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**2017**

**CITY OF JACKSON, MI.**

**INDIVIDUAL RETURN**

(FOR RESIDENT AND NON-RESIDENT)

**FILING DATE:**

**YOUR RETURN MUST BE FILED BY APRIL 30, 2018. PENALTIES, AS PROVIDED BY LAW WILL BE ASSESSED ON ALL LATE PAYMENTS.**

**REMITTANCE:**

**Make remittance payable to: TREASURER, CITY OF JACKSON**

**MAILING:**

**MAIL YOUR RETURN AND REMITTANCE, WITH EARNINGS STATEMENTS (W-2 FORMS) AND ALL SCHEDULES ATTACHED.**

**ATTACH SCHEDULES:**

**SUPPORT ALL FIGURES WITH COPIES OF FEDERAL SCHEDULES TO AVOID UN-NECESSARY CORRESPONDENCE OR DELAY IN RECEIVING REFUNDS.**

**MAIL RETURNS TO: CITY INCOME TAX DIVISION, 161 W. MICHIGAN AVENUE, JACKSON, MI. 49201**

IRS audit adjustments and other changes:

If any previous income tax liability due the City of Jackson should have been amended because you filed an amended federal income tax return, or as a result of an audit by the IRS or for other reasons and you have not as yet notified the Jackson Income Tax Division, send an itemized listing of the changes under separate cover to:

**INCOME TAX DIVISION  
CITY HALL  
JACKSON, MI. 49201**

(\*\*insert) Please note that all corporations must file as corporations with the Jackson Income Tax Division even though certain corporations can file as partnerships (1120-S) with the IRS. If you are a stockholder of such a corporation do not include your dividend income from such corporation as dividends are not taxable to non-residents. Similarly do not include your prorata share of the profits or loss of the corporation since the corporation will be filing its own tax return.

This booklet contains a return and the instructions for filing your 2017 individual City of Jackson income tax return. Read all of the instructions carefully before completing your 2017 returns. Since some of the information on your J1040 may be based on your Federal 1040, it is suggested that your J1040 be prepared after you complete your Federal income tax return.

### WHO MUST FILE A TAX RETURN

Every resident and non-resident who had gross income of \$600 or more from sources listed under "What is Taxable Income" must complete and file a return. If you wish to claim a refund because the tax withheld or paid is more than the tax due, you must file a return. If you filed a Declaration of Estimated Tax for 2017 you must file an annual return even though there is no change in tax liability. Each partner in a partnership as such elects to file and pay the tax for all of the partners. In the latter case the partner may take credit on line 10 for tax payments made by the partnership in his behalf.

### RESIDENCY

A Jackson RESIDENT is a person domiciled in Jackson "Domicile" means a place where a person has his true, fixed and permanent home. A NON-RESIDENT is a person domiciled outside the city.

### CHANGE OF RESIDENT STATUS

Any person whose residence changed either from a resident to a non-resident or a non-resident to a resident during the taxable year will file according to the instructions from Schedule 4.

### MARRIED PERSON-JOINT OR SEPARATE RETURNS

Married persons may file either a joint or separate return. Residents filing jointly must include all income of husband and wife. Non-residents filing jointly must include Jackson earned income of both husband and wife. If you file jointly, both names must be listed in the heading and both must sign the return. If you file separately, dependents can only be claimed by the spouse who would be entitled to claim such dependents under the Federal Internal Revenue Code.

### DECEASED TAXPAYERS

A return for a taxpayer who died during the taxable year should be filed on the same basis as he would have filed if he had lived. If a refund is due on the return and the check is to be made payable to persons other than the surviving spouse, a letter of explanation should be attached.

### DUE DATE

Your 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. An extension for your city return is automatic if you have been granted an extension for your Federal 1040 and you submit a copy of it to the Income Tax Division by the date your city return was first due. Extensions may be granted by writing the Jackson Income Tax Division.

### DECLARATION OF ESTIMATED TAX

If you expect that your City of Jackson tax will exceed amounts withheld from your pay by \$100 or more, you must file a Declaration of Estimated Tax: form J1040ES by April 30, and pay at least one-fourth (1/4) of the estimated tax with your declaration. The remaining balance will be due in three equal installments to be paid on June 30, September 30 and on January 31. If you file an estimate you must still file an annual return. You may amend your estimate at the time of making any quarterly payment. Failure to file when required will result in an assessment of interest and penalty charges.

## WHAT IS TAXABLE INCOME

### RESIDENTS ONLY

A resident is subject to tax on all items included in total Federal income. (Subject to certain exclusions as listed in "What is Non-Taxable Income".) Taxable income would include:

1. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plan income, and other compensation regardless of where earned.
2. Proceeds from regular IRA's, deferred Compensation programs and incentives for early retirement are all taxable at 1%.
3. Fair market value of merchandise or services received as compensation.
4. Net profit from the operation of a business or profession or other activity regardless of where earned.
5. Income from a partnership, estate or trust, interest from bank accounts, credit unions, savings and loan associations and other income regardless of where earned.
6. Rental income, capital gains, and dividends.
7. Amounts received for personal injuries, sickness, and disability are taxable to the extent provided by the Federal Internal Revenue Code.

