

H-1065

CITY OF HAMTRAMCK PARTNERSHIP RETURN

20

FOR THE PERIOD JAN 1, 20, thru DECEMBER 31, 20, or other taxable period beginning, 20 ending, 20

THIS IS NOT A FEDERAL RETURN

PLEASE TYPE OR PRINT Name of Partnership, Number and Street, City or Town, State, Postal Zip Code, DATE BUSINESS COMMENCED, NUMBER OF EMPLOYEES ON DECEMBER 31, 20, NUMBER OF PARTNERS, FEDERAL EMPLOYER IDENTIFICATION NUMBER

Table with columns: NAME AND HOME ADDRESS OF EACH PARTNER, SOCIAL SECURITY NUMBER, HAMTRAMCK RESIDENT (YES/NO). Rows (a) through (e).

INCOME

Table with 6 columns: COL. 1 (TOTAL INCOME), COL. 2 (EXEMPTIONS), COL. 3 (TAXABLE INCOME), COL. 4 (TOTAL TAX), COL. 5 (CREDITS), COL. 6 (BALANCE TAX PAYABLE). Rows 1-6.

PAYMENTS AND CREDITS

FOR AUDIT USE

7. a. Tax paid with tentative return, b. Payment on 20 Declaration of Estimated Hamtramck Income Tax, c. Other credits - explain attached statement. (other cities - 1/2 of 1%), 8. Total - add lines 7a., b. and c. This total must agree with the total of Col. 5 above

TAX DUE OR REFUND

9. If your tax (Col 4) is larger than your payments (line 8), enter BALANCE DUE, 10. If your payments (line 8) are larger than your tax (total of Col. 4) enter OVERPAYMENT to be refunded

NOTE 1- A partner who has other income in addition to the partnership income must file an individual return and show on such return the amounts entered above in columns 1, 2, and 5. A partner who is claiming his exemption as a member of another partnership is NOT to claim his exemption in this partnership return in column 2. NOTE 2 - The Partnership may pay tax for partners only if it pays for ALL partners subject to tax. Check here [] if partnership elects to pay the tax on behalf of all partners. If this return is an information return, check here [] and only fill in column 1 of this page.

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 the taxpayer, his declaration is based on all information of which he has any knowledge.

SIGN HERE (Signature of partner or member) (Date)

SIGN HERE (Signature of preparer other than partner or member) (Address) (Date)

Mail to: CITY OF HAMTRAMCK, INCOME TAX DEPT., 3401 EVALINE, HAMTRAMCK, MI 48212

ADJUSTED PARTNERSHIP INCOME — SCHEDULE A

1	ORDINARY INCOME (OR LOSS) from page 1, U.S. Partnership Return of Income, Form 1065	\$ _____
2	Add	
3	Qualifying dividends	\$
4	Net loss or one-half net gain from sale or exchange of property — Col. 7, Schedule C .....	.....
5	Partners' Salaries and interest deducted on page 1, Form 1035 .....	.....
6	City of Hamtramck income tax, if included in line 1 above .....	.....
7	TOTAL LINES 1 THROUGH 6	\$
8	DEDUCT Exempt interest and dividends	\$ _____
9	Business contributions unallowable on U.S. Partnership Return .....	.....
10	Additional first year depreciation .....	.....
11	ADJUSTED PARTNERSHIP INCOME FOR THE YEAR	\$

EXCLUSIONS FOR NON-RESIDENT PARTNERS — SCHEDULE B

12	Dividends \$ interest \$ (enter total dividends and interest)	\$
13	Net rental income from property outside City of Hamtramck .....	.....
14	Net capital gains (or losses) on sale of property located outside City (after Oct. 1, 1962, included in line 11) .....	.....
15	TOTAL EXCLUSION FOR NON RESIDENT PARTNERS	\$

SALE OR EXCHANGE OF PROPERTY — SCHEDULE C

COL. 1 KIND OF PROPERTY (IF NECESSARY, ATTACH STATEMENT OF DESCRIPTIVE DETAILS NOT SHOWN BELOW) DO NOT INCLUDE PART IV SCHEDULE D, 1065 GAINS & LOSSES	COL. 2 DATE ACQUIRED (MO., DAY, YR.)	COL. 3 DATE SOLD (MO., DAY, YR.)	COL. 4 PROCEEDS OF SALE	COL. 5 Cost or Other basis or Oct., 1962 Market Value	COL. 6 DEPRECIATION Allowable Since Acquisition of Since Oct. 1962 if Market Value is Used in Col. 5	COL. 7 GAIN OR LOSS (Cols. 4 Less 5 Plus 6)
16
17
18
19
20	Net gain (or loss) .....	.....	.....	.....	.....	.....

