

City of Highland Park

INCOME TAX DEPARTMENT
CITY HALL-3401 EVALINE AVE.
HAMTRAMCK, MICHIGAN 48212

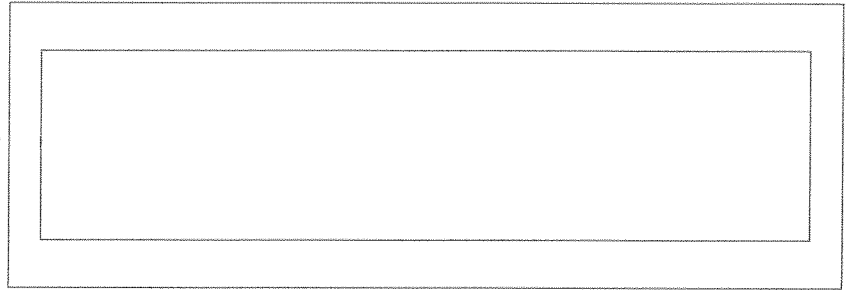
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- IF LABEL APPEARS BELOW



IMPORTANT

PLEASE PEEL OFF LABEL AND
AFFIX TO AREA DESIGNATED
ON INCOME TAX RETURN.



CITY OF HIGHLAND PARK INCOME TAX 2011

Form HP-1040(R)

Individual Return and Instructions for Residents

**ALL PERSONS HAVING \$600 OR
MORE OF CITY TAXABLE INCOME MUST FILE A RETURN.**

ATTACH SCHEDULES: SUPPORT ALL FIGURES WITH COPIES OF FEDERAL SCHEDULES TO AVOID UNNECESSARY CORRESPONDENCE OR DELAY IN RECEIVING REFUNDS.

ESTIMATED TAX RETURN: YOU MAY HAVE TO FILE FORM HP1040ES, IF YOUR PAYMENT THIS YEAR IS \$100. OR MORE. SEE INSTRUCTIONS ON LAST PAGE. AVOID THE PENALTY FOR UNDERPAYMENT.

EXEMPTION CREDIT: \$600 FOR EACH EXEMPTION.

FILING DATE: YOUR RETURN MUST BE FILED BY APRIL 30, 2012. PENALTIES, AS PROVIDED BY LAW (\$2.00 MINIMUM), WILL BE ASSESSED ON ALL LATE PAYMENTS.

PAYMENT: TAX DUE, IF ONE DOLLAR (\$1.00) OR MORE, MUST BE PAID WITH YOUR RETURN. MAKE CHECK OR MONEY ORDER PAYABLE TO: TREASURER-CITY OF HIGHLAND PARK
MAIL YOUR RETURN AND PAYMENT, WITH EARNINGS STATEMENTS, SHOWING HIGHLAND PARK TAX (FORM W-2).

Balance Due Returns AND All Other Returns
Mail your return and remittance, with earnings statements (Form W-2) TO:

MAILING ADDRESS:

**CITY OF HIGHLAND PARK - INCOME TAX DEPARTMENT
3401 EVALINE STREET - HAMTRAMCK, MICHIGAN 48212
- RETURNS MUST BE FILED BY - APRIL 30, 2012 -**

FOR ASSISTANCE: VISIT INCOME TAX OFFICE, CITY HALL,
3401 EVALINE, FIRST FLOOR OR CALL (313) 876-7745, FAX (313) 876-7748
HAMTRAMCK, MI 48212
OR VISIT OUR WEBSITE @: www.highlandparkcity.us

The Highland Park Income Tax is imposed under Ordinance 292 - As Amended. Enabling legislation was provided by the State of Michigan. The Uniform City Income Tax Ordinance is set forth in *Chapter 2 of Act 284 of the Public Acts of 1964*.

These instructions are intended as an aid in the preparation of your Highland Park return.

INTERNAL REVENUE AUDIT ADJUSTMENTS AND OTHER CHANGES

An amended Highland Park return is required for any year that a determination is made by Internal Revenue Service that affects your Highland Park tax liability. This return is due within 90 days from the date of the service's final determination.