### NON-RESIDENTS ONLY

A non-resident is subject to tax on all items included in total Federal Income which are derived from or connected with Jackson sources as follows:

1. Salaries, bonuses, wages, commissions, fees, vacation pay, profit sharing plans and other compensation for services rendered as an employee in Jackson.
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 Jackson (See Schedule 3 for business allocation.)
4. Net profits from rental or real and tangible property located in Jackson.
5. Net profits from sale or exchange of personal property located in Jackson.
6. Amounts received for personal injuries, sickness, and disability are taxable to the extent provided by the Federal Internal Revenue Code.

## WHAT IS NON-TAXABLE INCOME

### RESIDENTS AND NON-RESIDENTS

The following types of income are not taxable both to a resident and a non-resident, and they may be listed as subtractions, if they are included on line 1 of J1040 (**but only if included.**) Attach federal schedules as needed.

1. Gifts, inheritances, bequests and distributions of principal from estates and trusts.
2. Proceeds from Social Security, insurance, pensions, annuities and retirement benefits even if taxable under the Federal Internal Revenue Code.
3. Amounts received for disability are excluded only to the extent provided by the Federal Internal Revenue Code.
4. Unemployment compensation, supplemental unemployment benefits, welfare relief payments, workmen's compensation.
5. Interest from obligations of the United States, 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 armed forces of the United States, including Reserves.
8. IRA payments made on income taxed by the City only.

### NON-RESIDENTS ONLY

The following items are non-taxable to non-residents only:

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

### TO COMPLETE YOUR RETURN

Residents - turn to Residents Only, Instructions for Preparing Tax Return.  
Non-Residents - turn to Non-Residents Only, Instructions for Preparing Tax Return.

Part-Year Residents - see Schedule 4, instructions enclosed in booklet.



YOUR SOCIAL SECURITY NUMBER		SPOUSE'S SOCIAL SECURITY NUMBER		DATE(S) OF BIRTH
FIRST NAME(S) AND INITIAL(S)		LAST NAME		TELEPHONE HOME ( ) WORK ( )
(STREET OR RURAL ROUTE) DO NOT USE P.O. BOX				Your Occupation
CITY, TOWN OR POST OFFICE	STATE	POSTAL ZIP CODE		Spouse's Occupation

FILING STATUS:  
RESIDENT FROM \_\_\_\_ TO \_\_\_\_

SINGLE  JOINT

EMPLOYERS NAME & LOCAL ADDRESS

\_\_\_\_\_

\_\_\_\_\_

EXEMPTIONS:  
Children are allowed their own exemption even if being claimed on parents return:

a.  YOURSELF  65 & Over  SPOUSE  65 & Over  
b.  Blind  Paralegic  Blind  Paralegic

Did you file a 2016 City Return? . . . . .  
 Yes  No

If yes, are the Name(s) and Address the same?  
 Yes  No

If no, list name and address used on previous return: . . . . .

Dependents Name (first, initial, and last name)	Check if under age 2	If age 2 or over dependent's social security number	Relationship	No. of months in your home

NO. OF BOXES CHECKED ON a AND b

NO. OF OTHER DEPENDENTS LISTED ON c

TOTAL EXEMPTIONS ADD NUMBERS ENTERED ON BOXES ABOVE

**DO NOT ROUND  
DROP CENTS**

**W-2'S HERE**

1A. TOTAL INCOME: (all W2's Schedules and / or documents to substantiate totals must be attached in order to process return)  
RESIDENTS: enter total gross income for 2017. . . . .

1B. NONRESIDENTS: enter gross wages from W-2, or Schedule 1, page 2 . . . . .  
(If you have no additions or subtractions, carry this amount to line 4)

2. ADDITIONS TO INCOME: (from page 2 Schedule 2R line C for Residents or 2NR line E for Non-Residents) 1120-S income is not taxable on individual return. . .

3. SUBTRACTIONS FROM INCOME (From page 2 schedule 2R line M for Residents/Schedule 2NR line I for Non-Residents) 1120-S loss not deductible on individual return. . .

**ATTACH ALL SCHEDULES AND EXPLANATIONS**

4. ADJUSTED INCOME (Add lines 1 and 2 less line 3.) . . . . .

5. EXEMPTIONS: Multiply the number of exemptions claimed by \$600.00. . . . .

6. TAXABLE INCOME (line 4 less line 5) . . . . .

7. TAX - Multiply amount on line 6 by one of the following:  
A. RESIDENT ONLY - 1% (.01) . . . . .  
B. NONRESIDENT ONLY - 1/2% (.005). . . . .  
C. PART-YEAR RESIDENT - Tax from Schedule 4, line M. . . . .

PAYMENTS AND TAX CREDITS: **ATTACH COPIES OF W2'S**

8. Jackson tax withheld (You must attach copies of all W2's to obtain credit for withholding.)

9. 2017 Estimate payments (including carry forward credit from 2016 J-1040 . . . . .

10. Credits for income tax paid to another Michigan municipality (Residents Only) or by a partnership. \*Attach copy of other municipalities return.

11. TOTAL PAYMENTS AND CREDITS (Add lines 8, 9 and 10.) . . . . .  
(Make checks payable to City Treasurer.) (No payment necessary if less than \$1.00)

12. BALANCE DUE: (line 7 larger than line 11) . . . . . **PAY WITH RETURN**  
Direct Deposit- Routing Number   Checking  Savings

13. A. REFUND: (line 11 larger than 7.) Account Number  **REFUND CREDIT**  
refunds will not be made for less than \$1.00. . . . .

