



# 2017 CITY OF GRAYLING Individual Income Tax Returns (Resident and Nonresident)

## This booklet contains the following forms and instructions:

- **GR-1040** City of Grayling Individual Income Tax Return
- **GR-1040ES** City of Grayling year 2018 Estimated Individual Income Tax Vouchers
- **GR-4868** Application for Extension of Time to File City of Grayling Tax Returns - Extensions

NOTE: City of Grayling income tax returns cannot be filed electronically.

## Some important reminders for Grayling taxpayers and tax preparers:

- The due date for filing your *City of Grayling Individual Income Tax Return* (GR-1040) is **April 30, 2018**.
- Your check or money order for payment of Grayling income tax must be made payable to: City of Grayling
- If you owe more than \$100 on your 2017 GR-1040 you **must** make estimated income tax payments for the year 2018. City of Grayling Estimated Individual Income Tax Vouchers (GR-1040ES) for the year 2018 are included in this booklet.

## **For Help Call (989) 348-2131**

Call this number and ask for the Income Tax Division: Staff is available to take your call between 8:00 am and 4:30 pm (Mon.- Fri.) year round. You may also visit the Income Tax Division at City Hall, 1020 City Blvd., Grayling, MI 49738.

## **How to Get Forms...**

You can pick up forms at City Hall, 1020 City Blvd., Grayling, MI 49738 or you can call (989) 348-2131 and request them by mail or log on to our website at [www.cityofgrayling.org](http://www.cityofgrayling.org) and click on "Income Tax."

## **When You Have Finished**

Please review your return for the following common errors that can delay processing of your return:

- illegible writing
- failing to provide actual physical address
- **failing to provide verification of subtractions due**

## **to disablements**

- failing to include spouse's social security number if filing jointly
- transposing numbers in the Social Security number
- reporting the wrong amount of estimated tax payments
- failing to attach federal schedules to verify losses, subtractions and expenses
- failing to attach W-2 forms
- entering figures on the wrong lines
- computation errors
- failing to sign the return

## **Where to Mail Your 2017 Return**

Mail your return and remittance to:

City of Grayling  
Income Tax Division  
P.O. Box 549 • 1020 City Blvd.  
Grayling, MI 49738



# Application for Automatic Extension of Time To File Grayling Income Tax Return

GR-4868

TAX YEAR

|                      |   |                 |                                 |
|----------------------|---|-----------------|---------------------------------|
| Please Type or Print | Your first name and initial (If joint, also give spouse's name and initial) | Last Name       | Your social security number     |
|                      | Present home address  | Mailing Address | Spouse's social security number |
|                      | City, town or post office, state, and ZIP code                              |                 | Employer ID number              |

EXTENSION IS REQUIRED FOR:

INDIVIDUAL       CORPORATION       PARTNERSHIP       ESTATE

CALENDAR YEAR FILER       FISCAL YEAR FILLER

**DIRECTIONS:** Prepare this form in duplicate. File the original with the Grayling Income Tax Dept. on or before the due date for filling your return (if you wish to have an approved copy, you must enclose a stamped pre-addressed envelope in which it will be returned.) Attach the duplicate to your Grayling Income Tax Return when filed.

**INDIVIDUAL RETURNS** { When form GR-4868 is filed timely, an automatic extension will be granted for INDIVIDUAL RETURNS until August 30 of the year the return is due. The tentative tax must be paid with this application for extension.

**CORPORATIONS PARTNERSHIPS ESTATES** { When an extension of greater than four months is requested, the tax tentatively determined to be due must be paid by the last day of the fourth month. The Uniform City Income Tax Ordinance limits the extension of time for filing annual returns to SIX MONTHS from the due date.

A \_\_\_\_\_ month extension of time for filing until \_\_\_\_\_, \_\_\_\_\_ is hereby requested in which to file the Grayling Tax Return as indicated above for the calendar year \_\_\_\_\_ of the fiscal year beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, \_\_\_\_\_.

### TENTATIVE TAX COMPUTATION:

1. Tentative City of Grayling Income Tax ..... \$ \_\_\_\_\_

2. Less:

a. City Income Tax Withheld ..... \$ \_\_\_\_\_

b. Estimated Tax Paid to Grayling ..... \$ \_\_\_\_\_

c. Other Credits ..... \$ \_\_\_\_\_

d. Total Credits (add line a,b and c) ..... \$ \_\_\_\_\_

3. BALANCE DUE (line 1 less line 2d) ..... \$ \_\_\_\_\_

ANY BALANCE DUE MUST BE PAID WITH THIS APPLICATION

### SIGNATURE AND VERIFICATION:

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete; if prepared by someone other than the taxpayer, I am authorized to prepare this form.