If you file an amended Federal Tax Return that affects your Highland Park liability, you must file an amended city return.

An amended return is filed on Form HP1040X available from the Highland Park Income Tax Office.

WHATS NEW? "ACT 198"

Beginning with the 1992 Tax Returns, the City of Highland Park will pay interest on overpayments, as shown on completed tax returns if the over-payment is not refunded within 45 days of April 30 or the filing date of the return whichever is later.

Please Note: For interest purposes, a return will not be considered complete if:

- A) The W-2 is improper or is not attached
- B) The return does not contain the required signatures
- C) The required schedules are not attached
- D) Other required information is missing from the return

The late filing interest rate will be raised to the same rate as the State.

City of Highland Park Income Tax 2011

INDIVIDUAL RETURN - RESIDENT

IMPORTANT
 Complete the following:
DID YOU FILE A 2010 HIGHLAND PARK RETURN?
 Yes No If No, Explain _____

IF YES, IS THE NAME(S), FILING STATUS AND ADDRESS IDENTICAL TO PREVIOUS YEAR RETURN?
 Yes No If No, State Prior Information And Date of Change _____

Your Occupation _____

Spouse's Occupation _____

YOUR SOCIAL SECURITY NUMBER			SPOUSE'S SOCIAL SECURITY NUMBER		
First Name(s) and Middle Name			Last Name		
(Street or Rural Route Address)				P.O. Box	
City, Town or Post Office		State	Postal Zip Code		

Spouse filing a separate return social security number _____

Enter the name and address used on your return for 2010 _____

If none filed, give reason _____

Do Not Write in This Space

Due Taxpayer _____

Due City _____

AUDITOR USE ONLY

Exemptions

(See Instructions)

(Your Birthdate) _____ (Spouses Birthdate) _____

YOURSELF 65 & Over SPOUSE 65 & Over

Blind Deaf Disabled Blind Deaf Disabled

(Permanent Disability Requires Doctor's Statement be Attached)

Dependents <small>Name (first, initial, and last name)</small>	Social Security Number	Year of Birth	Relationship	No. of months in your home

If more than four dependents, use attachment.

No. of boxes checked

No. of children who lived with you

No. of children who didn't live with you due to a divorce or separation

No. of other dependents

Add numbers entered in boxes above

* Attach copy of agreement if child did not live with you but is claimed as your dependent.

a Total number of exemptions claimed - Enter on line 10 _____

b If during 2011 you had income subject to the Highland Park tax both as a resident and as a nonresident, you must complete and attach Schedule L to this resident form. Indicate below the time period during 2011 you were a Highland Park resident. (Part year residents must support move in/move out dates by attaching a copy of a lease agreement or closing papers. Please call income tax office for questions about attachments.)

c PART YEAR RESIDENT FROM _____ TO: _____ FORMER ADDRESS: _____

INCOME

1. Enter gross wages, salaries, commission, tips, sick pay, etc. Include all wages etc. earned both inside and outside of Highland Park. Part year residents include all wages etc. earned during residency. (Attach copy of 1st page of Federal)

EMPLOYER'S NAME	LOCATION OF ACTUAL WORK STATION	Highland Park Income Tax Withheld	WAGES ETC.
		00	00
		00	00
		00	00
2. Totals ENTER TOTALS 2a		00	00
3. Total Interest and Dividend income from federal form 1040 and 1040A 3			
4. LESS: interest on obligations of the United States or subordinate units 4 (PART YEAR RESIDENTS INCLUDE ONLY INTEREST RECEIVED DURING PERIOD OF RESIDENCY)			
5. SUBTRACT line 4 from line 3 5			00
6. Income or loss from business, sales, rentals, partnerships, capital gains and state lottery winnings, etc. from page 2, line 23 6			00
7. TOTAL - ADD LINES 2 b through 6 7			00
8. LESS DEDUCTIONS - From page 2 part V line 25 ENTER HERE 8			00
9. TOTAL - SUBTRACT Line 8 from line 7 9			00
10. LESS: Amount for exemptions - Enter number of exemptions from a () X \$600.00 10			00
11. TOTAL - income subject to tax - SUBTRACT line 10 from line 9 11			00
12. CITY OF HIGHLAND PARK TAX: Multiply Line 11 by .02 (2%) or Schedule L 12			00