13. B. Credit to 2018 Estimated tax . . . . .

13. C. Donate your refund to the City Parks and Recreation Fund . . . . .

14. Interest and penalty, will be assessed, after April 30th . . . . .

15. TOTAL AMOUNT DUE add lines 12 & 14 (Do not enter refunds) . . . . .

1A.	00
1B.	00
2.	00
3.	00
4.	00
5.	00
6.	00
7.	00
	00
12.	00
13A.	00
13B.	00
13C.	00
14.	00
15.	00

**ATTACH CHECK HERE**

I declare that I have examined this return (including 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, his declaration is based on all information of which he has any knowledge.

SIGN HERE . . . . . (Taxpayer's signature and date)

SIGN HERE . . . . . (Spouse's signature and date)

(Signature of preparer other than taxpayer and date)

(Address) (Telephone)

# J 1040

## SCHEDULE 1

DO NOT USE THIS SCHEDULE IF ALL OF YOUR WORK IS PERFORMED IN JACKSON

### NON-RESIDENTS ONLY

**COMPUTATION OF WAGES EARNED IN JACKSON** - To be completed by Non-Residents who performed only part of their job in Jackson and part outside on same job. Where husband and wife have income subject to allocation, figure separately. **Send in supporting documents or work calendar for verification. Working at home counts as a day in the city. Do not subtract out.**

A. Actual number of days worked everywhere 260 maximum.....	A.		Days
B. Subtract sick days, vacation days, holidays and other paid leave days.....	B.		Days
C. Total number of days worked.....	C.		Days
D. Actual number of days worked on job in Jackson (Attach Statement).....	D.		Days
E. Percent of days worked in Jackson to total days (line D divided by line C).....	E.		%
F. Wages shown on W-2 (Less allowable employee expenses per attached 2106) Subject to 2% Federal Limit.....	F.	\$	
G. Line F multiplied by line E.....	G.	\$	
H. Add all other W-2 income not allocated.....	H.	\$	
I. TOTAL WAGES - subject to Jackson City Tax (line G and H) Enter on page 1, line 1B.....	I.	\$	

### SCHEDULE 2R

#### RESIDENTS (See instructions)

ADDITIONS TO INCOME	A. Loss on sale of property portion prior to 1/1/70 (included in line 1 - total income).....	A.		
	B. Other - explain and attach schedules.....	B.		
	C. Total Additions - enter here and on page 1, line 2.....	C.		
SUBTRACTIONS FROM INCOME ONLY IF INCLUDED IN LINE 1	D. Gain on sale of property - portion prior to 1/1/70 (included in line 1 - total income).....	D.		
	E. Interest on U.S. and State obligations.....	E.		
	F. Annuities, pensions, and insurance proceeds.....	F.		
	G. Compensation from services in U.S. Armed Forces.....	G.		
	H. IRA Payments as allowed on Federal 1040 (attach copy of Federal return).....	H.		
	I. Unemployment benefits.....	I.		
	J. Moving expense (attach copy of Federal Form 3903)..... *Only allowed if moving into the City of Jackson	J.		
	K. Employees Business Expenses (subject to 2% Federal limit) (attach copy of Federal Form 2106).....	K.		
	L. Renaissance Zone or Other.....	L.		
M. Total Subtractions - enter here and on page 1, line 3.....	M.			

### SCHEDULE 2NR

#### NON-RESIDENTS (See instructions)

ADDITIONS TO INCOME	A. Net profits from Jackson rental property (Attach Schedule E).....	A.		
	B. Net profits from sale of property located in Jackson.....	B.		
	C. Net profits of a business or profession earned in Jackson (attach schedule C).....	C.		
	D. Other - explain (attach schedule).....	D.		
	E. Total Additions - enter here and on page 1, line 2.....	E.		
SUBTRACTIONS FROM INCOME IF INCLUDED IN LINE 1	F. Employees business expenses incurred in the production of Jackson Income. (if not deducted in schedule 1) (include Federal Form 2106) subject to 2% Federal Limit.....	F.		
	G. IRA Payments as allowed on Federal 1040 and in proportion to income taxed by city..... (attach copy of Federal return)	G.		
	H. Other - explain (attach schedule).....	H.		
	I. Total Subtractions - enter here and on page 1, line 3.....	I.		



YOUR SOCIAL SECURITY NUMBER		SPOUSE'S SOCIAL SECURITY NUMBER		DATE(S) OF BIRTH
FIRST NAME(S) AND INITIAL(S)		LAST NAME		TELEPHONE HOME ( ) WORK ( )
(STREET OR RURAL ROUTE) DO NOT USE P.O. BOX				Your Occupation
CITY, TOWN OR POST OFFICE	STATE	POSTAL ZIP CODE		Spouse's Occupation

FILING STATUS:  
RESIDENT FROM \_\_\_\_ TO \_\_\_\_

SINGLE  JOINT

EMPLOYERS NAME & LOCAL ADDRESS

\_\_\_\_\_

\_\_\_\_\_

EXEMPTIONS:  
Children are allowed their own exemption even if being claimed on parents return:

a.  YOURSELF  65 & Over  SPOUSE  65 & Over  
b.  Blind  Paralegic  Blind  Paralegic

Did you file a 2016 City Return? .....  
 Yes  No

If yes, are the Name(s) and Address the same?  
 Yes  No

If no, list name and address used on previous return: .....

