

INSTRUCTIONS FOR THE AMENDED ALBION INDIVIDUAL INCOME TAX RETURN (form AL-1040X)

Information on income, deductions, etc.

If you have questions about what income is taxable or what is deductible, etc., see the instructions for the return (and related schedules and forms) for the year you are amending. If you need forms, call (517) 629-7865.

Attachments to form AL-1040X.

If the change on your income tax return is the result of a change in a schedule or form, attach a corrected copy of the schedule or form to your AL-1040X. For example, if you are an Albion resident and are amending to claim a municipal credit, attach a copy of the return filed with the other city to your AL-1040X.

When to file.

File form AL-1040X only after you have filed your original return. If you are claiming a refund on your amended return, you must file it within four years of the due date of your original return. If a change on your federal return affects Albion taxable income, you must file an AL-1040X with Albion within 90 days of the change to avoid penalty and interest on any additional tax due.

Interest and Penalty

If your amended return results in tax due because of negligence, include interest and penalty with your payment. Interest is 1 percent above the prime rate which is adjusted on January and July 1st. Penalty, if applicable is 10% of the tax due or a minimum of \$10. Tax due as a result of intentional disregard is subject to penalty of 25%; Tax due as a result of fraud is subject to 100% penalty.

LINE-BY-LINE INSTRUCTIONS

Round all dollar amounts to whole dollars.

Lines not listed are explained on the form.

Lines 10 & 11: Enter the number of allowable federal exemptions and Albion additional exemptions reported on the original return and that you are reporting on this return. If you are changing the number of exemptions you claimed on your original return, complete the detailed section for this item in Part 6 on the back of the form.

Lines 12-24: Give an explanation of changes to these lines in Part 7 on the back of the form; attach additional sheets if needed.

Column A: Enter the amounts shown on your original return or as later adjusted due to an examination of your original return. For example, John Smith filed his 2000 income tax return reporting total income of \$16500 consisting of interest, dividends and rental income. Albion examined his return and increased his total income to \$17,200 after it was established that he had overlooked dividend income of \$700. Mr. Smith must now amend his 2000 return to report a \$900 casualty loss of rental equipment. He enters \$17,200 on line 12 in column A, \$900 in column B and \$16,300 in column C.

Column C: Report the corrected totals after taking into account the amounts of the increases or decreases shown in column B. If there are no changes, enter the amount reported in column A.

Line 12: If you are correcting the amount of wages or other employee compensation, attach the city copy of any additional or corrected W-2 forms received after you filed your original return.

Line 17: Enter the exemption allowance based on the number of exemptions claimed on lines 10 and 11.

Line 19: Your taxable income must be multiplied by the appropriate rate. The tax rate for residents is 1% (0.01) and for nonresidents is 0.5% (0.005).

Line 20: Albion residents only. Enter change to your city income tax credit. Attach a copy of the income tax return filed with the other city.

Line 22: Enter the tax withheld by your employer. A corrected W-2 must be submitted if you are claiming a change in tax withheld.

Line 23: Enter total Albion estimated tax payments, amount credited forward from the prior year, and any payment made with requests for extension.

Line 24: Enter the amount of tax paid on your behalf by a partnership.

Line 25: Enter the amount paid with your original return. If any additional tax was paid after you filed your original return also include that amount on this line. Do not include interest or penalty payments.

Line 27: Enter the amount of refund you received from your original return. If you received more than one refund from the original return, include the total amount of those refunds on this line. Do not include any interest received on any refund.

Line 29: Enter balance due if line 21 (column C) is greater than line 28. **If line 28 is a negative amount add it to line 21 to compute total tax due.** Make checks payable to "City of Albion" and record the last four digits of your social security number, the tax year(s) and the words "amended Albion income tax" on the front of the check. Payment is not required if the tax due is less than \$1.

Mail your return and payment to:

**City of Albion
Income Tax Department
112 West Cass St.
Albion, MI 49224**

Line 30: Enter refund amount if line 21 (column C) is less than line 28. If you are entitled to a refund larger than the amount claimed on your original return, enter only the additional refund due you. Mail your return to the address indicated above.

Part 6: Exemptions

Complete this part if you are changing the number of exemptions you originally claimed. In item 31, check the boxes to indicate the exemptions you originally claimed. In item 32, check the boxes to indicate the exemptions you wish to claim on this amended return. Use the instructions below for information about each type of exemption.

Federal exemption for self: This is the exemption that you are allowed to claim on your U.S. 1040 return (if any). If you claimed a federal exemption for yourself, check the box under "you". If you are married filing jointly and claimed a federal exemption for your spouse, check the box under "spouse".

Age 65 or older: This additional exemption is for individuals who reached age 65 before December 31 of the year being amended. You are considered age 65 the day before your 65th birthday.

Line 35: Enter the line reference from page 1 for each line where a change is reported and give a detailed explanation of the reasons for the change. If you do not give an explanation, the processing of your return may be delayed.