Signature of taxpayer: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of spouse: \_\_\_\_\_ Date: \_\_\_\_\_  
(If filing jointly, BOTH MUST sign)

Signature of preparer other than the taxpayer: \_\_\_\_\_ Date: \_\_\_\_\_

MAIL TO: Grayling Income Dept. P.O. Box 549, 1020 City Blvd., Grayling, MI 49738 (make checks payable to: CITY OF GRAYLING)

Your request for an Extension is:  APPROVED       DENIED

By: \_\_\_\_\_  
Income Tax Administrator      Date

# Important Information for All Income Tax Filers

This booklet contains the forms and instructions needed to file your 2017 *City of Grayling Individual Income Tax Return* (GR-1040) and your year 2018 *City of Grayling Estimated Individual Income Tax Vouchers* (GR-1040ES). Read the instructions carefully before completing your return. You will need to complete your U.S. 1040 before you prepare your GR-1040.

## WHO MUST FILE A RETURN

Every resident and nonresident with gross income of \$3,000 or more (\$3,000 for a taxpayer age 65 or over as of December 31, 2017) from sources listed under "Taxable Income" must complete and file a return.

To claim a refund because the tax withheld or paid is more than the tax due, you must file a return. If you filed form GR-1040ES for 2017, you must file an annual return even if there is no change in tax liability.

Each partner in a partnership is required to file a GR-1040. If the partnership elects to pay tax on behalf of the partners, the partners are not required to file a return as long as they have no other income subject to tax. Partners who file may take credit on line 19 for tax paid on their behalf by the partnership.

## MARRIED PERSONS- JOINT OR SEPARATE RETURNS

A husband and wife may file either a joint return or separate returns.

**Residents** filing jointly must include total income of both spouses. **Nonresidents** filing jointly must include total income earned in Grayling of both spouses.

If you file separately, dependents can only be claimed by the spouse who is entitled to claim those dependents under the Internal Revenue Code (IRC).

## RESIDENCY

**Resident.** You are a Grayling resident if you reside within the city limits and Grayling is your permanent home. Your permanent home is the place you intend to return to whenever you go away. A temporary absence from Grayling, such as spending winter in a southern state, does not make you a part-year resident.

**Part-year Resident.** You are a part-year resident if you moved your permanent home into or out of the city limits of Grayling during the year.

**Nonresident.** You are a nonresident if you maintain a permanent home outside the city limits of Grayling.

**Change of Residence.** If your residency status changed from either a resident to a nonresident or a nonresident to a resident, complete Schedule 3 on the back of form GR-1040.

## TAXABLE INCOME

**Resident.** A resident is subject to tax on all items included in total federal income. Taxable income includes:

1. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plan income and other compensation regardless of where earned.
2. Fair market value of merchandise or services received as compensation.
3. Net profit from operation of a business or profession or other activity regardless of where earned.
4. Income from a partnership, estate or trust, interest from bank accounts, credit unions, savings and loan associations and other income regardless of where earned.
5. Rental income, capital gains, and dividends.
6. Lottery winnings won after December 30, 1988.

**Nonresident.** A nonresident is subject to tax on all items included in total federal income which are derived from or connected with Grayling sources. Taxable income includes:

1. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plans and other compensation for services rendered as an employee in Grayling.
2. Fair market value of merchandise or services received as compensation.
3. Net profits from the operation of a business or profession or other activity conducted in Grayling. (See Schedule 2 on the back of form GR-1040 for business allocation.)
4. Net profits from rental of real and tangible property located in Grayling.

5. Net profits from sale or exchange of personal property located in Grayling.

## NONTAXABLE INCOME

**Residents and Nonresidents.** The following are nontaxable to both residents and nonresidents and, to the extent that they are included on line 7 of form GR-1040 they may be listed as subtractions. **Attach federal schedules as needed.**

1. Gifts, inheritances, bequest and distributions of principal from estates and trusts.
2. Proceeds from insurance, qualifying IRA distributions, pensions, annuities and retirement benefits (including Social Security) is taxable under the Internal Revenue Code.
3. Amounts received for personal injuries, sickness and disability are excluded only to the extent provided by the Internal Revenue Code.
4. Unemployment compensation, supplemental unemployment benefits, welfare relief payments and worker's compensation.
5. Interest from U.S. obligations such as Savings Bonds and Treasury Notes, obligations of the states, or subordinate units of government of states.
6. Dividends on an insurance policy.
7. Compensation received for service in the U.S. armed forces, including reserve components.