Dependents Name (first, initial, and last name)	Check if under age 2	If age 2 or over dependent's social security number	Relationship	No. of months in your home

NO. OF BOXES CHECKED ON a AND b

NO. OF OTHER DEPENDENTS LISTED ON c

TOTAL EXEMPTIONS ADD NUMBERS ENTERED ON BOXES ABOVE

DO NOT ROUND  
DROP CENTS

W-2'S HERE

ATTACH CHECK HERE

1A. TOTAL INCOME: (all W2's Schedules and / or documents to substantiate totals must be attached in order to process return)  
RESIDENTS: enter total gross income for 2017. ....

1B. NONRESIDENTS: enter gross wages from W-2, or Schedule 1, page 2 .....  
(If you have no additions or subtractions, carry this amount to line 4)

2. ADDITIONS TO INCOME: (from page 2 Schedule 2R line C for Residents or 2NR line E for Non-Residents) 1120-S income is not taxable on individual return. ....

3. SUBTRACTIONS FROM INCOME (From page 2 schedule 2R line M for Residents/Schedule 2NR line I for Non-Residents) 1120-S loss not deductible on individual return. ....

**ATTACH ALL SCHEDULES AND EXPLANATIONS**

4. ADJUSTED INCOME (Add lines 1 and 2 less line 3.) .....

5. EXEMPTIONS: Multiply the number of exemptions claimed by \$600.00. ....

6. TAXABLE INCOME (line 4 less line 5) .....

7. TAX - Multiply amount on line 6 by one of the following:  
A. RESIDENT ONLY - 1% (.01) .....  
B. NONRESIDENT ONLY - 1/2% (.005) .....  
C. PART-YEAR RESIDENT - Tax from Schedule 4, line M. ....

PAYMENTS AND TAX CREDITS: **ATTACH COPIES OF W2'S**

8. Jackson tax withheld (You must attach copies of all W2's to obtain credit for withholding.) 

8.	00
----	----

9. 2017 Estimate payments (including carry forward credit from 2016 J-1040) ..... 

9.	00
----	----

10. Credits for income tax paid to another Michigan municipality (Residents Only) or by a partnership. \*Attach copy of other municipalities return. 

10.	00
-----	----

11. TOTAL PAYMENTS AND CREDITS (Add lines 8, 9 and 10.) .....  
(Make checks payable to City Treasurer.) (No payment necessary if less than \$1.00)

12. BALANCE DUE: (line 7 larger than line 11) ..... **PAY WITH RETURN**

Direct Deposit- Routing Number   Checking  Savings

13. A. REFUND: (line 11 larger than 7.) Account Number  **REFUND CREDIT**  
..... refunds will not be made for less than \$1.00.

13. B. Credit to 2018 Estimated tax .....

13. C. Donate your refund to the City Parks and Recreation Fund .....

14. Interest and penalty, will be assessed, after April 30th .....

15. TOTAL AMOUNT DUE add lines 12 & 14 (Do not enter refunds) .....

1A.	00
1B.	00
2.	00
3.	00
4.	00
5.	00
6.	00
7.	00
	00
12.	00
13A.	00
13B.	00
13C.	00
14.	00
15.	00

I declare that I have examined this return (including 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, his declaration is based on all information of which he has any knowledge.

SIGN HERE ..... (Taxpayer's signature and date)

SIGN HERE ..... (Spouse's signature and date)

..... (Signature of preparer other than taxpayer and date)

..... (Address) ..... (Telephone)

# J 1040

## SCHEDULE 1

DO NOT USE THIS SCHEDULE IF ALL OF YOUR WORK IS PERFORMED IN JACKSON

### NON-RESIDENTS ONLY

**COMPUTATION OF WAGES EARNED IN JACKSON** - To be completed by Non-Residents who performed only part of their job in Jackson and part outside on same job. Where husband and wife have income subject to allocation, figure separately. **Send in supporting documents or work calendar for verification. Working at home counts as a day in the city. Do not subtract out.**

A. Actual number of days worked everywhere 260 maximum.....	A.		Days
B. Subtract sick days, vacation days, holidays and other paid leave days.....	B.		Days
C. Total number of days worked.....	C.		Days
D. Actual number of days worked on job in Jackson (Attach Statement).....	D.		Days
E. Percent of days worked in Jackson to total days (line D divided by line C).....	E.		%
F. Wages shown on W-2 (Less allowable employee expenses per attached 2106) Subject to 2% Federal Limit.....	F.	\$	
G. Line F multiplied by line E.....	G.	\$	
H. Add all other W-2 income not allocated.....	H.	\$	
I. TOTAL WAGES - subject to Jackson City Tax (line G and H) Enter on page 1, line 1B.....	I.	\$	

