



RETURN TO:
 GRAND RAPIDS CITY INCOME TAX
 P.O. BOX 347
 GRAND RAPIDS, MI 49501-0347
 ADDRESS SERVICE REQUESTED

BULK RATE
 U.S. POSTAGE
 PAID
 GRAND RAPIDS, MI
 PERMIT NO. 236

MAIL TO:

2008 CITY OF GRAND RAPIDS 2008

EMPLOYER'S WITHHOLDING TAX

FORMS AND INSTRUCTIONS

ONLINE FILING AND PAYMENT OF WITHHOLDING TAX

ONLINE FILING OF EMPLOYER WITHHOLDING TAX WITH ELECTRONIC DIRECT DEBIT PAYMENT OF TAX DUE IS AVAILABLE. THIS WITHHOLDING TAX TOOL CAN BE ACCESSED AT WWW.GRCITY.US/WITHHOLDING.

WHO IS REQUIRED TO WITHHOLD?

Every employer who:

1. Has a location in the City of Grand Rapids; or
2. Is doing business in the City of Grand Rapids.

WITHHOLDING RATES:

Use **1.3%** for:

1. Residents of the City of Grand Rapids working in Grand Rapids.
2. Residents of the City of Grand Rapids working outside of Grand Rapids who are not subject to withholding for the city where they work..

Use **.8%** for residents of Grand Rapids working in the following cities that also have a city income tax:

ALBION	FLINT	HUDSON	LANSING	MUSKEGON HEIGHTS	PORTLAND
BATTLE CREEK	GRAYLING	IONIA	LAPEER	PONTIAC	SPRINGFIELD
BIG RAPIDS	HAMTRAMCK	JACKSON	MUSKEGON	PORT HURON	WALKER

Use **.65%** for:

1. Nonresidents of the City of Grand Rapids working in Grand Rapids.
2. Residents of the City of Grand Rapids working in the following cities that also have a city income tax:

DETROIT	SAGINAW	HIGHLAND PARK
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QUESTIONS?
CALL
 (616) 456-3415
 or visit
www.grcity.us/incometax

2007 W-2 FORMS WILL BE ACCEPTED VIA ELECTRONIC MEDIA, CD-ROM. FOR SPECIFICATIONS AND INFORMATION REGARDING ELECTRONIC MEDIA FILING, CONTACT OUR OFFICE OR VISIT OUR WEB PAGE AT WWW.GRCITY.US/INCOMETAX.

City of Grand Rapids Income Tax Department

YEAR 2008 INCOME TAX WITHHOLDING FORMS AND INSTRUCTIONS

THIS BOOKLET CONTAINS THE FOLLOWING FORMS AND INSTRUCTIONS:

- A. NOTICE OF CHANGE OR DISCONTINUANCE.
- B. EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD, FORM GR-501 (USED FOR MAKING DEPOSIT OF TAX WITHHELD DURING FIRST OR SECOND MONTH OF A QUARTER).
- C. EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD, FORM GR-941 (USED FOR REPORTING QUARTERLY INCOME TAX WITHHELD).
- D. EMPLOYER'S ANNUAL RECONCILIATION OF INCOME TAX WITHHELD, FORM GRW-3. THIS FORM MUST BE FILED ON OR BEFORE MARCH 2, 2009.
- E. INSTRUCTIONS FOR EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD, FORM GR-501, AND EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD, FORM GR-941.
- F. PENALTY AND INTEREST WORKSHEET.

A MONTHLY DEPOSIT IS REQUIRED FOR THE FIRST AND/OR SECOND MONTH OF A QUARTER WHEN THE AMOUNT WITHHELD DURING THE MONTH EXCEEDS \$100.00. FORM GR-501 IS USED TO MAKE MONTHLY DEPOSITS. USE FORM GR-941, QUARTERLY RETURN, TO REPORT WITHHOLDING FOR A QUARTER AND TO REMIT WITHHOLDING NOT DEPOSITED DURING THE FIRST OR SECOND MONTH OF THE QUARTER.

