

**City of Hamtramck**  
INCOME TAX DEPARTMENT  
CITY HALL-3401 EVALINE AVE.  
HAMTRAMCK, MICHIGAN 48212

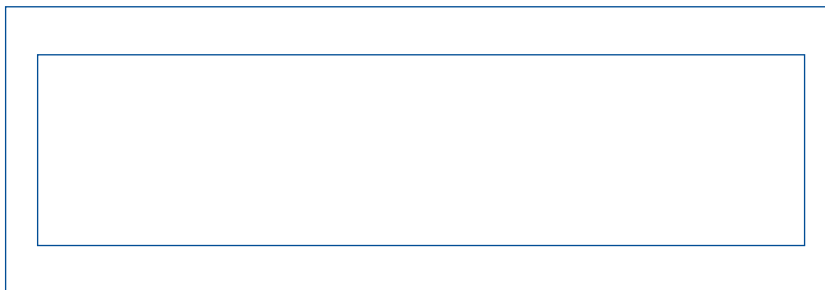
PRSR STD  
US Postage  
PAID  
DDM

**- IF LABEL APPEARS BELOW**



**IMPORTANT**

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



**CITY OF HAMTRAMCK INCOME TAX**

**2008**

**Form H-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 H 1040ES, 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, 2009. 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 HAMTRAMCK  
MAIL YOUR RETURN AND PAYMENT, WITH EARNINGS STATEMENTS, SHOWING HAMTRAMCK 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 HAMTRAMCK - INCOME TAX DEPARTMENT  
3401 EVALINE STREET - HAMTRAMCK, MICHIGAN 48212  
- RETURNS MUST BE FILED BY - APRIL 30, 2009 -**

**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.hamtramck.us](http://www.hamtramck.us)

The Hamtramck 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 Hamtramck return.

## **INTERNAL REVENUE AUDIT ADJUSTMENTS AND OTHER CHANGES**

An amended Hamtramck return is required for any year that a determination is made by Internal Revenue Service that affects your Hamtramck 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 Hamtramck liability, you must file an amended city return.

An amended return is filed on Form H1040X available from the Hamtramck Income Tax Office.

### **WHATS NEW? "ACT 198"**

Beginning with the 1992 Tax Returns, the City of Hamtramck 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.

## RESIDENT INSTRUCTIONS

### CITY OF HAMTRAMCK INCOME TAX 2008 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 return .....1200**

### 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 Hamtramck 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 H1040R. Schedule L and instructions are available from the Hamtramck Income Tax Office.

#### 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 Hamtramck income in 2009 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 H-1040ES) for 2009 by April 30, 2009 and pay at least one-fourth (1/4) of the estimated 2009 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 (H-1040ES) 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 Hamtramck while a resident of Hamtramck are taxable regardless of where earned and must be included on lines 1 and 2.

#### **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 Hamtramck 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 Hamtramck. 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)**

Hamtramck 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 Hamtramck 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 Hamtramck 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:

- 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
- 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.

#### 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 Hamtramck. 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 Hamtramck 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 Hamtramck 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 Hamtramck 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 Hamtramck 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 2008 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 Hamtramck 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 1% (.01) to determine the City of Hamtramck 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 Hamtramck Tax withheld as shown on your W-2 statement. The City copy of your W-2 showing clearly the amount of Hamtramck tax withheld must be submitted with your return before credit can be allowed for Hamtramck tax withheld.

If you made a payment(s) on the 2008 City of Hamtramck Declaration of Estimated Tax, enter the total of all payments on line 13b.

If you are a Hamtramck 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 2008 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 Hamtramck 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 .005</u>
Credit Allowable on Line 13c.	\$57.00

Also enter on line 13c any City of Hamtramck 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 Hamtramck 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 HAMTRAMCK, 3401 Evaline, Hamtramck, MI 48212.**

If your total payments and credits on line 13 exceed the Hamtramck Tax on line 12, you have overpaid your tax for 2008. If you want this overpayment refunded and sent to you, or the overpayment to be credited on your 2009 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.