### SCHEDULE 2R

#### RESIDENTS (See instructions)

ADDITIONS TO INCOME	A. Loss on sale of property portion prior to 1/1/70 (included in line 1 - total income).....	A.		
	B. Other - explain and attach schedules.....	B.		
	C. Total Additions - enter here and on page 1, line 2.....	C.		
SUBTRACTIONS FROM INCOME ONLY IF INCLUDED IN LINE 1	D. Gain on sale of property - portion prior to 1/1/70 (included in line 1 - total income).....	D.		
	E. Interest on U.S. and State obligations.....	E.		
	F. Annuities, pensions, and insurance proceeds.....	F.		
	G. Compensation from services in U.S. Armed Forces.....	G.		
	H. IRA Payments as allowed on Federal 1040 (attach copy of Federal return).....	H.		
	I. Unemployment benefits.....	I.		
	J. Moving expense (attach copy of Federal Form 3903)..... *Only allowed if moving into the City of Jackson	J.		
	K. Employees Business Expenses (subject to 2% Federal limit) (attach copy of Federal Form 2106).....	K.		
	L. Renaissance Zone or Other.....	L.		
M. Total Subtractions - enter here and on page 1, line 3.....	M.			

### SCHEDULE 2NR

#### NON-RESIDENTS (See instructions)

ADDITIONS TO INCOME	A. Net profits from Jackson rental property (Attach Schedule E).....	A.		
	B. Net profits from sale of property located in Jackson.....	B.		
	C. Net profits of a business or profession earned in Jackson (attach schedule C).....	C.		
	D. Other - explain (attach schedule).....	D.		
	E. Total Additions - enter here and on page 1, line 2.....	E.		
SUBTRACTIONS FROM INCOME IF INCLUDED IN LINE 1	F. Employees business expenses incurred in the production of Jackson Income. (if not deducted in schedule 1) (include Federal Form 2106) subject to 2% Federal Limit.....	F.		
	G. IRA Payments as allowed on Federal 1040 and in proportion to income taxed by city..... (attach copy of Federal return)	G.		
	H. Other - explain (attach schedule).....	H.		
	I. Total Subtractions - enter here and on page 1, line 3.....	I.		

# J 1040

## SCHEDULE 3

### ATTACH THIS SCHEDULE TO YOUR J 1040 BUSINESS ALLOCATION FORMULA

**To be used by non-residents only and must be accompanied by a copy of your Federal Schedule "C".**

1. Average net book value of real and tangible personal property.
  - a. Gross annual rent paid for real property only multiply by 8.
  - b. TOTAL (add lines 1 and 1a)
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 three percentages computed for lines 1B, 2 and 3 which you entered in the last column.
5. Average percentage (one-third of line 4).
6. Profit or loss from schedule C, from Federal 1040.
7. City of Jackson business income - line 6 multiplied by line 5 (enter on Page 2, schedule 2 NR, line C.

Located Everywhere I		Located in Jackson II	Percentage II ÷ I
1	\$	\$	
1a			
1b			%
2			%
3			%
			4
			5
			6
			7

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

### INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA

The business allocation percentage formula is to be used by non-resident owners of businesses with business activity both inside and outside the City of Jackson who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted in the City of Jackson or for other reasons, are not using the separate accounting method.

**Line 1.** Enter in Column I the average net book value of all real and tangible personal property owned by the business, regardless of location; and in Column II show the net book value of the real and tangible personal property located in the City of Jackson. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the end of the year and dividing this sum by two. Any other method which will accurately reflect the average net book value for the year will also be permitted.

**Line 1a.** Enter in Column I the gross annual rentals multiplied by 8 for all rented real property regardless of

location (yields estimated value of such property). In Column II show the gross annual rentals multiplied by 8 for all rented real property located in the City of Jackson.

**Line 2.** Enter in Column I the total compensation paid to all employees during the year and in Column II show the amount of compensation paid to employees for work done or for services performed within the City of Jackson during the year.

**Line 3.** Enter in Column I the total gross receipts from all sales or services rendered during the year and in Column II show the amount of receipts derived from sales made or services rendered in the City of Jackson during the year.

**Line 4 and 5.** Compute the percentages as indicated.

**Line 6.** Enter the amount of net profit (or loss) from your business or profession as computed on your Federal 1040, Schedule C, line 21.

**Line 7.** Multiply the amount on line 6 by the percentage on line 5, and enter the result on Page 2 Schedule 2 NR, line C.

# J 1040

## SCHEDULE 4

ATTACH THIS SCHEDULE TO YOUR J 1040

COMPLETE THIS SCHEDULE ONLY IF YOU HAD INCOME SUBJECT TO THE TAX BOTH AS A RESIDENT AND NON-RESIDENT

- A. GROSS WAGES (Attach W-2 to front of J 1040).....
- B. DIVIDENDS (10C from Federal Tax Return) .....
- C. INTEREST, ROYALTIES, INCOME FROM TRUSTS AND ESTATES .....
- D. INCOME (OR LOSS) FROM RENTS (write location of property below: .....
- E. NET INCOME (OR LOSS) FROM PARTNERSHIPS, BUSINESS OR PROFESSION. Small Business Corporation, Federal form 1120S, are not permitted to file as so-called "tax option" corporations. Every corporation subject to city income tax must file a return and pay the tax. Write name of business below: .....
- F. GAIN (OR LOSS) FROM SALE OF PROPERTY (write the location of the property below: ).....
- G. OTHER - EXPLAIN .....
- H. TOTAL INCOME - BOTH COLUMNS (Add lines A through G).....
- I. LESS EXEMPTIONS - Multiply number claimed by \$600 and enter this amount in Column 1 (if more than Column 1, line H, carry excess to Column 2).....
- J. TAXABLE INCOME - Line H less line I (see instructions) .....
- K. TAX - RESIDENT INCOME: Multiply line J, Column 1 by 1% (.01).....
- L. TAX - NON-RESIDENT: Multiply line J, Column 2 by 1/2% (.005) .....
- M. TOTAL TAX - Add lines K and L and enter on Page 1, line 7, J 1040 .....