**Nonresidents Only.** The following items are not taxable to nonresidents:

1. Interest, dividends and royalty income.
2. Income from trust and estates.

## DUE DATE

**Your Grayling return is due on or before April 30, 2018 or within four months after the end of your fiscal year accepted by the Internal Revenue Service (IRS).**

## ROUNDING DOLLAR AMOUNTS

Round down all amounts less than 50 cents. Round up all amounts of 50 through 99 cents. **Do not enter cents.**

## EXTENSIONS

To request more time to file your Grayling tax return, send a payment of your estimated annual liability to City of Grayling, Income Tax Division, with a completed Application for Extension of Time to File City of Grayling Tax Returns (GR-4868) on or before the original due date of your return. Income Tax Division will extend the due date only if a payment is made. You may request an extension by writing to the City of Grayling, Income Tax Division, P.O. Box 549, 1020 City Blvd., Grayling, MI 49738. Do **NOT** file an extension if you will be claiming a refund.

An extension of time to file is **NOT** an extension of time to pay. If you underestimate the tax due and do not pay enough with your extension request, an assessment for penalty and interest will be sent to you.

When you file your GR-1040 return, include on line 18 the amount of tax you paid with your extension request. Attach a copy of your extension to your return.

## PENALTY AND INTEREST FOR FILING AND PAYING LATE

Your return must be postmarked no later than April 30, 2018. If you file and pay late, penalty is due at the rate of 1 percent per month to a maximum of 25 percent of the tax due. Interest is also due at the annual rate of 1 percent above the current prime rate. (The interest rate is adjusted on January 1 and July 1 of each year.) If the computed penalty and interest amount is less than \$2, the minimum late charge is \$2. Include penalty and interest amounts on line 21.

## YEAR 2017 ESTIMATE PAYMENTS

The estate of a taxpayer who died in 2017 (or 2018 before filing a 2017 return) must file a return if the taxpayer owes tax or is due a refund. The surviving spouse or the personal representative may file the return.

The surviving spouse may file a joint return for 2017. Write your name and the deceased's name and both Social Security numbers on the GR-1040. Write "deceased" after the decedent's income. Sign the return. In the decedent's signature block, write "Filing as surviving

spouse" and the decedent's date of death. The personal representative should enter on line 1 the names of the decedent and personal representative in the following order:

John Brown, Estate of  
Jane Green, Rep.  
Representative's address

Use the decedent's Social Security number and personal representative's address. Enter the date of death in the signature block.

## AMENDED RETURNS

If you made an error on a return previously filed, correct it by filing an *Amended Grayling Individual Income Tax Return* (GR-1040). **If your amended return claims a refund, you must file it within four years of the due date of your original return.**

If a change on your federal return affects Grayling taxable income, you must file a GR-1040 with City of Grayling, Income Tax Division within 90 days of the change. Include payment of any tax and interest due. If you have overpaid, use this form to request a refund.

# Line -by-Line Instructions for Form GR-1040

Lines not listed are explained on the form.

**Line 1:** Only married taxpayers may file joint returns.

**Lines 2-3:** Write your Social Security number(s) here.

**Line 4:** Residency. Check the box that describes your Grayling residency in 2017. If you or your spouse had a different residency status during the year, check a box for each of you.

**Line 5:** Exemptions. Check all boxes that apply. The number of exemptions claimed should be the same as claimed on your U.S. 1040 or 1040A, line 6d. List dependents in the space provided. Attach an additional sheet if necessary. **BLIND OR DISABLED, PLEASE PROVIDE VERIFICATION.**

**Line 7:** Total income.

**Residents.** Enter the total income from your U.S. 1040, line 22; 1040A, line 14 or 1040EZ, line 4. If you have no additions or subtractions, carry this amount to line 11. Attach copies of all W-2's, schedules and documents to substantiate total income.

**Nonresidents.** If you worked 100 percent of the time in Grayling, enter you total amount of gross wages from your W-2. If you are self-employed, include U.S. Schedule C and any other supporting schedules. If you are an employee with W-2 income and performed services both inside and outside of Grayling, you must determine the portion of income taxable to Grayling, by completing Schedule 1 on page 2 of form GR-1040 (the backside of

the form) **You must also include a statement from your employer indicating the percentage of time worked in Grayling.**

**Line 8:** Additions (attach schedules and explanations).

**Residents.** Enter losses before January 1, 1972 on sales and exchanges of property which have been deducted in arriving at adjusted gross income.

**Nonresidents.** Enter net profit or loss from rental property or net profit or loss from sales of property located in Grayling only. Losses including carry overs are computed and used to offset gains in the same manner as in the Internal Revenue Code. Only gains or losses incurred after January 1, 1972 on property in Grayling are taxable.