ATTACH COPY OF FORM W-2

ATTACH CHECK OR MONEY ORDER

PAYMENTS AND CREDITS

13. a. Tax withheld by employers from line 2 above - Attach 13a	00	
b. Payments and credits on 2011 Declaration of Estimated Highland Park Income Tax b	00	
c. Other credits - EXPLAIN IN ATTACHED STATEMENT c	00	
TOTAL - Add lines 13 a, b, and c 13	00	00

14. If your payments (line 13) are larger than your tax (line 12) enter OVERPAYMENT (Amounts Under \$1.00 not refunded or credited.)

Amount on line 14 is to be: Credited on 2012 estimated tax Refunded Donation

14 00

15. **TAX DUE** Amounts due and not paid by April 30, 2012 are subject to interest and penalty

If your tax (line 12) is larger than your payments (line 13) enter AMOUNT YOU OWE **Pay in full with this return.**

15 00

I declare that I have examined this return (including accompanying schedule and statements) and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than a taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here _____ (TAXPAYER'S SIGNATURE AND DATE) (IF JOINT RETURN, BOTH HUSBAND AND WIFE MUST SIGN)

Sign here _____ (SIGNATURE OF PREPARER OTHER THAN TAXPAYER) (DATE)

Sign here _____ (SPOUSE'S SIGNATURE AND DATE) _____ (ADDRESS)

IMPORTANT – DETAILED SUPPORTING SCHEDULES MUST BE ATTACHED WHERE INDICATED BELOW. FAILURE TO ATTACH SCHEDULES OR ATTACHING INCOMPLETE SCHEDULES CAN RESULT IN DEDUCTIONS AND LOSSES BEING DISALLOWED OR DELAY THE PROCESSING OF YOUR RETURN UNTIL ACCEPTABLE SCHEDULES ARE OBTAINED.

(See instructions for line 6 page 1)

PART I

PROFIT FOR LOSS FROM BUSINESS OR PROFESSION – (you are not qualified to use lines 16 and 17 below unless you filed a Schedule C with your federal return)

- 16. Net profit (or loss) from business or profession – **ATTACH COPY OF FEDERAL SCHEDULE C**16 _____
- 17. LESS: Applicable portion of net operating loss carryover17 _____
- 18. LESS: KEOGH RETIREMENT PLAN DEDUCTION.....18 _____
- 19. TOTAL – Combine lines 16, 17 and 18.....19 _____

PART II

SALES AND EXCHANGES OF PROPERTY

- 20a. Net income (or loss) from the sale or exchange of property per your federal form20a _____
- ATTACH COPY OF YOUR FEDERAL SCHEDULE D AND FEDERAL FORM 4797 (IF APPLICABLE)**
- 20b. Portion of gain (or loss) on line 20a which occurred after Oct. 1, 1962.....20b _____

PART III

RENTS AND ROYALTIES

- 21. Net income (or loss) from rents and royalties. **ATTACH COPY OF YOUR FEDERAL SCHEDULE**21 _____

PART IV

OTHER INCOME

- 22. Other income (or loss) from partnerships, estates, trusts, alimony received, distribution from profit sharing plans, distributions from I.R.A.'s, capital gains and state lottery winnings, etc. **ATTACH COPIES OF ALL APPLICABLE FEDERAL SCHEDULES FOR ALL TAXABLE INCOME**

Received from	Kind of Income	Federal Identification Number	
a. _____			a. _____
b. _____			b. _____
c. _____			c. _____
TOTAL of a, b, and c			22 _____
23. TOTAL of lines 19, 20b, 21 and 22 – ENTER HERE AND ON PAGE 1 LINE 6			23 _____