DISTRIBUTION TO PARTNERS — SCHEDULE D

COL. 1 INCOME FOR PERIOD JAN 1 ____ thru December 31, ____ OR FISCAL YEAR ____ ENDED 19	COL. 2 EXCLUSIONS FOR NON-RESIDENT PARTNERS (FROM LINE 15 SCHEDULE B)	COL. 3 TAXABLE INCOME BEFORE NON-RESIDENT ALLOCATION (COL. 1 LESS COL. 2)	COL. 4 ALLOCATION % FROM LINE 25, SCHEDULE E APPLY ONLY TO NON-RESIDENTS (ENTER 100% FOR RESIDENTS)	COL. 5 TAXABLE INCOME (COL. 3 x % IN COL. 4)
1 (a) \$	\$	\$ %	\$
2 (b) %
3 (c) %
4 (d) %
5 (e) %
6 TOTALS

BUSINESS ALLOCATION FORMULA — SCHEDULE E (TO BE USED BY NON-RESIDENT PARTNERS ONLY)

	LOCATED EVERYWHERE I	LOCATED IN HAMTRAMCK II	PERCENTAGE II ÷ I
21 Average net book value of real and tangible personal property for period Jan. 1, ____ thru Dec. 31, ____	\$	\$ %
a Gross rentals multiplied by 8 for period Jan. 1, ____ thru Dec. 31, ____	.....	.....	..... %
b TOTAL (Add lines 21 and 21a) .....	.....	.....	..... %
22 Total wages, salaries, commissions and other compensation of all employees (exclude partners) for period Jan. 1, ____ thru Dec. 31, ____	.....	.....	..... %
23 Gross receipts from sales made or services rendered for period Jan. 1, ____ thru Dec. 31, ____	.....	.....	..... %
24 Total Percentage — add the three percentages computed for lines 21b, 22 and 23 which you entered in the last column (you must compute a percentage for each of lines 21b, 22 and 23)	.....	.....	..... %
25 Average percentage (one-third of line 24—enter here and on Page 2, Schedule D, Column 4 (see note below))	.....	.....	..... %

NOTE: In determining the average percentage (line 25), a factor shall be excluded from the computation only when such factor does not exist anywhere insofar as the taxpayer's business operation is concerned and, in such cases, the sum of the percentages on line 24 shall be divided by the number of factors actually used.

In the case of a taxpayer authorized by the Administrator to use one of the special formulae, use the lines provided below

- | | | |
|---------------------|--|---------------------------------------|
| a Numerator | c Percentage (a - b) | enter here and on P 2, Sch. D, Col. 4 |
| b Denominator | d Date of Administrator's letter | |

CITY of HAMTRAMCK INCOME TAX PARTNERSHIP RETURN

Instructions for Form H-1065

FILING DATE:

Calendar year taxpayers must file by April 30 each year. Fiscal year taxpayers must file within four (4) months after end of their fiscal year.

REMITTANCE:

Partnerships electing to pay the tax for partners must remit for all partners when filing return. The tax due, must be paid when filing the return. Make remittance payable to:

CITY TREASURER

MAILING ADDRESS:

HAMTRAMCK CITY TREASURER
INCOME TAX DIVISION
HAMTRAMCK, MICHIGAN 48212

Who Must File a Partnership Return (Form H-1065)

Every partnership that conducted business activities in the City of Hamtramck after October 1, 1962, whether or not an office or place of business was maintained in the city, is required to file an annual return within (4) months following the end of their taxable year. If on a calendar year basis, the return must be filed by April 30, 1987. Syndicates, joint ventures, pools and like organizations will also use Form H-1065. So called "tax options" (under Sec. 1371-1377, Internal Revenue Code) must file as corporations on Form H-1120.

