

# CITY OF GRAND RAPIDS INCOME TAX DEPARTMENT

## INSTRUCTIONS FOR GR-1040ES, DECLARATION OF ESTIMATED INCOME TAX AND GR-1124, QUARTERLY ESTIMATED INCOME TAX PAYMENT VOUCHERS

### INSTRUCTIONS FOR GRAND RAPIDS DECLARATION OF ESTIMATED INCOME TAX

Enclosed is a set of forms for filing a Declaration of Estimated income tax and making quarterly estimated income tax payments. The forms are pre-identified with the name and account number for persons who filed a declaration for the past year. The forms are blank for persons who did not file a declaration for the prior tax year. An individual's account number is their Social Security Number. The account number for a corporation or partnership is their Federal Employer Identification Number.

**DO NOT USE OR PHOTOCOPY ANOTHER TAXPAYER'S FORMS. If you do, your payment could be applied to the wrong account.** If forms were lost or never received, call (616) 456-3415 to request a blank set of forms.

**NOTE: Reminder notices will not be sent. Save this set of forms for use in making the remainder of this year's quarterly estimated payments.**

#### WHO MUST MAKE A DECLARATION

- A. **Individuals and Unincorporated Businesses:** Every resident or nonresident who expects taxable income from which the city income tax will not be withheld must file a Declaration of Estimated Income Tax. A Declaration is not required if the estimated tax is one hundred dollars (\$100.00) or less. A husband and wife may file a joint Declaration.
- B. **Corporations:** A corporation (including Subchapter S corporations) subject to the tax on all or part of its net profits must file a Declaration of Estimated Income Tax. A Declaration is not required from corporations if the estimated tax is two hundred fifty dollars (\$250.00) or less.
- C. **Partnerships:** A partnership which elects to pay the tax on behalf of its partners must file a Declaration of Estimated Income Tax if the tax due from the partnership is expected to exceed one hundred dollars (\$100.00). If the partnership elects to pay the tax on behalf of the partners, a partner will not be required to file a declaration as an individual unless the partner has other income on which the Grand Rapids income tax is expected to exceed one hundred dollars (\$100.00).

#### WHEN AND WHERE TO FILE A DECLARATION AND PAY ESTIMATED TAX

- A. **Calendar Year Taxpayers:** The Declaration for a year must be filed on or before April 30 of the tax year.
- B. **Fiscal Year Taxpayers:** The Declaration for a fiscal year must be filed within four (4) months after the beginning of the fiscal year.
- C. **Payment of Estimated Tax:** The estimated tax may be paid in full with the Declaration or paid in four (4) equal quarterly installments. Calendar year installments are due on or before April 30, June 30, and September 30 of the tax year and January 31 of the next year. Fiscal year installments are due on or before the end of the fourth, sixth, ninth and thirteenth month after the beginning of the fiscal year. The first installment payment must accompany the Declaration. If the Declaration is paid late in the year, previously missed payments must accompany the Declaration.
- D. **Where to Send Payments:** The Declaration and quarterly payments shall be filed with the **Grand Rapids Income Tax Department, PO Box 347, Grand Rapids, MI 49501-0347.**

#### CALCULATION OF ESTIMATED INCOME TAX

Calculate the estimated Grand Rapids income tax due using the Estimated Income Tax Computation Worksheet below.

ESTIMATED INCOME TAX COMPUTATION WORKSHEET	TAX YEAR _____	
1. TOTAL GRAND RAPIDS INCOME EXPECTED	1.	
2. EXEMPTIONS (\$750 FOR EACH EXEMPTION)	2.	
3. ESTIMATED GRAND RAPIDS TAXABLE INCOME (Line 1 less Line 2)	3.	
4. ESTIMATED GRAND RAPIDS TAX Nonresident individuals enter .65% (.0065) of Line 3. All other taxpayers enter 1.3% (.013) of Line 3.	4.	
5. GRAND RAPIDS INCOME TAX TO BE WITHHELD	5.	
6. OTHER CREDITS EXPECTED	6.	
7. ESTIMATED TAX (Line 4 less Lines 5 and 6)	7.	

The annual return for the previous year may be used as the basis for computing your declaration of estimated tax for the current year. The same figures used for estimating your federal income tax, adjusted to exclude any income not taxable or deductions not allowed under the Grand Rapids Income Tax Ordinance, may be used.

DATE DUE	ACCOUNT NUMBER (SSN OR FEIN)	1. ESTIMATED TAX	1.
TAXPAYER		2. QUARTERLY AMOUNT (Line 1 divided by 4)	2.
		3. PRIOR YEAR CREDIT CARRYOVER	3.
		4. INSTALLMENT DUE (Line 2 less line 3) (Round to nearest dollar)	4. (Pay this amount)

SIGNATURE OF TAXPAYER (and spouse if joint declaration)

MAKE REMITTANCE  
PAYABLE TO:  
CITY TREASURER

MAIL CHECK WITH THIS CARD TO  
**INCOME TAX DEPARTMENT**  
P.O. BOX 347  
GRAND RAPIDS, MI 49501-0347

CUT ON DOTTED LINES

DATE DUE	ACCOUNT NUMBER (SSN OR FEIN)	1. ESTIMATED TAX	1.
TAXPAYER		2. PRIOR YEAR CREDIT CARRYOVER	2.
		3. PAYMENTS MADE THIS YEAR	3.
		4. UNPAID BALANCE (Line 1 less lines 2 & 3)	4.
		5. INSTALLMENT DUE (Line 4 divided by 3) (Round to nearest dollar)	5. (Pay this amount)

