordinary business income (Add lines 1, 2, 3 and subtract lines 4, 5 and 6)	

Revised 09/30/2019

SCHEDULE B – PARTNERSHIP INCOME NOT INCLUDED IN SCHEDULE A

Attachment 4

ATTACH COPY OF FEDERAL SCHEDULE K (1065) **ATTACH SCHEDULES TO EXPLAIN ALL EXCLUSIONS**	FEDERAL FORM 1065 REFERENCE	COLUMN 1 APPORTIONED INCOME	COLUMN 2 TOTAL EXCLUDIBLE RESIDENT PARTNERS' PORTION OF COLUMN 1	COLUMN 3 TOTAL EXCLUDIBLE NONRESIDENT, ESTATE AND TRUST PARTNERS' PORTION OF COLUMN 1	COLUMN 4 TOTAL EXCLUDIBLE CORPORATION PARTNERS' PORTION OF COLUMN 1	COLUMN 5 TOTAL EXCLUDIBLE OTHER PARTNERS' PORTION OF COLUMN 1 (Partners not in columns 2, 3 or 4)	COLUMN 6 TOTAL TAXABLE AT RESIDENT OR CORPORATE TAX RATE (Column 1 less column 2, 4 or 5)	COLUMN 7 TOTAL TAXABLE AT NONRESIDENT TAX RATE (Column 1 less column 3)
NONBUSINESS INTEREST AND DIVIDENDS (SEE INSTRUCTIONS)								
1. Nonbusiness interest income	Sch. K, line 5							
2. Nonbusiness dividend income	Sch. K, lines 6a							
SALE OR EXCHANGE OF PROPERTY (SEE INSTRUCTIONS)								
3. Net short-term capital gain (loss)	Sch. K, line 8							
4. Net long-term capital gain (loss)	Sch. K, L. 9a - c							
5. Net Section 1231 gain (loss)	Sch. K, line 10							
RENTS AND ROYALTIES (IF INCOME INCLUDES RENTAL REAL ESTATE, ATTACH COPY OF FEDERAL FORM 8825)								
6. Net income (loss) from rental real estate activities	Sch. K, line 2							
7. Net income (loss) from other rental activities	Sch. K, line 3c							
8. Royalty income	Sch. K, line 7							
OTHER INCOME								
9. Other income	Sch. K, line 11							
10. Ordinary income from other partnerships	Form 1065, line 4							
11. Total apportioned income (Add lines 1 through 10 of each column)								

Amounts reported in column 1 are from federal Form 1065 or Schedule K (1065).

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedules C & D

Revised 9/30/2019

SCHEDULE C – INCOME DISTRIBUTION TO PARTNERS

Attachment 5

PARTNER NUMBER	COLUMN 1 ADJUSTED ORDINARY BUSINESS INCOME (Total equals Schedule A, line 7)	COLUMN 2 ALLOCATION PERCENTAGE (Resident partners enter 100%; partnership partners see instructions; other partners enter percentage from Sch. D, line 5)	COLUMN 3 ALLOCATED ORDINARY BUSINESS INCOME (Column 1 multiplied by percentage in column 2)	COLUMN 4 ALLOCATED OR APPORTIONED GUARANTEED PAYMENTS TO PARTNERS (From Schedule F, column 4)	COLUMN 5 RESIDENT, CORPORATION AND PARTNERSHIP PARTNER'S PORTION OF SCHEDULE B INCOME (From Schedule B, column 11)	COLUMN 6 NONRESIDENT, ESTATE AND TRUST PARTNER'S PORTION OF SCHEDULE B INCOME (From Schedule B, column 11)	COLUMN 7 TOTAL INCOME (Add columns 3, 4, 5, and 6; enter here and on Schedule 2, column 4)
1		%					
2		%					
3		%					
4		%					
5		%					
6		%					
7		%					
8		%					
9		%					
10		%					
Totals							

Revised 09/30/2019

SCHEDULE D – BUSINESS ALLOCATION PERCENTAGE

Attachment 6

	COLUMN 1 LOCATED EVERYWHERE	COLUMN 2 LOCATED IN CITY	COLUMN 3 PERCENTAGE (Column 2 divided by column 1)
1. a. Average net book value of real and tangible personal property			
b. Gross annual rent paid for real property only, multiplied by 8			
c. Totals (Add lines 1a and 1b)			%
2. Total wages, salaries, commissions and other compensation of all employees			%
3. Gross receipts from sales made or services rendered			%
4. Total percentages (Add the percentages computed in column 3, lines 1c, 2 and 3)			%
5. Business allocation percentage (Divide line 4 by the number of factors) Enter here and on Schedule C, column 2 (See note below)			%

Note 3. In determining the business allocation percentage (Line 5), a factor shall be excluded from the computation only when such factor does not exist anywhere insofar as the taxpayer's business operation is concerned. In such cases, the sum of the remaining percentages shall be divided by the number of factors actually used.