Resident vs. Non-Resident Partners

Partners who are residents of Hamtramck are taxed on their entire distributive shares on the net profits of the partnership, including that arising from business activities outside the city, and including interest, dividends, rents and royalties and gains from the sale or exchange of property, either tangible or intangible.

Partners who are non-residents of Hamtramck are taxed on their distributive shares on the portion of the net profits which is attributable to business activity in the City, plus net rentals of property in the City and gains from the sale or exchange of real or tangible personal property in the City. They are not taxed on their share of net rentals on property outside the City, gains from the sale or exchange of real or tangible property outside the City, gains from the sale or exchange of securities or other intangible property, or interest or dividends.

The Partnership Return, Form H-1065, is designed to distinguish between that income taxed to both residents and non-residents, and that taxed to residents only.

The return set forth the entire net profit for the period covered and show the distributive share of each partner, indicating those who are residents of Hamtramck, and those who are non-residents. If residency changes during the taxable period for any partner, use two lines to indicate allocation of income by status in all schedules where applicable, based on the proration of time in each status.

Option to Pay Tax

At its election, the partnership may file either an information return or it may compute and pay the tax which is due with respect to each partner's share of the net profit of the business, after giving effect to exemption and other items to which each partner is entitled. Such option is available to all partnerships regardless of the residency of the partners. The partnership may pay the tax for partners only if it pays for all partners subject to the tax.

If the partnership elects to pay the tax on behalf of the partners thereof, then such election and payments shall be deemed to meet the requirements for the filing of a return, as provided by the Ordinance, for each partner who has no other income subject to the tax. However, an individual return shall be required from any partner having taxable income other than his distributive share of the net profits of the partnership. In such instances, the partner should enter as "Additions to Income" on his individual return Form H-1040, Line 2 the amount shown on the partnership return on page 1, column 1. The deductions shown in column 2 and the credit in column 5 paid on his behalf by the partnership should also be listed on his individual return, page 1, Lines 5 and 10 respectively. Attach a copy of the H-1065 to you Individual H-1040 Return.

Partnership as Taxpayer

If the partnership elects to pay the tax on behalf of the partners then it assumes the status of a taxpayer to the following extent:

1. **Timely payment.** Payment must be made within four (4) months from the end of the fiscal year or period, otherwise it will be subject to interest and penalties the same as a delinquent payment from any other taxpayer.

2. **Payment of estimated tax.** The election of the partnership to pay the tax on behalf of the individual partners also carries with it the requirement to file a Declaration of Estimated Income Tax, Form H-1040-ES, if the total estimated tax for the partnership is expected to exceed \$40, and to pay such tax. If the partnership so files and makes payments, the partners will not be required to file a Declaration as individuals, unless they have additional income (from which Hamtramck income tax was not withheld) on which the Hamtramck tax is expected to exceed \$40. The fiscal year of the partnership will govern in establishing the dates for filing the declaration and paying the estimated tax.

Income: Instructions for Page 1

Column 1. Fill out schedules on Page 2 first and transfer amounts in Column 5, Schedule D to this column. List amounts in same order as partners are listed in top section.

Exemptions. Column 2. Exemptions are allowed for each partner and his or her dependents. An exemption of \$600 is allowed for the partner, the partner's spouse, and each dependent. In general, the same rules apply in determining dependents as under the Federal Internal Revenue Code. A spouse may be taken as an exemption on the partnership return only if each spouse has no income subject to the Hamtramck income tax. Additional exemptions are allowed if the partner or his spouse is 65 or over, or is blind.

Credits, Column 5. Enter in this column payments made by the partnership for tax paid with a tentative return; or any payments and credits made by the partnership on behalf of Hamtramck resident partners for income taxes to any other municipality, if the income on which such tax was levied is included in this return. Do not take credit for income taxes paid another municipality on behalf of partners who are not Hamtramck residents. The credit shall be the lesser amount of either (1) the income tax paid the other municipality, or (2) the amount of tax that would be due to the City of Hamtramck on earnings in the other municipality and cannot exceed $\frac{1}{2}$ of 1% of the amount that would be taxable by the City of Hamtramck.