	All income while a Jackson resident	Portion of income earned in Jackson while a Non - Resident
	1	2
A.	\$	\$
B.		NON-TAXABLE
C.		NON-TAXABLE
D.		
E.		
F.		
G.		
H.		
I.		
J.	\$	\$
K.		\$
L.		
M.		\$

### INSTRUCTIONS FOR SCHEDULE 4

#### WHO MUST USE THIS SCHEDULE

You must complete schedule 4 if you earned part of your income while a resident, and you earned income subject to Jackson tax while a non-resident.

If you earned income as a resident but earned no Jackson income while a non-resident, do not use Schedule 4; check the Resident Box on page 1, J1040, and file as a resident, using the resident instructions. However, include only earnings and income earned while a resident.

#### ATTACH THIS SCHEDULE TO YOUR J 1040

lines A to G - income and subtractions

**COLUMN 1** - Include the income items as though you were filing as a resident but only that portion that was earned while a resident (see resident instructions.)

**COLUMN 2** - Include the income items as though you were filing as a non-resident but only that portion that was earned in city while a non-resident.

**LINE H - TOTAL INCOME:** Add lines A - G for both columns.

**LINE I - EXEMPTIONS:** Multiply your exemptions by \$600 and enter in Column 1. If Column 1, Line I (exemption deduction) is larger than Line H (total income) carry all of the excess to Column 2.

**LINE J - TAXABLE INCOME:** Subtract Line I from Line H and enter on line J. If Column 1 shows taxable income, it may be reduced by a loss (on city income) in Column 2. If column 1 is 0, Column 2 cannot be less than 0.

**LINE K - TAX-RESIDENT INCOME:** Multiply the taxable income in Column 1, line J by 1% (.01) and enter on this line.

**LINE L - TAX-NON-RESIDENT:** Multiply the taxable income in Column 2, Line J by 1/2% (.005) and enter on this line.

**LINE M** - Add lines K and L, enter here and on page 1, line 7 J 1040.



## RESIDENTS ONLY INSTRUCTIONS FOR PREPARING TAX RETURN

### HEADING INFORMATION

First complete the name, address and filing status, and be certain that your social security number has been entered correctly.

Fill in the name of your current employer, and other sources of income. Check the resident box on page 1, J1040 if you were a resident for the full taxable year, also part year residents with no non-resident taxable income. Enter dates of residency from: \_\_\_\_\_ and To: \_\_\_\_\_;

List names and S.S. numbers of exemptions claimed on your 2017 Federal 1040.

**EXEMPTIONS:** \$600 is allowed for each exemption in 2017. Double exemptions are allowed for the following: taxpayers 65 or over or paraplegic taxpayers. Children with taxable income may claim themselves on their own returns even though their parents may have already claimed them as exemptions. (Any questions concerning this matter may be referred to the Income Tax Office at 788-4044).

**LINE 1 - TOTAL INCOME:** Enter Total Gross for 2017 Income. Add all income from W2's and then drop cents. If you have no additions or subtractions, carry this amount to line 4. (Attach all schedules per Federal Return). Round to nearest dollar.

**LINE 2 - ADDITIONS TO INCOME:** Total from page 2, Schedule 2R, Line C, Schedule 2R:

Line A - Enter on this line, losses prior to Jan. 1, 1970 on sales and exchanges of property which have been deducted in arriving at a total gross income. (see line D under Subtractions From Income for explanation of gain and loss computation.)

Line B - Enter any additional adjustments on this line and explain in a separate statement. 1120-S income not taxable on individual return.

Line C - Total Additions

\*Losses on sale of your residence, car or other non-business property cannot be deducted. A gain on the sale of your residence need not be recognized if a new residence is purchased in Jackson at a cost greater than the adjusted sales price of the old one, under the same time limits and other conditions as under the IRS code.

**LINE 3 - SUBTRACTIONS FROM INCOME:** Total from page 2, Schedule 2R, Line M, Schedule 2R.

Line D - Enter portion of gain on sale of property prior to Jan. 1, 1970, the amount of gain or loss occurring before Jan. 1, 1970 can be determined either by 1) computing the difference between cost and fair market value at Jan. 1, 1970 or 2) multiplying the Federal income tax gain or loss by the ratio of number of months held prior to Jan. 1, 1970 to total months held.

Lines E through L - Enter on the appropriate line any non-taxable item which may be included in your total gross income on page 1, line 1. Moving expenses are allowable only if moving into the city (not allowable subtraction from income when moving away from the city). 1120-S loss not deductible on individual return.