In the case of a taxpayer authorized by the Income Tax Administrator to use one of the special formulas, attach an explanation and use the lines provided below:

a. Numerator		c. Percentage (a divided by b) (Enter here and on Schedule C, Col. 2)	%
b. Denominator		d. Date of Administrator's approval letter (mm/dd/yyyy)	

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedules E & F

Revised 09/30/2019

SCHEDULE E – RENTAL REAL ESTATE

Attachment 7

If the business activity of the partnership includes rental of real estate, indicate below the complete address and the gain or loss of each property.

PROPERTY #	PROPERTY ADDRESS (Street number, street name, city, state and zip code)	GAIN OR LOSS
1.		
2.		
3.		
4.		
5.		
TOTALS	**(ATTACH COPY OF FEDERAL FORM 8825)**	

Revised 09/30/2019

SCHEDULE F – ALLOCATED OR APPORTIONED GUARANTEED PAYMENTS TO PARTNERS

Attachment 8

This schedule is used by partnerships making guaranteed payments to partners where one or more partners received a nontaxable or partially taxable guaranteed payment.
Different types of guaranteed payments are taxed differently under the Michigan Uniform City Income Tax Ordinance.

TYPES OF GUARANTEED PAYMENTS	TAXABILITY OF TYPE OF GUARANTEED PAYMENT
• A QUALIFIED RETIREMENT BENEFIT RECEIVED BY A RESIDENT INDIVIDUAL	NOT TAXABLE
• A QUALIFIED RETIREMENT BENEFIT RECEIVED BY A NONRESIDENT INDIVIDUAL	NOT TAXABLE
• INTEREST FOR USE OF CAPITAL BY A RESIDENT INDIVIDUAL	100% TAXABLE
• INTEREST FOR USE OF CAPITAL BY A NONRESIDENT INDIVIDUAL	NOT TAXABLE
• COMPENSATION FOR PERSONAL SERVICES RECEIVED BY A RESIDENT INDIVIDUAL	100% TAXABLE
• COMPENSATION FOR PERSONAL SERVICES RECEIVED BY A NONRESIDENT INDIVIDUAL	BUSINESS ALLOCATION OR APPORTIONMENT BY FORM 8825

PARTNER NUMBER	COLUMN 1 GUARANTEED PAYMENTS TO PARTNERS (Total equals amount reported on federal Form 1065, line 10)	COLUMN 2 LIST TYPE OF GUARANTEED PAYMENT R as a qualified retirement benefit (RQRB) N as a qualified retirement benefit (NQRB) R as interest for use of capital (RINT) N as interest for use of capital (NINT) R as compensation for personal services (RCOMP) N as compensation for personal services (NCOMP) (R = resident and N = nonresident)	COLUMN 3 PERCENTAGE TAXABLE (Enter percentage taxable for partner in column 3c based upon type of guaranteed payment received; if reason is nonresident compensation enter business apportionment in columns 3C or percent charged against GR rental receipts)		COLUMN 3C PERCENTAGE TAXABLE (Default is 100%)	COLUMN 4 CITY TAXABLE GUARANTEED PAYMENTS (Column 1 multiplied by column 3C)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Totals						

Name of partnership	Partnership's FEIN	2024 Form GR-1065, Schedule G

Revised 09/30/2019

SCHEDULE G – CREDIT FOR TAX PAID TO ANOTHER CITY ON BEHALF OF RESIDENT PARTNERS **Attachment 9**

If tax is paid to more than one other city on behalf of a resident partner, use a separate line for each city. Total the amounts in column 6 for the partner and enter the total credit for the partner on the last line for the partner in column 7.

PARTNER NUMBER	COLUMN 1 NAME OF OTHER CITY	COLUMN 2 INCOME TAXABLE BY OTHER CITY AND ALSO TAXABLE BY {CITY NAME}	COLUMN 3 NUMBER OF EXEMPTIONS CLAIMED BY PARTNER (Tax Due Schedule, column 6)	COLUMN 4 TAX AT CITY'S NONRESIDENT TAX RATE (Subtract the result of column 3 multiplied by city's exemption value from column 2 and multiply the difference by the partner's resident city's nonresident tax rate)	COLUMN 5 TAX PAID TO OTHER CITY (Subtract the result of column 3 multiplied by other city's exemption value from column 2 and multiply the difference by other city's nonresident tax rate)	COLUMN 6 CREDIT FOR TAX PAID TO OTHER CITY (Smaller of column 4 or column 5)	COLUMN 7 TOTAL CREDIT FOR TAX PAID TO OTHER CITY ON BEHALF OR PARTNER (Column 6 total for partner; place on last line for partner)
999	Example Lansing	10,000	3	62	41	41	
999	Example Detroit	5,000	3	24	39	24	
999	Example Saginaw	12,000	3	77	77	77	142
Total credit for tax paid to another city (Add amounts in column 7; enter here and on page 1, line 2e)							

Partnership's name	Partnership's FEIN	2024 GRAND RAPIDS
SCHEDULE N - SUPPORTING NOTES AND STATEMENTS	0	**Attachment 22** Revised 08/31/2015