This may be determined by (1) difference between the fair market value on January 1, 1972 and sales price, or (2) multiplying the federal income tax gain or loss by the ratio of number of months held after January 1, 1972 to total months held.

## **Schedule 2 - Self-employed Non-residents.**

Complete Schedule 2 if your business earned income both inside and outside the City of Grayling.

Enter any other items earned in Grayling which are taxable to a nonresident (see "Taxable Income" on page 3.)

**Line 10:** Subtractions (**attach schedules and explanations**).

**Note: The Self-Employment Tax and the Self-Employed Health Insurance deductions allowed on your U.S. 1040 return are not allowed as deductions on your Grayling return.**

**Deductions are not allowed for personal expenses such as taxes on your home, interest on loans, etc.**

**Residents.** Enter portion of gain on sale of property before January 1, 1972. The amount of gain or loss occurring before January 1, 1972 can be determined either by (1) computing the difference between the cost and fair market value at January 1, 1972, or (2) multiplying the federal income tax gain or loss by the ratio of number of months held before January 1, 1972 to total months held. Also enter any nontaxable income (see "Nontaxable Income" on page 3) which may be included in your gross income on line 7.

**Residents and Nonresidents.** Enter the amount of the following expenses you incurred as an employee in the City of Grayling.

1. Travel, meals and lodging while away from home
2. Expenses as an outside salesperson who works away from his/her employer's place of business (does not include driver/salesperson whose primary duty is service and delivery).
3. Transportation (**but not transportation to and from work**).
4. Expenses reimbursed under an

expense account or other arrangement with your employer, if the reimbursement was included in gross income.

**For nonresidents, the adjustments are limited to the amount shown on your U.S. 2106 multiplied by the percentage on GR-1040, Schedule 1, line 3. If you did not complete Schedule 1, use 100% of your U.S. 2106 amount.**

**ALL FILERS MUST ATTACH A COPY OF THEIR U.S. 2106 TO THEIR GR-1040 IF USING THIS DEDUCTION.**

Other allowable subtractions are:

1. Alimony paid. You may deduct alimony, separate maintenance payments and principal sums payable in installments, to the extent deductible under the Internal Revenue Code. Nonresidents must prorate the deduction based on the percentage of income taxable by the city as it relates to total federal adjusted gross income. **CHILD SUPPORT IS NOT DEDUCTIBLE.**
2. IRA deduction.
3. Sick pay which would be excludable under Internal Revenue Code and which was included in gross income on GR-1040, line 7.

Nonresidents please note: If you completed GR-1040, Schedule 1 and are also claiming any of these subtractions, your subtraction(s) must be prorated by the percentage calculated on Schedule 1, line 3.  
**Line 13: Taxable Income.** Subtract line 12 from line 11. If line 12 is larger than line 11, enter zero (0).

## **Payments and Credits**

**Line 15a:** Grayling Residents. Enter the amount of income taxed by other Michigan cities reduced by the exemption amount claimed on your GR-1040, line 12.

**Line 15b:** To calculate the credit, use the amount on line 15a and multiply it by 1/2 percent (.005). **You must attach copies of income tax returns filed with other cities. The amount of credit may not exceed the amount of tax actually paid.**

**Line 18:** Enter the total estimated tax paid with your 2017 *City of Grayling Estimated Tax Declaration Voucher* (GR-1040ES), the amount paid with an extension request, and the amount of your 2017 overpayment

applied to this year's tax (from 2017 GR-1040, line 15a).

**Line 19:** Enter the amount of any tax paid on your behalf by a partnership. Enter the federal employer number of the partnership in the space provided.

**Line 21:** Tax Due. If line 20 is less than line 16, enter the difference. This is the tax you owe with your return. If the balance is due is less than \$1, no payment is required, but you must still file your return. See "Where to Mail Your Return" on page 1.

**Line 24:** Your Refund. This includes any tax you overpaid and any credits due you. The city does not refund amounts less than \$1, but you must still file your return. See "Where to Mail Your Return" on page 1.

## **SCHEDULE 3**

### **(Part-Year Residents Only)**

Complete Schedule 3 if you earned part of your income while a resident and your earned income subject to City of Grayling tax while a nonresident.

If you earned income as a resident but did not earn income subject to City of Grayling tax while a nonresident, complete Schedule 3, Column A only. Include all income received while a resident.

## **Line 1: Gross Wage**

**Col. A:** Part-year residents enter gross income earned while a City of Grayling resident.

**Col. B:** Enter gross income subject of City of Grayling tax that was earned while a nonresident, if applicable.

**Line 2: Additions (attach schedules and explanations).**

**Col. A:** Part-year residents enter any additions to income received while a City of Grayling resident.

**Col. B:** Enter additions to income received while a nonresident, if applicable. (See GR-1040, line 8 instructions on page 3).