NOTE: The items on Lines D through K may only be subtracted to the extent they are included in income.

**LINE 4 - ADJUSTED INCOME:** Add lines 1 and 2 less 3.

**LINE 5 - EXEMPTIONS:** Multiply the number of exemptions claimed by \$600 and enter the result on this line.

**LINE 6 - TAXABLE INCOME:** Line 4 less line 5. If line 5 is larger than line 4 enter 0.

**LINE 7 - TAX:** Multiply the amount on line 6 by 1% (.01) and enter the result on this line.

**LINE 8 - JACKSON TAX WITHHELD:** Add all local tax withheld from W2's and then drop cents. A legible copy of your W-2 (be sure and attach city copy to show city withholding) must be submitted with your return to obtain credit for amount withheld. Attach the W-2 to the front of the J1040.

**LINE 9 - ESTIMATE PAYMENTS:** Enter amounts paid on Declaration of Estimated Tax during 2017 including overpayment from 2016 J1040.

**LINE 10 - OTHER CREDITS:** Enter tax paid to another Michigan municipality but not more than you would have owed Jackson on the same income as a non-resident. Also enter amount of any tax paid in your behalf by a partnership, or any payments made on a tentative return. \*Attach copy of other municipalities returns.

**LINE 11 - TOTAL PAYMENTS AND CREDITS:** Add line 8, 9 and 10.

### BALANCE DUE OR OVERPAYMENT

**LINE 12 - BALANCE DUE:** If line 7, (your tax) is larger than line 11, (your payments and credits) enter the difference. This amount must be paid when filing this return. Taxpayers making payments on estimated tax are required to file a return (Form J1040ES). Make your check or money order payable to Treasurer, City of Jackson, and mail your return and payment to Income Tax Division, City Hall, Jackson, Michigan 49201. (No payment is necessary if less than \$1.00).

**LINE 13(A) - REFUND:** Enter the overpayment to be refunded. Refunds of less than \$1.00 will not be made but return must be filed with the Income Tax Division. You may direct deposit your refund, fill out information on form.

**LINE 13(B) - CREDIT 2017 ESTIMATED TAX:** If you wish to have your overpayment credited to your 2018 estimated tax, enter the amount on this line.

**LINE 13(C) - Donate your refund to the City Parks and Recreation Fund.**

**LINE 14 - After April 30 interest & penalty will be assessed, penalty not to exceed 25% of unpaid Tax. If the total interest and penalty to be assessed is less than \$2.00, the administrator shall assess a penalty in the amount of \$2.00.**

**LINE 15 - Enter total amount due.**

### SIGN YOUR RETURN

Be sure that your return is signed. If you are filing jointly, both husband and wife must sign. Any balance due must be paid when you file.

**NOTE: A taxpayer who was a resident part of the year and lived and worked outside the city the balance of the year, shall use the rate of 1% on his earnings as a resident only. Use line L (Schedule 2R) to remove non-taxable income if included.**

### ASSISTANCE:

For questions not answered in this booklet or assistance in preparing your return, call (788-4043) or visit the Income Tax Division located on the 1st Floor of City Hall, 161 W. Michigan Avenue, Jackson, MI.

**Note: Please attach copies of your Federal forms 4797, 3903 Moving Expenses, 2106 Business Expenses, Alimony and Schedules C, D, E, F, and R, which were used to arrive at your Adjusted Gross Income, Federal Form 1040.**

# NON-RESIDENTS ONLY

## INSTRUCTIONS FOR PREPARING TAX RETURN

### HEADING INFORMATION

First complete the name, address and filing status, and be certain that your social security number has been entered correctly. If spouse is included as an exemption also his/her social security number.

Fill in the name of your current employer, and list all other sources of income.

Check the non-resident box on page 1, J1040.

**EXEMPTIONS:** \$600 is allowed for each exemption in 2017. Double exemptions are allowed for the following: taxpayers 65 or over, blind or paraplegic taxpayers. Children with taxable income may claim themselves on their own returns even though their parents may have already claimed them as exemptions. (Any questions concerning this matter may be referred to the Income Tax Office at 788-4044).

**LINE 1 - TOTAL INCOME:** Enter the full amount of gross wages from your W-2 including wage continuation pay if you worked 100% of the time in Jackson. After wages are determined, drop cents. If you performed service both inside and outside of Jackson, complete Schedule 1 on page 2.

**SCHEDULE 1 - Computation of wages earned in Jackson.**

Line A - Enter the actual number of days worked everywhere during the year.

Line B - Subtract vacation days, sick days, holidays and other paid leave days.

Line C - Total number of days worked.

Line D - Enter total number of days worked in Jackson.

Line E - Divide days on line D by the days on line C and enter the resulting percentage on line E.

Line F - Enter your wages from your W-2, but first subtract employee expenses incurred in the production of Jackson income. (Subject to 2% Federal limit.)

Line G - Multiply the wages on line F by the percent on line E, enter the result on line G.

Line H - Add all taxable income not subject to allocation.

Line I - Total Wages subject to tax.

**NOTE:** Employees paid on a commission basis should multiply their total commissions by the ratio of commissions earned in Jackson to total commissions earned.