PART V

DEDUCTIONS ALLOWED

You must attach a copy of your Federal form to support entries on lines A thru B

- 24. SEE INSTRUCTIONS
 - A. IRA (as allowed on Federal 1040).....a _____
 - b. Other (explain).....b _____
- 25. Total Adjustments of a and b (enter on page 1, Line 8).....25 _____

TELEPHONE _____ Home: _____ Work: _____

MAILING ADDRESS:

**CITY OF HIGHLAND PARK– INCOME TAX DEPARTMENT
3401 EVALINE ST. - HAMTRAMCK, MI 48212
– RETURNS MUST BE FILED BY – APRIL 30, 2012**

RESIDENT INSTRUCTIONS

CITY OF HIGHLAND PARK INCOME TAX 2011 RETURN

WHO MUST FILE A RETURN

For each taxable year, a return must be filed by every resident with a specified amount of gross income. The income levels at which residents must file are as follows:

Single Individual.....\$ 600
Married Couple, joint return1200

EXEMPTIONS:

\$600.00 is allowed for each exemption. Double exemptions are allowed for paraplegic, quadriplegic, hemiplegic and totally disabled, blind, deaf, and 65 years of age or older. Children with taxable income may claim themselves as exemptions on their individual tax return even though their parents may have already claimed them.

The following income is not taxable:

1. Gifts, inheritances, and bequests.
2. Pensions and annuities, including disability pensions.
3. Proceeds of insurance (except that payments from a health and accident policy paid for by your employer are taxable to the same extent as provided by the Internal Revenue Code).
4. Unemployment compensation, supplemental unemployment benefits, welfare relief payments.
5. Worker's compensation, or similar payments for death, injury or illness arising out of and in the course of any employee's job.
6. Interest from obligations of the United States, the states, or subordinate units of government of the states.
7. Military pay of members of the armed forces of the United States and the National Guard.
8. Social security benefits, railroad retirement act benefits.

WHO MUST USE THIS FORM

Individuals who were residents of Highland Park during the year or any part thereof must use this form.

Individuals who have income subject to tax both as a resident and as a nonresident must file Schedule L with form HP1040R. Schedule L and instructions are available from the Highland Park Income Tax Office. (Part year residents must support move in/move out dates by attaching a copy of a lease agreement or closing papers. Please call income tax office for questions about attachments.)

DECEASED TAXPAYER

A final return must be filed for any person who dies during the year and who is required to file as discussed under "WHO MUST FILE A RETURN". The executor, administrator or survivor must file the final return and any other return due for the decedent.

A joint return may be filed by the surviving spouse and the executor or administrator. The return must be signed by the surviving spouse and the executor or administrator.

If an executor or administrator has not been appointed the surviving spouse may file a joint return. The spouse must sign the return and add the notation "Surviving Spouse".

If a refund is due, and the claimant is not a surviving spouse, Federal Form 1310 must be filed with the return.

DECLARATION OF ESTIMATED TAX

If you expect that your Highland Park income in 2012, not subject to withholding, will be more than \$10,000 after deductions (\$100 in tax), you must file a Declaration of Estimated Income Tax (Form HP1040ES) for 2012 by April 30, 2012 and pay at least one-fourth (1/4) of the estimated 2012 tax with your declaration. The three remaining payments are due at the end of June, September, and January. Failure to file a Declaration of Estimated Tax and make the required payments will result in assessment of penalty and interest.

If at any time during the year your income increases to such a level that one hundred dollars in tax or more will be due at the end of the year, a Declaration of Estimated Tax must be filed. The Declaration of Estimated Tax Form (HP1040ES) is available from the City Income Tax Office.

INSTRUCTIONS FOR PAGE 1

Enter your name (husband and wife if a joint return), address, and social security number. Complete A, B and C if applicable to you.

