

INSTRUCTIONS FOR FORM CF-1040X, MICHIGAN CITIES AMENDED INDIVIDUAL INCOME TAX RETURN**GENERAL INSTRUCTIONS**

Use form CF-1040X to correct Form CF-1040. Form CF-1040X will be your new tax return, changing your original return to include new information and/or corrections to the information on the original return filed. The entries you make under the columns headed *Correct Amount* or *Correct Number or Amount* are the entries you would have made on your original return had it been done correctly.

To complete form CF-1040X you will need:

- Form CF-1040X and these instructions;
- A copy of the original city return you are amending, including supporting forms, schedules and any worksheets;
- Notices from the city on any adjustments to that return;
- Instructions for the form you are amending.

If you also filed a federal amended return, Form 1040X, you will need a copy of the federal Form 1040X.

File a separate form CF-1040X for each year you are amending. If you have filed (or are filing) an amended federal or Michigan return, you may also need to file an amended city income tax return.

WHO MUST FILE AN AMENDED RETURN

An amended return is required to be filed to report corrections to taxable income, deductions or exemptions that result in additional tax due or an overpayment of tax to be claimed as a refund or credit.

If an audit by the Internal Revenue Service or the Michigan Department of Treasury results in a federal or state income tax liability that also affects a taxpayer's city income tax liability, an amended return is required to be filed within 90 days from the date of the final federal or state tax determination.

A taxpayer is not allowed to change their method of accounting or method of apportionment of net profits after the due date, or the extended due date, for filing the original return.

An amended return is not required when the Income Tax Department adjusted your return and informed you of the correction.

WHEN TO FILE AN AMENDED RETURN

File Form CF-1040X only after you have filed your original return for the tax year. Generally for a credit or refund Form 1040X must be filed within 4 years of the due date (including extensions) or within 4 years after the date you paid the tax, whichever **date is** later.

INTEREST AND PENALTY

Interest is due on taxes not paid by the original due date even if you had an extension of time to file the return.

Penalty for late payment of tax (tax not paid by the original due date) may be assessed. However, penalty is normally waived for a voluntarily filed amended return.

DECEASED TAXPAYER

If filing Form CF-1040X for a deceased taxpayer, enter "Deceased," the deceased taxpayer's name, and the date of death across the top of Form CF-1040X, page 1.

If you are filing a joint return as a surviving spouse, enter "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative of the deceased taxpayer, the personal representative must also sign the amended return.

Claiming a refund for a deceased taxpayer. If you are filing a joint return as a surviving spouse, you only need to file Form CF-1040X to claim the refund. If you are a court-appointed personal representative or any other person claiming a refund, file Form CF-1040X and attach a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer.

WHERE TO FILE YOUR AMENDED RETURN

Mail Form CF-1040X amended return and all required attachments to the City. Refer to Appendix G for a listing of the mailing addresses for specific cities accepting the Form CF-1040X.

DISCLAIMER

These instructions are interpretations of the Uniform City Income Tax Ordinance, MCLA 141.601 et seq. The City of {City Name}, Income Tax Ordinance will prevail in any disagreement between these instructions and the Ordinance.

FORM CF-1040X, PAGE 1, INSTRUCTIONS**TAX YEAR BEING AMENDED**

Above the Amended Return Residence Status area, enter the tax year you are amending in the box provided.

NAME, ADDRESS, SOCIAL SECURITY NUMBER (SSN)

If you and your spouse are amending a joint return, list your names and SSNs in the same order as shown on the original return. If you are changing from separate to a joint return and your spouse did not file an original return, enter your name and SSN first.

PO Box. Enter your box number only if your post office does not deliver mail to your home.

Foreign address. If you have a foreign address, enter the city name on the appropriate line. Do not enter any other information on that line; complete the spaces below that line. Do not abbreviate the country name. Follow the country's practice for entering the postal code and the name of the province, county, or state.

RESIDENCY STATUS

Indicate your correct residency status for the tax year by marking (X) the proper box. If residency is different than reported on your original return, in Part III (page 2 of Form CF-1040X) you must explain the change and attach documents supporting the change. Documents acceptable to support a change of residency on an amended return are a property tax bill or a copy of your lease agreement clearly stating date of occupancy.

Check residency. To check if address is located in the City of {CITY NAME}, see the city's website.

FILING STATUS

Mark (X) the box that corresponds to your filing status on this return. If this is a change from the filing status on your original return, explain the correction in Part III (page 2 of Form CF-1040X). Also, the following may apply to you.