**Line 3: Subtractions (attach schedules and explanations).**

**Col. A:** Part-year residents enter any subtractions to income while a City of Grayling resident. NOTE: Moving expenses are an allowable subtraction if you are moving into Grayling.

**Col. B:** Enter subtractions to income earned while a nonresident, if applicable. Attach schedules and explanation. (See GR-1040, line 10 instructions on page 4).

**Continued on Page 6**

**Line 4: Total Income.** Add lines 1 and 2, then subtract line 3. Enter the total for each column.

**Line 5: Exemptions.** Multiply the number of exemptions you entered on GR-1040, Line 5G, by \$3,000 and enter in column A. If the total exemption amount is more than the income in column A, line 4, enter the difference in column B, if applicable.

**Line 6: Taxable Income.** Subtract line 5 from line 4. If taxable income is reported in column A, it may be reduced by a loss in column B. If column A is \$0, column B

cannot be less than \$0.

**WHEN YOU HAVE FINISHED**

**Sign your return.** Each spouse must sign a joint return. If someone else prepares your return, the preparer must sign the return and enter the business name and address. Check a box to indicate if we may discuss your return with your preparer.

**You must attach all required schedules.** If you owe tax, enclose your payment, but do not staple it to the return. Checks stapled

under the W-2 or to the back of the return may not be seen and may result in improper processing.

**Signing a child's return.** If a return is prepared for a child who is too young to sign it, a parent or guardian should sign the child's name, then add "by (your name), parent (or guardian) for minor child".

Before mailing, review the list of common errors and mailing instructions on page 1.

**Business Allocation (Nonresidents Only)**

If you are self-employed and have income earned from your business, both inside and outside the city, you must complete the worksheet below and Schedule 2 on page 2 of the GR-1040.

**SCHEDULE 2 WORKSHEET - BUSINESS ALLOCATION FORMULA**

|  | Located Everywhere<br>A | Located in Grayling<br>B | Percentage<br>Divide B by A |
|--|-------------------------|--------------------------|-----------------------------|
| <b>Property Factor</b>   |                         |                          |                             |
| 1. Average net book value of real tangible personal property . . . . . 1.  | \$ _____                | \$ _____                 |                             |
| a. Gross annual rentals of real property multiplied by 8 . . . . . 1a.   | _____                   | _____                    |                             |
| b. TOTAL (Add lines 1 and 1a) . . . . . 1b.  | _____                   | _____                    | _____%                      |
| <b>Payroll Factor</b>  |                         |                          |                             |
| 2. Total wages, salaries, commissions and other compensation<br>of all employees . . . . . 2.  | _____                   | _____                    | _____%                      |
| <b>Sales Factor</b>  |                         |                          |                             |
| 3. Gross receipts from sales made or services rendered . . . . . 3.  | _____                   | _____                    | _____%                      |
| 4. Total percentages - add the three percentages computed for<br>lines 1b, 2 and 3 which you entered in the last column<br>(you must compute a percentage for each of lines 1b, 2 and 3) . . . . . 4 . |                         |                          | _____%                      |
| 5. Average percentage. Divide line 4 by "3" or by the number of factors actually used. Carry this<br>percentage to Schedule 2, line 2 . . . . . 5 .  |                         |                          | _____%                      |

Note: In determining the average percentage (line 5), a factor shall be excluded from the computation only when such factor does not exist anywhere in the taxpayer's business operation, and in such cases, the sum of the percentages on line 4 shall be divided by the number of the factors actually used.

**Attach this completed form to your GR-1040**

For calendar year 2017 or tax year ending \_\_\_\_\_ Issued under authority of P.A. 284 of 1964. Filing is mandatory.

Place Label Here or Print/Type Information
1. Filer's First Name, Middle Initial and Last Name
2. Filer's Social Security Number
If a Joint Return, Spouse's First Name, Middle Initial and Last Name
3. Spouse's Social Security Number
Mailing Address (No., Street, P.O. Box or Rural Route) Physical Address (This One Required)
City or Town State Zip Code
4. Residency
a. Resident address
b. Nonresident address
c. Part-Year Resident From To (see schedule 3 on back)

Did you file a 2016 Grayling city return? Yes No
5. Exemptions (check a box for all that apply). You Spouse
Personal A B
Age 65 or older C D
Blind or Disabled E F
(Please Provide Verification)
How many boxes did you check? G.
Number of allowable federal dependents H.