LINES 1 AND 2 – GROSS INCOME FROM EMPLOYERS

All wages, salaries, sick pay, tips, bonuses, etc. earned by a resident of Highland Park while a resident of Highland Park are taxable regardless of where earned and must be included on lines 1 and 2. (Attach copy of 1st page of Federal)

LINE 3 – INTEREST & DIVIDENDS

All interest taxed on your federal return, line 4, minus interest from obligations of the United States and subordinate units of government received while a resident of Highland Park is taxable on this return regardless of where earned, on line 5.

Enter all dividends taxed on your federal return and received while a resident of Highland Park. Be sure to include all distributions from Sub Chapter S corporations taxed as dividends on your federal return. Dividend income taxed on this return is subject to the same dividend exclusion as permitted by the Federal Internal Revenue Code.

LINE 6 – PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION – SCHEDULE C (Lines 16-19 page 2)

Highland Park residents are taxed on the net profits from their operation of a business or profession, regardless of where it is located. You must attach a copy of your federal Schedule C.

A net operating loss carry-over may be taken, to the same extent allowed by Internal Revenue Code.

You may not take a carry-back loss on your Highland Park Income Tax return. Carry-back losses are specifically forbidden by the Income Tax Ordinance (Sec. 7.2).

A Keogh retirement plan deduction must be entered on line 18, page 2.

LINE 6 – GAIN (OR LOSS) FROM SALE OR EXCHANGE OF PROPERTY (Lines 20a and 20b, page 2)

For residents of Highland Park gains and losses from the sale or exchange of property (regardless of where located) are treated in the same manner, and the amount subject to tax determined on the same bases as under the Federal Internal Revenue Code. The only exception is the sale of property purchased prior to October 1, 1962.

Gain or loss on property purchased prior to October 1, 1962 must be determined by one of the following methods:

- a. The base may be adjusted to the fair market value of the property on October 1, 1962 (October 2, closing price for traded securities), or
- b. Divide the number of months the property has been held since October 1, 1962 by the total number of months the property was held, and apply this fraction to the total gain or loss as reported on your federal income tax return.

LINE 6 – LOTTERY WINNINGS & GAMBLING WINNINGS

Proceeds from a prize awarded by the State of Michigan Lottery. Lottery losses are not allowed on a city return.

LINE 6 – RENTS, ROYALTIES (Line 21, page 2)

Enter all rental and royalty income included on your federal return and received while a resident of Highland Park. Copies of all federal schedules must be attached.

LINE 6 – INCOME FROM PARTNERSHIPS, ESTATES, TRUSTS, ETC. (Lines 22 and 23 page 2)

Report your share of the partnership income (or loss) on line 22, page 2; enter your share of ordinary income only. Your share of qualifying dividends, capital gains or losses, etc., are to be treated as belonging to you as an individual and should be reported accordingly.

If you are claiming a loss from a partnership located outside of Highland Park a copy of your federal Schedule K-1 must be attached.

Line 6, page 1 and line 22, page 2 must also be used to report distributions from employees' stock purchase and profit sharing plans (which are classified as wages not subject to withholding); and distributions that are received from qualified trusts upon termination of employment and receive treatment as capital gains under the Federal Internal Revenue Code.

Withdrawals and distributions from deferred income plans must be reported on line 6, page 1 and line 22, page 2.

Income from an estate or trust is taxable to a Highland Park resident. The income must be reported on line 22, page 2 regardless of the location of the estate or trust, or the location of property it may own.

Do not include on this return any losses or other deductions from a Sub Chapter S corporation. All corporations taxable under the City Income Tax Ordinance must file as conventional corporations with the City of Highland Park and pay their own income tax. (Distributions from a Sub Chapter S corporation that are taxable for federal purposes are also taxable on this return.)

LINE 7 – TOTAL OF LINES 1 THROUGH 6

The total on line 7 is your gross Highland Park income.