Changing from separate returns to a joint return. If you and your spouse are changing from separate returns to a joint return, follow these steps:

- Enter in column A the amounts from your return as originally filed or as previously adjusted (either by you or the {CITY NAME} Income Tax Department).
- To determine the amounts to enter in column B, combine the amounts from your spouse's return as originally filed or as previously adjusted with any other changes you or your spouse are making. If your spouse did not file an original return, include your spouse's income, deductions or credits in the amounts you enter in column B.
- Read the instructions for column C to figure the amounts to enter in that column.
- Both of you must sign and date Form CF-1040X.

Liability for payment of taxes. Generally, if you file a joint return, both you and your spouse (or former spouse) have joint and several liability. This means both of you are responsible for the tax and any interest or penalty due on the return, as well as any understatement of tax that may become due later. If one spouse does not pay the tax due, the other may have to pay.

PROVIDING ADDITIONAL INFORMATION ONLY

If you are not changing any dollar amounts you originally reported, but are sending in only additional information, do the following:

- Enter the tax year you are amending
- Complete name, address, and SSN.
- Complete the residency status and the filing status.
- Complete Part III, Explanation of Changes.

TOTAL INCOME AND TAX COMPUTATION

Round all figures to the nearest dollar (\$0.01 to \$0.49, drop cents; \$0.50 to \$0.99, next dollar amount).

Show any negative numbers (losses or decreases) in Columns A, B, or C in parentheses.

If you were a full year resident or nonresident of {CITY NAME} during the tax year being amended, use the following instructions to file your amended return. **If you were a part-year resident during the tax year being amended, use Schedule TCX to complete lines 1 through 23 and follow the instructions for completing Schedule TCX.**

INSTRUCTIONS FOR FORM CF-1040X, MICHIGAN CITIES AMENDED INDIVIDUAL INCOME TAX RETURN

If you have questions such as what income is taxable or what deductions are allowable, refer to the instructions for Form CF-1040. To get prior year forms, schedules or instructions, download them from the city's website.

RESIDENT AND NONRESIDENT INSTRUCTIONS FOR LINES 1 THROUGH 23 OF FORM CF-1040X, PAGE 1

If your original return was e-filed, provide a complete copy of the original return including all W-2 forms and return attachments.

Generally each line on Form CF-1040X matches the line on Form CF-1040.

A part-year resident filing an amended return uses Schedule TCX lines 1 through 23 to compute the tax separately on taxable income while a resident and taxable income while a nonresident. See instructions for Schedule TCX following the resident and nonresident instructions.

COLUMN A – Original Amount – or as Previously Adjusted Lines 1 through 23 – Income, Deductions and Tax

Enter on each line of this column the amount from the original return, Form CF-1040, column C. If any of the amounts on any line have been previously adjusted by the filing of an amended return or a notice from the City of {City Name} Income Tax Department, enter the adjusted amount for that line.

If the total income subject to tax on the return you are amending is \$0 and you are reporting corrections on Form CF-1040X on lines 1 through 16, enter on line 22 in column A the actual taxable income instead of \$0. Enclose a negative amount in parentheses.

Example. Margaret showed \$0 taxable income on her original return, even though she actually had a loss of \$1,000. She later discovered she had additional income of \$2,000. Her Form CF-1040X, line 22, would show (\$1,000) in column A, \$2,000 in column B, and \$1,000 in column C. If she failed to take into account the loss she actually had on her original return, she would report \$2,000 in column C and possibly overstate her tax liability.

COLUMN B – Net Change – amount of increase or decrease – explain in Part III (page 2 of Form CF-1040X) Lines 1 through 16

Each change reported on lines 1 through 16 in column B must be explained in Part III, page 2. If you need more space than provided in Part III, attach a statement.

Attach any schedule or form relating to the change. For example, attach a copy of your corrected Schedule C if you are amending business income. If you are amending your return because you received another Form W-2, attach a copy of the new W-2.

Enter in column B, on the appropriate line, the amount of any change being made to the amount reported in column A for that line.

Line 17 – Total Additions

Enter the total of the amounts on lines 2 through 16.

Line 18 – Total Income

Enter the total of the amounts on lines 1 and 16.

Line 19 – Total Deductions

If any deduction allowed on a city income tax return is changed, Part I, Deductions Schedule, (Form CF-1040X, page 2) must be completed. Enter the total from page 2, Part I, Deductions Schedule, line 7, column B. See the instructions for the Deductions Schedule (Part I) under the page 2 instructions.

Line 20 – Total Income after Deductions

Enter the total of line 18 less line 19.

Line 21 – Exemptions

If you are increasing or decreasing the number of exemptions, either personal or dependent, claimed on your original return, you must complete the Exemptions Schedule (Form CF-1040X, page 2, Part II).