Complete the information below for the dependents you are claiming.
Table with 5 columns: Dependents Name, Relationship to you, Social Security Number, Date of Birth, # Months Lived in Your Home.
Attach W-2's Here
Add lines G through H I.
Visit us on the web: www.cityofgrayling.org

6. Filing Status
a. single
b. Married, filing jointly
c. Married, filing separately. Complete item 3

7. Total Income. (See Instructions)
a. Resident enter total income from 2017 U.S. 1040, line 22: or 1040A, line 15 or 1040 EZ, line 4. (enclose copy of page 1 of your federal return and W-2s).
b. Nonresident enter gross wages from W-2s, wages from Schedule 1, line 5. (enclose W-2s and copy of page 1 of federal return).
8. Additions. (See Instructions). Explain:
9. Total. Add lines 7 and 8
10. Subtractions. (See Instructions). (Provide Verification):
11. Adjusted income. Subtract line 10 from line 9
12. Multiply the number of exemptions claimed on line 5 I by \$3,000.
13. Taxable income. Subtract line 12 from line 11
14. Tax. Multiply the amount on line 13 by one of the following
Resident only - 1% (.01), Nonresident only - 1/2% (.005) or if a
Part-year resident - enter the amount from Schedule 3, line 9
NONREFUNDABLE CREDIT (City of Grayling Residents only).
15. Income taxed by other Michigan cities. (Attach copy of returns). 15a. 15b.
16. Subtotal. Subtract line 15b. from line 14
PAYMENTS AND CREDITS
17. City of Grayling tax withheld. (ATTACH W-2) 17.
18. City estimated tax, extension payments and 2016 credit forward 18.
19. Credit for partnership income tax paid
FE number of partnership: 19.
20. Total payments and credits. Add lines 17 thru 19 20.
21. If line 16 is larger than line 20, subtract line 20 from line 16.
Include interest and penalty if applicable
Enter TAX DUE here
FOR OFFICE USE ONLY
PAY 21.
Make your check payable to: City of Grayling
22. If line 20 is larger than line 16, subtract line 16 from line 20. You overpaid this amount 22.
23 Amount of line 22 to be credited to 2018 City of Grayling estimated tax 23.
24. Subtract line 23 from line 22. Enter refund amount REFUND 24.

Please Attach 1st Page of Federal Return & All Supporting Documents

If applicable, complete the schedules and statements and sign the back on this return.

## SCHEDULE 1 - COMPUTATION OF WAGES EARNED IN GRAYLING (NONRESIDENTS ONLY)

When both spouses have income subject to allocation, figure them separately. Also, a separate computation must be made for each W-2.

1. Number of days worked/paid for the year. (5 days/week x 52 weeks = 260 days)  
(if other than 260 days attach an explanation).  
Vacation, holidays, sick, and bonus days **ARE taxable income**

1. \_\_\_\_\_ days
2. Actual number of days worked in Grayling  
**(Attach Statement from employer(s).)**

2. \_\_\_\_\_ days
3. Percentage of days worked in Grayling (line 2 divided by line 1)

3. \_\_\_\_\_ %
4. Total wages shown on W-2

4. \_\_\_\_\_ .00
5. Wages earned in Grayling (line 4 x percentage on line 3).  
Enter here and on GR-1040, line 7

5. \_\_\_\_\_ .00
6. Wages excluded from City of Grayling Income Tax (line 4 minus line 5).

6. \_\_\_\_\_ .00

## SCHEDULE 2 - BUSINESS ALLOCATION (NONRESIDENTS ONLY)

If you are self employed and have income earned from your business both inside and outside the city, you must complete this schedule.

This schedule must be accompanied by a copy of your U.S. 1040, Schedule C and your worksheet (see page 6) used to show allocation.

1. Net income from business of profession

1. \_\_\_\_\_ .00
2. Percent earned in Grayling (Attach Schedule C and worksheet).

2. \_\_\_\_\_ %
3. Business income subject to Grayling income tax (line 1 x percentage on line 2).  
(enter here and on GR-1040, line 8).

3. \_\_\_\_\_ .00

## SCHEDULE 3 - COMPUTATION OF WAGES FOR PART-YEAR RESIDENTS

This schedule applies only if you had income during the year 2017 as a resident and nonresident. (See instructions on page 5).