Schedule A – Income from Partnership

Line 1. Use the same basis and method as used for Federal income tax reporting.

Line 6. If the Hamtramck income tax has been included in line 1, it should be added back here.

Line 8. Interest from obligations of the United States, the states, or subordinate units of government of the states, and dividends from national and state bank stocks are exempted from the tax. If they have been included in the total on line 1 they should be deducted here.

Any deduction other than the dividend exclusion allowed by the Federal Internal Revenue Code must be explained in an attached schedule.

Schedule B – Exclusions for Non-Resident Partners

Line 12. Use this line to exclude dividends and interest applicable to non-resident partners since dividends and interest are not taxable to non-residents.

When the receipt of interest and other intangible income is directly related to the nature of the business, such interest, etc. shall be considered as business income.

Line 13. Income or loss from rents from tangible property located in Hamtramck is taxable to both residents and non-residents.

Income or loss from royalties, and rents of or capital gains or losses on sale of property located outside Hamtramck, is only taxable to residents of the City of Hamtramck.

Schedule C – Sale or Exchange of Property

Gains and losses from the sale or exchange of property are treated in the same manner, and the amount subject to tax determined on the same basis, as under the Federal Internal Revenue Code.

Only the amount of the gain or loss occurring from October 1, 1962 to date of disposition shall be recognized for purposes of the Hamtramck income tax. The amount of gain or loss occurring after October 1, 1962 is to be determined by either (1) computing the difference between the October 1, 1962 fair market value (October 30th closing price for traded securities) or the cost if the date acquired was subsequent to October 1, 1962 and the proceeds from the sale or exchange, or (2) by using the gain or loss for the entire holding period, as computed for Federal income tax purposes, and computing the taxable portion of such gain or loss on the ratio that the number of months held in the period subsequent to October 1, 1962 is to the total time the property was held. The fair market value of property shall be determined by an appraisal or similar reliable evidence.

INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA – SCHEDULE E

The business allocation percentage formula is to be used by NON-RESIDENT owners of businesses with business activity both within and without the City of Hamtramck who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted within the City of Hamtramck, or for other reasons, are not using the separate accounting method.

Line 21. Enter in column 1 the average net book value of all real and tangible personal property owned by the business, regardless of location; and in column 2 show the net book value of the real and tangible personal property located in the City of Hamtramck. The average net book value of real and tangible personal property may be determined by adding the net book values at Jan. 1, and the net book values at the end of the year and dividing the sum thus obtained by two. Any other method which will accurately reflect the average net book value for the period will also be permitted. Explanation to be attached.

Line 21a. Enter in column 1 the gross rentals for period Jan. 1, thru December 31, multiplied by 8 for all rented property regardless of location. In column 2 show the gross rentals for period Jan. 1, thru December 31, multiplied by 8 for all rented property located in the City of Hamtramck. Gross rentals refer to real property, rented or leased and should include the actual sums of money or other consideration payable, directly or indirectly, by the taxpayer for the use or possession of such real property.

Line 22. Enter in column 1 the total compensation paid to all employees during the period Jan. 1, thru December 31, and in column 2 show the amount of compensation paid to employees for work done or for services performed within the City of Hamtramck during the period Jan. 1, thru December 31.

Line 23. Enter in column 1 the total gross receipts from all sales or services rendered during the period Jan. 1, thru December 31, and in column 2 show the amount of gross receipts from sales made or services rendered in the City of Hamtramck during the period Jan. 1, thru December 31.

Tax Due or Refund

If the partnership has elected to pay the tax for the partners and payments and credits exceed the tax due, show the amount of such overpayment on page 1, line 10. If your payments and credits exceed the tax, the overpayment will be refunded by check. You may take credit for overpayment on your Estimated Tax Form H-1040-ES. Refunds will be made as quickly as possible, but please allow 90 days before making an inquiry. Refunds of less than one dollar (\$1.00) will not be made.

Assistance

If there are questions not answered in these instructions, or if assistance is needed in preparing the return, call or visit the Income Tax Division. Questions by mail should be directed to Administrator, Income Tax Division, 3401 Evaline, Hamtramck, Michigan 48212. By Phone the Number is 876-7745.