2. Non-resident wage earners should exclude income earned on another job outside of the city when completing line F.

**LINE 2 - ADDITIONS TO INCOME:** Total from page 2, Schedule 2NR, line E.

**Schedule 2NR - ADDITIONS:**

Line A - Enter net profit from rental property located in Jackson.

Line B - Enter net profit or loss from sales of property located in Jackson. Losses including carry-overs are computed and used to offset gains in the same manner as in the Federal Internal Revenue Code. Only gain or loss incurred after Jan. 1, 1970 on property in Jackson is taxable. It may be determined by 1) Difference between the fair market value at Jan. 1, 1970 and sales price or, 2) multiplying the Federal income tax gain or loss by the ratio of number of months held after Jan. 1, 1970 to total months held.

Line C - Enter net profits from business or profession which were earned in Jackson. (Complete Schedule 3 if your business earned income both inside and outside of Jackson.) (\*\*see insert on next page).

Line D - Enter any other items taxable to a non-resident which were earned in Jackson.

Line E - Total of lines A through D, enter here and on Page 1, line 2, J1040.

**LINE 3 - SUBTRACTIONS FROM INCOME:** Total from Page 2, schedule 2NR, line I.

Line F - Enter the amount of expenses as an employee, limited to the following:

Attach Federal form 2106 to your J1040 return for the following Items 1, 2, 3 and 4. These expenses apply only on taxable income.

1. Expenses of travel, meals and lodging while away from home.

2. Expenses as an outside salesman who works away from his employer's place of business. (Does not include driver - salesman whose primary duty is service and delivery.)

3. Expenses of transportation. (But not transportation to and from work.)

4. Expenses reimbursed under an expense account or other arrangement with your employer, if the reimbursement has been included in gross earnings reported. Subject to 2% Federal Limit.

Line G - IRA payments made on Income taxed by the city only.

Line H - Enter other items which may have been included in income which is non taxable (income earned outside while a non-resident).

**NOTE:** No deductions are allowable for personal expenses such as taxes on your home, interest on loans, etc.

Line I - Add lines F, G and H, enter the total on page 1, line 3 J1040.

**LINE 4 - ADJUSTED INCOME:** Add lines 1 and 2 less 3.

**LINE 5 - EXEMPTIONS:** Multiply the number of exemptions claimed by \$600 and enter the result on this line.

**LINE 6 - TAXABLE INCOME:** Line 4 less line 5. If line 5 is larger than line 4 enter 0.

**LINE 7 - TAX:** Multiply the amount on line 6 by  $\frac{1}{2}\%$  (.005) and enter the result on line 7.

**LINE 8 - JACKSON TAX WITHHELD:** Add all local tax withheld from W2's then drop cents. A legible copy of your W-2 must be submitted with your return to obtain credit for amount withheld for the City of Jackson. Attach the W-2 to the front of the J1040.

**LINE 9 - ESTIMATE PAYMENTS:** Enter amounts paid on Declaration of Estimated Tax during 2017 including overpayment from 2016 J1040.

**LINE 10 - OTHER CREDITS:** Enter amount of any tax paid in your behalf by a partnership or any payments made on a tentative return if income included in line 1.

**LINE 11 - TOTAL PAYMENTS AND CREDITS:** Add lines 8, 9 and 10.

### BALANCE DUE OR OVERPAYMENT

**LINE 12 - BALANCE DUE:** If line 7, (your tax) is larger than line 11, (your payments and credits) enter the difference. This amount must be paid when filing this return. Taxpayers making payments on Declaration of Estimated Tax are required to file an annual return (J1040).

Make your check or money order payable to Treasurer, City of Jackson, and mail your return and payment to Income Tax Dept. City Hall, Jackson, Michigan 49201. (No payment is necessary if less than \$1.00).

**LINE 13 - OVERPAYMENT:** If line 11 (total payments and credits) is larger than line 7 (your tax) enter the amount of overpayment on either line 13A or 13B.

**LINE 13(A) - REFUND:** Enter the overpayment (line 13) to be refunded. Refunds of less than \$1.00 will not be made but return must be filed with the CITY INCOME TAX DIVISION. You may have Direct Deposit of your refund. Fill out the information boxes on form.

**LINE 13(B) - CREDIT 2017 ESTIMATED TAX:** If you wish to have your overpayment credited to your 2018 estimated tax, enter the amount on this line

**LINE 13(C) - Donate your refund to the City Parks and Recreation Fund.**

**LINE 14 - After April 30, interest and penalty will be assessed, penalty not to exceed 25% of unpaid tax. If the total interest and penalty to be assessed is less than \$2.00, the administrator shall assess a penalty in the amount of \$2.00.**

**LINE 15 - Enter total amount due.**

### SIGN YOUR RETURN

**Be sure that your return is signed. If you are filing jointly, both husband and wife must sign. Any balance due must be paid when you file.**

**NOTE: A taxpayer who was a resident part of the year and lived and worked outside the city the balance of the year, shall use the rate of 1% on his earnings as a resident only. Use line L (Schedule 2R) to remove non-taxable income if included.**

### ASSISTANCE:

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**NOTE: Please attach copies of your Federal forms 4797, 3903 Moving Expenses, 2106 Business Expenses, Alimony and Schedules C, D, E, F and R, which were used to arrive at your Adjusted Gross Income, Federal Form 1040.**