1. Gross wages. (Attach W-2).
2. Additions. (See instructions).
3. Subtractions. (See instructions).
4. Total income.
5. Less exemptions. (\$3,000 for each exemption claimed)  
(The sum of lines 5a and 5b may not exceed amount of GR-1040, line 12).
6. Taxable income. Subtract line 5 from line 4.
7. Tax. Resident income: multiply line 6, column a by 1% (.01)
8. Tax. Nonresident income: multiply line 6 column b by 1/2% (.005)
9. Total tax. Add lines 7 and 8. Enter here and on GR-1040, line 14.
10. Resident in City of Grayling. Enter dates: From: \_\_\_\_\_ To: \_\_\_\_\_  
Previous address in 2017. \_\_\_\_\_

|                | Column A                                     | Column B   |
|----------------|--|--|
|                | All income while a City of Grayling Resident | Portion of income earned in City of Grayling while a nonresident |
| 1. _____ .00   | 1. _____ .00                                 | 1. _____ .00   |
| 2. _____ .00   | 2. _____ .00                                 | 2. _____ .00   |
| 3. ( _____ .00 | 3. ( _____ .00                               | 3. ( _____ .00   |
| 4. _____ .00   | 4. _____ .00                                 | 4. _____ .00   |
| 5. ( _____ .00 | 5. ( _____ .00                               | 5. ( _____ .00   |
| 6. _____ .00   | 6. _____ .00                                 | 6. _____ .00   |
|                |  | 7. _____ .00   |
|                |  | 8. _____ .00   |
|                |  | 9. _____ .00   |

I declare, under penalty of perjury, the information in this return and attachments is true and complete to the best of my knowledge.

I authorize Treasury to discuss my return and attachments with my preparer.

Do not discuss my return with my preparer.

I declare, under penalty of perjury, that this return is based on all information of which I have knowledge. Preparer's Signature, Address, Phone and ID No.

SIGN HERE

FILER'S SIGNATURE

DATE

SPOUSE'S SIGNATURE

DATE

Daytime phone for questions regarding your return:

**Remember to attach all supporting documents**

**Mail To:**  
**City of Grayling**  
**Income Tax Division**  
**P.O. Box 549 • 1020 City Blvd.**  
**Grayling, MI 49738**

This return is due April 30, 2018 OR  
on the 15th day of the fourth month after your tax year ends.

Make your check or money order payable to:  
**City of Grayling**



## City of Grayling Estimated Individual Income Tax Voucher GR-1040ES General Information

### WHO MUST FILE ESTIMATED TAX PAYMENTS

You must make estimated income tax payments throughout the year if you expect to owe more than \$100 when you file your 2018 GR-1040 return.

### DUE DATES OF PAYMENTS

You may pay in full with the first estimate voucher, due April 30, 2018. You may also pay in equal installments due on or before April 30, 2018; June 30 2018; September 30, 2018 and January 31, 2019.

**Fiscal year filers.** Adjust all dates to correspond with your fiscal year. The first installment payment is due on the 30th day of the fourth month after your fiscal year ends. (Example: If your year ends March 30, your first payment is due July 30.)

**Note: You will NOT receive reminder notices; save these forms for all your year 2018 payments.**

### WHERE TO MAIL YOUR PAYMENT

Make check payable to:

City of Grayling

Send your voucher and check to:

City of Grayling  
Income Tax Division  
P.O. Box 549  
1020 City Blvd.  
Grayling, MI 49738

Write your Social Security number(s) and the words "2018 Estimated Tax" on the front of your check. Return it with

the GR-1040ES voucher for that installment. Do not staple your check to the return. See the filing instructions on the back of the GR-1040ES voucher.

### LATE PAYMENTS OR UNDER-PAYMENT OF ESTIMATES

If you fail to make required estimate payments, pay late or pay less than 70 percent of the final tax due, penalty and interest may be charged.

### TYPES OF INCOME THAT MAKE ESTIMATED TAX PAYMENTS NECESSARY

**Residents.** All salaries, wages, bonuses, commissions and other compensation (usually earned from employers located outside of Grayling city limits who do not withhold Grayling income tax); net profits from business or profession; net rental income; capital gains less capital losses; dividends; interest; income from estates and trusts, lottery winnings and other income.

**Nonresidents.** Salaries, wages, bonuses, commissions or other compensation for services rendered or work performed in Grayling; net rental income from property in Grayling; net profits from business; profession or other activity to the extent that it is from work done; services rendered or activity conducted in Grayling; and capital gains less capital losses from the sale of real or tangible personal property located in Grayling.

### HOW TO FILE

Your annual return for the preceding year may be used as the basis for computing your estimated tax for the current year. You may use the same figures used

for estimating your federal income tax adjusted to exclude any income or deductions not taxable or permissible under the Grayling Tax Ordinance.

### WHEN YOUR INCOME CHANGES DURING THE YEAR

If you are already making estimated payments, you may change your estimate payment amount on the next installment.