MAKE REMITTANCE  
PAYABLE TO:  
CITY TREASURER

MAIL CHECK WITH THIS CARD TO  
**INCOME TAX DEPARTMENT**  
P.O. BOX 347  
GRAND RAPIDS, MI 49501-0347

CUT ON DOTTED LINES

DATE DUE	ACCOUNT NUMBER (SSN OR FEIN)	1. ESTIMATED TAX	1.
TAXPAYER		2. PRIOR YEAR CREDIT CARRYOVER	2.
		3. PAYMENTS MADE THIS YEAR	3.
		4. UNPAID BALANCE (Line 1 less lines 2 & 3)	4.
		5. INSTALLMENT DUE (Line 4 divided by 2) (Round to nearest dollar)	5. (Pay this amount)

MAKE REMITTANCE  
PAYABLE TO:  
CITY TREASURER

MAIL CHECK WITH THIS CARD TO  
INCOME TAX DEPARTMENT  
P.O. BOX 347  
GRAND RAPIDS, MI 49501-0347

CUT ON DOTTED LINES

DATE DUE	ACCOUNT NUMBER (SSN OR FEIN)	1. ESTIMATED TAX	1.
TAXPAYER		2. PRIOR YEAR CREDIT CARRYOVER	2.
		3. PAYMENTS MADE THIS YEAR	3.
		4. UNPAID BALANCE (Line 1 less lines 2 & 3)	4.
		5. INSTALLMENT DUE (Unpaid balance, line 4) (Round to nearest dollar)	5. (Pay this amount)

MAKE REMITTANCE  
PAYABLE TO:  
CITY TREASURER

MAIL CHECK WITH THIS CARD TO  
INCOME TAX DEPARTMENT  
P.O. BOX 347  
GRAND RAPIDS, MI 49501-0347

CUT ON DOTTED LINES

**CALCULATION OF THE ESTIMATED TAX PAYMENT DUE EACH QUARTER**

If you know the amount of quarterly estimated tax to be paid, write the amount on line 4 of the GR-1040ES, Declaration of Estimated Income Tax, for the first quarter, or on line 5 of the GR-1124, Quarterly Estimated Tax Payment Voucher, for the remaining quarters.

If you are unsure of the amount of quarterly estimated tax to pay, follow the lines on the Declaration or Quarterly Estimated Tax Payment Voucher to calculate the quarterly estimated tax payment.

**AMENDED DECLARATION**

If, after you have filed a Declaration, you find that your estimated tax is substantially increased or decreased as a result of a change in income or exemptions, you may amend your estimate at the time of making any quarterly payment with Form GR-1124. Follow the lines on the Quarterly Estimated Tax Payment Voucher to recalculate the amended quarterly estimated tax payment.

**LATE PAYMENT OR UNDERPAYMENT OF ESTIMATED INCOME TAX**

If you fail to make the required quarterly estimated tax payments, pay late or underpay, interest and penalty may be charged. The interest rate is 1 percent above the prime rate. The interest rate is adjusted on January 1 and July 1 each year. The penalty rate is one percent per month.

**INTEREST AND PENALTY**

If the total amount of tax withheld, tax credits and estimated tax paid is less than seventy percent (70%) of the tax due for the current or previous year, interest and penalty will be charged. The filing of a declaration of estimated tax does not excuse the taxpayer from filing an annual income tax return even though there is no change in the declared tax liability.

**INCOME SUBJECT TO GRAND RAPIDS INCOME TAX**

- A. **Residents:** All salaries, wages, bonuses, commissions and other compensation; net profits from business or profession; net rental income; capital gains less capital losses; interest and dividends; income from estates and trusts; and other income.
- B. **Nonresidents:** Salaries, wages, bonuses, commissions and other compensation for services rendered or work performed in Grand Rapids; net rental income from property located in Grand Rapids; net profits from a business, profession or other activity to the extent that it is from work done, services rendered or activity conducted in Grand Rapids; capital gains less capital losses from the sale of real or tangible personal property located in Grand Rapids.

**WITHHOLDING TAX AND OTHER TAX CREDITS**

- A. **Withholding Tax:** You may subtract from your estimated Grand Rapids income tax the amount of Grand Rapids income tax expected to be withheld.
- B. **Income Tax Paid by Partnership:** 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 subtract from your estimate of Grand Rapids income tax, the amount of tax expected to be paid by the partnership for your distributive share of net profits.
- C. **Income Tax Paid to Another Municipality:** Residents of Grand Rapids who pay income tax to another municipality on income earned outside Grand Rapids may subtract from their estimate of Grand Rapids income tax the amount of income tax expected to be paid to the other municipality. The credit may not exceed the amount of tax assessable under the Grand Rapids Income Tax Ordinance on the same income of a nonresident.

**FORMS OR INFORMATION**

Forms or information may be obtained from the Income Tax Department section of the City of Grand Rapids website, [www.ci.grand-rapids.mi.us](http://www.ci.grand-rapids.mi.us), via telephone by calling (616) 456-3415 or from the Grand Rapids Income Tax Department, 300 Monroe NW, Room 380, Grand Rapids, MI 49503.

**PAYMENT RECORD FOR TAX YEAR \_\_\_\_\_ (Keep this for your records.)**

PAYMENT	DATE PAID	CHECK NUMBER	ESTIMATED TAX PAID
FIRST QUARTER PAYMENT			
SECOND QUARTER PAYMENT			
THIRD QUARTER PAYMENT			
FOURTH QUARTER PAYMENT			
TOTAL ESTIMATED TAX PAYMENTS			

Mail estimated tax forms and payments to:  
Grand Rapids Income Tax Department  
PO Box 347  
Grand Rapids, MI 49501-0347