LINE 8 – DEDUCTIONS

The only deductions allowed by the City Income Tax Ordinance are as follows:

A. I.R.A. – contributions to your individual retirement account **ATTACH PROOF OF PAYMENT.** Proof of payment includes, but is not limited to: a copy of receipt for IRA contribution, a copy of a federal 5498, copy of canceled check that clearly indicates it is for an I.R.A. contribution, etc., as allowed on Federal 1040.

B. A Keogh retirement plan deduction must be entered on line 18, page 2.

C. Vehicle Expenses Only.

ATTACH COPY OF YOUR FEDERAL 2106.

D. Moving expenses into the City only. **ATTACH COPY OF FEDERAL 3903.**

E. Alimony (NOTE: CHILD SUPPORT NOT DEDUCTIBLE), separate maintenance payments and principal sums payable in installments to the extent includable in the spouse's adjusted gross income under the Federal Revenue Code and deducted on your 2011 federal return.

Important: All of the above deductions are limited to the amount taken on your federal return and by the extent they apply to income taxable under the Highland Park Income Tax Ordinance. Part year

residents must allocate deductions the same way they allocate income.

A copy of the federal schedule(s) and other requested documentation supporting deductions must be attached. Failure to attach schedules and documentation or attaching incomplete schedules and documentation will result in deductions being disallowed or delay the processing of your return until proper substantiation is obtained.

LINE 9 THROUGH LINE 12

Subtract the total amount for deductions on line 8 from line 7 and enter the remainder on line 9. Subtract the total amount for personal exemptions on line 10 from line 9 and enter the remainder on line 11. Multiply line 11 by 2% (.02) to determine the City of Highland Park tax and enter on line 12.

If a Schedule L is being used enter tax of Schedule L on line 12 of the return. If this is done it will not be necessary to fill in the amount of income etc. on lines 1 through 11 of this return. Indicate to the left of the amount entered on line 12 that the tax has been brought from Schedule L.

For Line 10 exemptions see who must file a return.

LINE 13 – PAYMENTS AND CREDITS

On line 13a enter the amount of Highland Park Tax withheld as shown on your W-2 statement. The City copy of your W-2 showing clearly the amount of Highland Park tax withheld must be submitted with your return before credit can be allowed for Highland Park tax withheld.

If you made a payment(s) on the 2011 City of Highland Park Declaration of Estimated Tax, enter the total of all payments on line 13b.

If you are a Highland Park resident subject to city income tax in another city you may claim a credit for the amount paid the other city. **You must attach a copy of the 2011 City Income Tax Return you filed with the other city. Enter on line 13c the credit you are claiming for income tax paid to the other city. This credit may not exceed the tax that a nonresident of Highland Park would pay on the same income earned in the city.**

EXAMPLE: To Compute Credit		
Wages (earned in income tax city)		\$12,000.
Exemption	-1-	<u> 600.</u>
Income Subject To Tax		\$11,400.
Non-Resident Rate		<u> X .01</u>
Credit Allowable on Line 13c.		\$ 114.00

Also enter on line 13c any City of Highland Park income tax paid in your behalf by a partnership and/or payments made on a tentative return. **CLEARLY INDICATE TO THE LEFT OF THE CREDIT THAT IT WAS PAID BY A PARTNERSHIP OR IS A PAYMENT MADE EARLIER ON A TENTATIVE RETURN.**

LINES 14 & 15 – TAX DUE OR REFUND

If after computing your Highland Park Income Tax and deducting your credits the balance due is one dollar (\$1.00) or more, it must be entered on line 15 and paid when filing this return. Make check or money order payable to TREASURER, CITY OF HIGHLAND PARK. 3401 Evaline, Hamtramck, MI 48212.

If your total payments and credits on line 13 exceed the Highland Park Tax on line 12, you have overpaid your tax for 2011. If you want this overpayment refunded and sent to you, or the overpayment to be credited on your 2012 estimated tax, enter the overpayment on line 14. Check appropriate box or donation to the city.

Refunds or credits of less than one dollar (\$1.00) cannot be made.

Please wait 90 days from the time you file your return before making an inquiry concerning a refund.