If you are not already making estimated payments, use the following chart to see which period the tax is due.

| <u>If the change occurs:</u>   | <u>Pay on or before:</u> |
|--------------------------------|--------------------------|
| Jan. 1 through<br>March 31     | April 30, 2018           |
| April 1 through<br>May 31      | June 30, 2018            |
| June 1 through<br>August 31    | Sept. 30, 2018           |
| Sept. 1 through<br>December 31 | Jan. 31, 2019            |

If you do not want to adjust your fourth installment voucher, you may file your year 2018 Grayling income tax return before January 31, 2018 instead. If you decide to do this, you do not have to file the fourth voucher (due January 31, 2018). If you were not making estimated payments but a change occurs between September 1 and December 31 that requires you to file estimates, you may file your 2018 GR-1040 return by January 31, 2018 instead of filing a GR-1040ES.

# ESTIMATED TAX COMPUTATION WORK SHEET

**Keep for your records - Do not file**

1. Estimated year 2018 income subject to tax 1. \$ \_\_\_\_\_
2. Exemption allowance amount (\$3,000 for each exemption) 2. \$ \_\_\_\_\_
3. Taxable income. Subtract line 2 from line 1 3. \$ \_\_\_\_\_
4. Estimated City of Grayling tax. Residents - multiply line 3 by 1 percent (.01)  
Nonresidents - multiply line 3 by 1/2 percent (.005) 4. \$ \_\_\_\_\_
5. Tax you expect to be withheld from your earnings 5. \$ \_\_\_\_\_
6. All estimated credits 6. \$ \_\_\_\_\_
7. Total deductions. Add lines 5 and 6 7. \$ \_\_\_\_\_
8. Estimated tax due. Subtract line 7 from line 4.  
(If line 8 is \$100 or less, you are not required to make estimated tax payments.) 8. \$ \_\_\_\_\_
9. Estimated payment due. Divide the amount on line 8 by 4, or by the number of  
estimated vouchers to be filed. Enter here and on each voucher 9. \$ \_\_\_\_\_

### PAYMENT RECORD

|                       | <u>Amount Paid</u> | <u>Date Paid</u> | <u>Check No.</u> |
|-----------------------|--------------------|------------------|------------------|
| <b>Installment #1</b> | \$ _____           | _____            | _____            |
| <b>Installment #2</b> | \$ _____           | _____            | _____            |
| <b>Installment #3</b> | \$ _____           | _____            | _____            |
| <b>Installment #4</b> | \$ _____           | _____            | _____            |

*Make your check or money order payable to: "City of Grayling"*

## LINE -BY-LINE INSTRUCTIONS FOR WORKSHEET

**Line 1:** Estimate your year 2018 income subject to tax.

**Resident.** A resident is subject to tax on all items included in total federal income. Taxable income includes:

- a. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plan income and other compensation regardless of where earned.
- b. Fair market value of merchandise or services received as compensation.
- c. Net profit from operation of a business or profession or other activity regardless of where earned.
- d. Income from a partnership, estate or trust, interest from bank accounts, credit unions, savings and loan associations and other income regardless of where earned.
- e. Rental income, capital gains, and dividends.
- f. Lottery winnings won after December 30, 1988.

**Nonresident.** A nonresident is subject to tax on all items included in total federal income which ever derived from or connected with Grayling sources. Taxable income includes:

- a. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plans and other compensation for services rendered as an employee in Grayling.
- b. Fair market value of merchandise or services received as compensation.
- c. Net profits from the operation of a business or profession or other activity conducted in Grayling. (See Schedule 2 on the

back of form GR-1040 for business allocation.)

- d. Net profits from rental of real and tangible property located in Grayling.
- e. Net profits from sale or exchange of personal property located in Grayling.

**Line 3:** this is your estimated City of Grayling taxable income.

**Line 5:** Grayling City Income Tax you expect your employer to withhold.

**Line 6:** Enter the sum of:

- a. any credit forward from your 2017 GR-1040.
- b. Estimated credit for tax paid to another city. If you are a resident of the City of Grayling and pay income tax to another city in Michigan on income earned outside the City of Grayling, you may take credit for the tax paid to the other city. Estimate the amount of income to be taxed by the other city. Reduce that figure by your Grayling exemption amount claimed on line 12 of your Grayling return. Multiply the resulting figure by .5 percent (.005). This is your credit amount.
- c. Estimated credit for partnership income tax paid. If you are a member of a partnership which elects to file a return and pay the tax on behalf of its partners, you may take the amount of tax expected to be paid by the partnership as a credit.

**Line 8:** This is the total estimated tax due after all deductions have been taken.



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Return your GR-1040ES voucher along with a check or money order payable to “City of Grayling.” Do not staple your check to the voucher. Write you Social Security number and the words “2018 Estimate Tax” on your check.

**MAIL CHECK AND VOUCHER TO: City of Grayling  
Income Tax Division  
P.O. Box 549  
1020 City Blvd.  
Grayling, Mi 49738**

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