IF TAX WITHHELD DURING A MONTH EXCEEDS \$100 MONTHLY DEPOSITS, FORM GR-501, ARE DUE AS FOLLOWS:

MONTH	DUE DATE
JANUARY	02/29/2008
FEBRUARY	03/31/2008
APRIL	06/02/2008
MAY	06/30/2008

MONTH	DUE DATE
JULY	09/02/2008
AUGUST	09/30/2008
OCTOBER	12/01/2008
NOVEMBER	12/31/08

QUARTERLY RETURNS, FORM GR-941, ARE DUE AS FOLLOWS:

QUARTER	DUE DATE
FIRST	04/30/2008
SECOND	07/31/2008

QUARTER	DUE DATE
THIRD	10/31/2008
FOURTH	02/02/2009

IF THE NECESSARY FORMS ARE NOT INCLUDED IN THIS BOOKLET, CONTACT THE INCOME TAX DEPARTMENT VIA PHONE AT (616) 456-3415, OR SEND A LETTER TO: P.O. BOX 347, GRAND RAPIDS, MI 49501-0347.

PREPARING W-2 FORMS – IF BOX 20 OF THE W-2 FORM IS LEFT BLANK OR DOES NOT CLEARLY IDENTIFY THE LOCALITY AS GRAND RAPIDS OR GR, YOUR EMPLOYEES WILL EXPERIENCE A DELAY IN THE PROCESSING OF THEIR RETURNS.

NOTICE OF CHANGE OR DISCONTINUANCE

ACCOUNT NUMBER (FEIN)	CHANGES EFFECTIVE ON (Date)
CURRENT LEGAL NAME	CHANGE LEGAL NAME TO:
DBA	CHANGE DBA TO:
CURRENT LEGAL BUSINESS ADDRESS	CHANGE LEGAL BUSINESS ADDRESS TO:
MAILING ADDRESS	CHANGE MAILING ADDRESS TO:

**Instructions: Place an "X" in all boxes that apply. Complete all information for that change.
Write any comments or explanations on back of form.**

- 1. The Internal Revenue Service assigned us Federal Employer Identification Number: _____
- 2. Our Federal Employer Identification Number is wrong. The correct number is: _____
- 3. We have incorporated. Our corporate name is: _____
- 4. Our new corporate Federal Employer Identification Number is: _____
- 5. Discontinue our withholding tax registration:
 - We no longer have any business activity in the City of Grand Rapids.
 - We closed our business on: _____
 - We sold our entire business on: _____ We sold our business to: _____

 - We sold part of our business on: _____ Their FEIN is: _____

- 6. Address and phone number where we may be reached following discontinuance of business:

_____	_____	_____	_____	_____	_____
CONTACT PERSON	STREET ADDRESS	CITY	STATE	ZIP CODE	PHONE
- 7. Change in ownership. (Please explain on back)
- 8. Effective _____, we changed our fiscal year ending from _____ to _____
 MONTH/YEAR MONTH MONTH
- 9. Other changes. (Please explain on back)

SIGNATURE OF PREPARER	PRINTED NAME OF PREPARER	DATE PREPARED	PREPARER'S PHONE NUMBER () -
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GR-501

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD

GR-501

2008 941 01M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		JANUARY 2008	2/29/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
GRAND RAPIDS CITY TREASURER**

**MAIL THIS FORM AND PAYMENT TO:
GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

GR-501

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD

GR-501

2008 941 02M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		FEBRUARY 2008	03/31/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

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SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

GR-941

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD

GR-941

2008 941 01Q

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. RETURN PERIOD	3. DUE ON OR BEFORE	4. TAX WITHHELD THIS QUARTER
		1 ST QUARTER 2008	4/30/2008	
TAXPAYER				5. ADJUSTMENTS
				6. ADJUSTED TAX WITHHELD
				7a. TAX PAID FIRST MONTH OF QUARTER
				7b. TAX PAID SECOND MONTH OF QUARTER
				8. AMOUNT DUE (Line 6 less lines 7a and 7b) PAY THIS AMOUNT →

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER



If final return, check here and complete Notice of Change or Discontinuance in return booklet.

**PAY TO: GRAND RAPIDS CITY TREASURER
MAIL TO: GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

2008 941 04M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		APRIL 2008	06/02/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
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DATE

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CUT ON DOTTED LINE

2008 941 05M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		MAY 2008	06/30/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
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P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

2008 941 02Q

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. RETURN PERIOD	3. DUE ON OR BEFORE	4. TAX WITHHELD THIS QUARTER
		2 ND QUARTER 2008	7/31/2008	
	TAXPAYER			
	5. ADJUSTMENTS			
	6. ADJUSTED TAX WITHHELD			
	7a. TAX PAID FIRST MONTH OF QUARTER			
	7b. TAX PAID SECOND MONTH OF QUARTER			
	8. AMOUNT DUE (Line 6 less lines 7a and 7b) PAY THIS AMOUNT →			

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER



If final return, check here and complete Notice of Change or Discontinuance in return booklet.

**PAY TO: GRAND RAPIDS CITY TREASURER
MAIL TO: GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

GR-501

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD

GR-501

2008 941 07M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		JULY 2008	09/02/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
GRAND RAPIDS CITY TREASURER**

**MAIL THIS FORM AND PAYMENT TO:
GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

GR-501

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD

GR-501

2008 941 08M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		AUGUST 2008	09/30/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
GRAND RAPIDS CITY TREASURER**

**MAIL THIS FORM AND PAYMENT TO:
GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

GR-941

GRAND RAPIDS INCOME TAX DEPARTMENT
EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD

GR-941

2008 941 03Q

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. RETURN PERIOD	3. DUE ON OR BEFORE	4. TAX WITHHELD THIS QUARTER
		3 RD QUARTER 2008	10/31/2008	
TAXPAYER				5. ADJUSTMENTS
				6. ADJUSTED TAX WITHHELD
				7a. TAX PAID FIRST MONTH OF QUARTER
				7b. TAX PAID SECOND MONTH OF QUARTER
				8. AMOUNT DUE (Line 6 less lines 7a and 7b) PAY THIS AMOUNT →

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER



If final return, check here and complete Notice of Change or Discontinuance in return booklet.

**PAY TO: GRAND RAPIDS CITY TREASURER
MAIL TO: GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

2008 941 10M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		OCTOBER 2008	12/01/2008	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
GRAND RAPIDS CITY TREASURER**

**MAIL THIS FORM AND PAYMENT TO:
GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

2008 941 11M

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. DEPOSIT PERIOD	3. DUE ON OR BEFORE	4. WITHHOLDING TAX DEPOSIT
		NOVEMBER 2008	12/31/08	

TAXPAYER

MONTHLY DEPOSIT OF INCOME TAX IS REQUIRED IF TAX WITHHELD IN FIRST OR SECOND MONTH OF A QUARTER EXCEEDS \$100.

IMPORTANT		
5. IF DEPOSIT IS FOR A PERIOD OTHER THAN BOX 2, ENTER THE CORRECT PERIOD.	MONTH	YEAR

**MAKE REMITTANCE PAYABLE TO:
GRAND RAPIDS CITY TREASURER**

**MAIL THIS FORM AND PAYMENT TO:
GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

CUT ON DOTTED LINE

2008 941 04Q

DO NOT WRITE IN SPACE BELOW	1. IDENTIFICATION NUMBER	2. RETURN PERIOD	3. DUE ON OR BEFORE	4. TAX WITHHELD THIS QUARTER
		4 TH QUARTER 2008	02/02/2009	
TAXPAYER				5. ADJUSTMENTS
				6. ADJUSTED TAX WITHHELD
				7a. TAX PAID FIRST MONTH OF QUARTER
				7b. TAX PAID SECOND MONTH OF QUARTER
				8. AMOUNT DUE (Line 6 less lines 7a and 7b) PAY THIS AMOUNT →

SIGNATURE

TITLE

DATE

PRINTED NAME OF SIGNER

If final return, check here and complete Notice of Change or Discontinuance in return booklet.

**PAY TO: GRAND RAPIDS CITY TREASURER
MAIL TO: GRAND RAPIDS INCOME TAX DEPT.
P.O. BOX 347
GRAND RAPIDS, MI 49501-0347**

EMPLOYER'S ANNUAL RECONCILIATION OF INCOME TAX WITHHELD

1. EMPLOYER	2. FEDERAL EMPLOYER IDENTIFICATION NUMBER
	DUE ON OR BEFORE 03/02/2009

SUMMARY OF WITHHOLDING TAX PAID		
MONTH/QUARTER	TAX WITHHELD	WITHHOLDING TAX PAID
January		
February		
March		
FIRST QUARTER TOTAL		
April		
May		
June		
SECOND QUARTER TOTAL		
July		
August		
September		
THIRD QUARTER TOTAL		
October		
November		
December		
FOURTH QUARTER TOTAL		
	TOTAL WITHHOLDING TAX PAID	3.

NUMBER OF W-2 FORMS ATTACHED	4.
TOTAL TAX WITHHELD PER W-2(S)	5.
BALANCE DUE	6.
OVERPAYMENT – ATTACH EXPLANATION *	7.

* Submit a letter to request a refund. Include a detailed explanation on the cause of the overpayment.

8. SIGNATURE	9. NAME AND TITLE (PLEASE PRINT)	10. DATE
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INSTRUCTIONS FOR EMPLOYER'S ANNUAL RECONCILIATION OF INCOME TAX WITHHELD

- Check identification information in Box 1 and Box 2. If incorrect, make corrections and file Notice of Change or Discontinuance, Form GR-6-IT.
- Enter tax withheld and tax payment information in the Summary of Withholding Tax Paid section.
- Enter the total withholding tax paid in Box 3.
- Enter the number of W-2 forms attached in Box 4.
- Enter the amount of tax withheld per the W-2 forms attached in Box 5. **ATTACH W-2 FORMS** and an adding machine tape totaling the W-2 forms or include copies of the computer generated summary W-2 forms.
- If the withholding tax paid (Box 3) is less than the tax withheld per the W-2 forms (Box 5), enter the balance due in Box 6. The balance due must be paid in full with this GRW-3 form. Make remittance payable to: Grand Rapids CITY TREASURER
- If the withholding tax paid (Box 3) is greater than the tax withheld per the W-2 forms (Box 5), enter the overpayment in Box 7. To receive a refund of any overpayment, submit a letter explaining the overpayment and requesting a refund.
- If the withholding tax paid (Box 3) equals the tax withheld per the W-2 forms (Box 5), enter a zero (0) in Boxes 6 and 7.
- Sign the return in Box 8; print your name and title in Box 9; and enter the date signed in Box 10.
- Attach the required copies of the W-2 forms and payment for any balance due to the completed GRW-3 form and mail to: **GRAND RAPIDS INCOME TAX DEPARTMENT, PO BOX 347, GRAND RAPIDS, MI 49501-0347.**

City of Grand Rapids

Income Tax Department

INSTRUCTIONS FOR FORM GR-501, EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD, AND FORM GR-941, EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD

A. MONTHLY DEPOSITS AND QUARTERLY RETURNS

1. Monthly deposits of Grand Rapids income tax withheld are required for each month in which the amount withheld exceeds \$100.00. Monthly deposits are made using Form GR-501. Remittance in full payable to the Grand Rapids City Treasurer is required. Monthly deposits are due on the last day of the month following the month withheld. Example: The monthly deposit, Form GR-501, for May is due June 30.
2. Quarterly returns of Grand Rapids income tax withheld are filed using Form GR-941. Remittance payable to Grand Rapids City Treasurer is required. Quarterly returns and payments are due on the last day of the month following the end of the quarter. The quarterly return, Form GR-941, for the first quarter is due April 30.
3. Mail monthly deposits, Form GR-501, and quarterly returns, Form GR-941, to the Grand Rapids Income Tax Department, P.O. Box 347, Grand Rapids, MI 49501-0347.
4. A monthly deposit is not required if less than \$100 is withheld during a month.
5. A quarterly return, Form GR-941, is required even though no tax was withheld during a quarter. Under such circumstances, a quarterly return, form GR-941, must be filed showing zero tax withheld.
6. If the payment of wages has been temporarily discontinued for any reason, such as the seasonal nature of the business, the employer must continue to file returns.

B. INITIAL RETURNS

1. Registration via phone accepted at (616) 456-3415. Withholding forms and an employer's registration packet will be mailed immediately.
2. If you cannot wait for forms to timely file your first return, include a letter with your withholding tax payment providing the following information: Name of Business Owner(s), Type of Ownership, Federal Employer Identification Number (FEIN), d.b.a., address, mailing address and period covered.
3. If you have applied for, but not yet received, an FEIN, write "FEIN Pending" in place of the FEIN. A temporary number will be assigned. Notify the Income Tax Department as soon as you receive your FEIN.
4. If a business is sold or transferred at any point during a reporting period, both the old and new employer must file returns for the period. Neither employer should report tax withheld by the other; both employers should use their own FEIN numbers. Also see instructions for Final Returns.

C. FINAL RETURNS – NOTICE OF CHANGE OR DISCONTINUANCE

1. If no wages are to be paid in the future, complete and file a Notice of Change or Discontinuance.
2. If the business has been sold or transferred, provide the name of the new owner(s), the date transferred and their FEIN. Also, provide the name, address and telephone number of the person who will have custody of the books and records of the discontinued business.
3. When discontinuing a business, the Employer's Annual Reconciliation of Income Tax Withheld, Form GRW-3, and a W-2 form for each employee must be filed. These forms are due by the end of the month following the end of the quarter of discontinuance.

D. ALL EMPLOYERS

1. Pre-printed forms should be used in filing returns. If you do not have forms for filing, contact the Income Tax Department at (616) 456-3415 so forms can be mailed to you prior to the due date.
2. Verify the name, address and FEIN on the monthly deposit and quarterly return forms (GR-501 and GR-941). If an error is noted, the necessary corrections should be made on the form, and a Notice of Change or Discontinuance should be completed and filed.
3. Form GR-941 provides a space for adjustments to correct mistakes made on prior returns from the current calendar year. When an adjustment is reported it must be accompanied by a statement explaining the adjustment. **DO NOT TAKE CREDIT FOR A PRIOR YEAR'S OVERPAYMENT!** You must file a claim for refund of any prior year's overpayment.
4. Calculate and remit penalty and interest on all delinquent tax payments and delinquent returns. A sample Penalty and Interest Worksheet, including penalty and interest rates and instructions, is reproduced on the back cover of this booklet. Attach a copy of the penalty and interest worksheet to all delinquent returns and remit the penalty and interest with the tax withheld.

**CITY OF GRAND RAPIDS
INCOME TAX DEPARTMENT**

**PENALTY AND INTEREST WORKSHEET
FOR DELINQUENT WITHHOLDING TAX RETURNS**

RETURN PERIOD					
DUE DATE					
TAX DUE					
INTEREST					
PENALTY					
MINIMUM P & I					
TOTAL DUE					

Attach a copy of completed worksheet to each delinquent return.

INTEREST CALCULATION INSTRUCTIONS:

Interest is due from the due date of a return until the tax is paid.

Interest Rates:

- For period 1/1/2007 through 6/30/2007 the interest rate is 9.1% per year or 0.0002493 per day.
- For period 7/01/2007 through 12/31/2007 the interest rate is 9.25% or .0002534 per day.
- For period 1/01/08 through 6/30/08 the interest rate is 9.2% per year or .0002514 per day.
- For period 7/1/08 through 12/31/08 (Use rate for first six months of 2008 or call for rate.)

Interest rates are set by the Michigan Department of Treasury. The interest rate changes every six months. For the current interest rate or rates for past periods, visit the Michigan Department of Treasury web site at http://www.michigan.gov/treasury/0,1607,7-121-44402_44415---,00.html and look for the most recent Revenue Administrative Bulletin on Interest Rates.

Interest Computation: For Interest Rate Period:

- 1/1/2007 to 6/30/2007: Number of days after due date: _____ times 0.0002493 times tax due = \$ _____
- 7/1/2007 to 12/31/2007: Number of days after due date: _____ times 0.0002534 times tax due = \$ _____
- 1/1/2008 to 6/30/2008: Number of days after due date: _____ times 0.0002514 times tax due = \$ _____
- 7/1/2008 to 12/31/2008: Number of days after due date: _____ times 0.0002514 times tax due = \$ _____

Total interest. Add the interest calculated on the lines above and enter on the INTEREST line of the worksheet. Total Interest \$ _____

PENALTY CALCULATION INSTRUCTIONS:

Penalty is due upon failure to file a return or failure to timely pay tax due.

Penalty Rate: One percent (1%) of the tax due per month (or portion thereof) per return.

A penalty of one percent of the tax due is applied on the first day after the due date of the return. An additional penalty of one percent of the tax due is added on the first day of each subsequent month. Maximum penalty is 25% of the tax due per return.

Penalty Computation:

Number of months delinquent times 1% (.01) times the tax due = \$ _____
Enter the penalty calculated on the PENALTY line of the worksheet.

MINIMUM PENALTY AND INTEREST CALCULATION:

The minimum amount of penalty and interest combined is \$2.00 per return.

Calculation of minimum penalty and interest:

- If total penalty and interest is greater than \$2.00 minimum does not apply.
- If total penalty and interest is less than \$2.00, enter \$2.00 on the MINIMUM P & I line of the worksheet.