If the value of an exemption reported on your original return is being changed, you must complete lines 4 through 6 of the Exemptions Schedule.

On page 1, column B, line 21, enter the amount from page 2, Part II, Exemptions Schedule, line 6, column B. See instructions for the Exemptions Schedule (Part II) under the page 2 instructions.

Refer to Appendix A for a listing of the exemption rates in effect for each tax year for each city accepting Form CF-1040X.

Line 22 – Total Income Subject to Tax

Enter the total of line 20 less line 21.

Line 23 – Tax (Round to nearest dollar)

Nonresidents enter the result from line 22 multiplied by the nonresident tax rate for the tax year being amended. Refer to Appendix A for a listing of the tax rates in effect for each tax year for each city accepting Form CF-1040X.

Residents enter the result from line 22 multiplied by the resident tax rate for the year being amended. Refer to Appendix A for a listing of the tax rates in effect for each tax year for each city accepting Form CF-1040X.

COLUMN C – Correct Amount

To figure the amounts to enter in this column:

- Add the increase in column B to the amount in column A, or
- Subtract the decrease in column B from the amount in column A.

For any item you do not change, enter the amount from column A in column C.

Example. Andy originally reported \$21,000 as his wages on his 2010 Form CF-1040, line 1. He received another Form W-2 for \$500 after he filed his return. He completes line 1 of Form CF-1040X as follows:

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
Line 1	21,000	500	21,500

Andy would also report any additional income tax withheld for the city on line 24a, column B.

PAYMENTS AND CREDITS FOR AMENDED RETURNS**Lines 24a through 24c**

In column A enter amounts as reported on the original return.

In column B enter changes to the amounts in column A.

Line 24a – Withholding

If you are changing the tax withheld, attach to the front of Form CF-1040X a copy of all additional or corrected Forms W-2 you received after you filed your original return.

Line 24d – Tax Paid with Original Return and Additional Tax Paid after Original Return Filed

In column C, Enter the total of the tax paid with the original return and any tax paid after filing the original return.

Line 24e – Total Payments and Credits

Add the amounts in column C lines 24a through 24d and enter here.

AMOUNT YOU OWE OR YOUR OVERPAYMENT

The purpose of this section is to figure the additional tax you owe or excess amount you have paid (overpayment). All of your payments (for the tax year you are amending) received up to the date of this amended return are taken into account, as well as any overpayment on your original return or after adjustment by the City's Income Tax Department. It is as if you were using the new information to complete your original return. If the results show a larger overpayment than before, the difference between the two becomes your new overpayment. You can choose to receive the overpayment as a refund or apply it to your estimated tax for the following year. It can be used by the City's Income Tax Department to pay other income tax debts due to the city. If the results show that you owe, it is because you do not have enough additional withholding or because filing your original return with the information you have now would have resulted in a smaller overpayment or a balance due.

Line 25 – Overpayment as Shown on Original Return or Previously Adjusted

Enter the overpayment as shown on your original return, or as previously adjusted by the Income Tax Department.

Line 26 – Adjusted Payments and Credits

Enter the total of line 24e less line 25. If less than zero (0), see line 27 instructions.

Line 27 – Amount You Owe

If line 25 is larger than line 24e, line 26 will be negative. You owe additional tax. To figure the amount owed, treat the amount on line 26 as positive and add it to the amount on line 23 and enter the result on line 27. If line 26 is zero (0), enter the amount from line 23. Otherwise leave this line blank.

To pay by check or money order, send your signed Form CF-1040X with your payment for the full amount payable to "City of {CITY NAME} City Treasurer." Do not send cash. Do not attach your payment to Form CF-1040X. Instead, enclose it in the envelope with your amended return.

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On your payment, put your name, address, daytime phone number, and SSN. If you are filing a joint amended return, enter the SSN shown first on the return. Also, enter the tax year and type of return you are amending (for example, "2011 Form CF-1040"). The city will figure any interest or penalty due and send you a bill.

To help process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX.XX").

If you elected to apply any part of an overpayment on your original return to your next year's estimated tax, you cannot reverse that election on your amended return.

Line 28 – Overpayment

If line 26 is larger than zero (0) and more than line 23, column C, your tax is overpaid; enter the overpayment, line 26 less line 23.

Line 29 – Amount of Overpayment to be Applied as a Credit

Enter on line 29 the amount, if any, of your overpayment from line 28 you want applied to your estimated tax for next year. Also, enter that tax year in the box indicated. You will be notified if any of your overpayment was used to pay past due income tax, so you will know how much was applied to your estimated tax.

Line 30 – Amount of Overpayment to be Refunded

Enter the portion, or all, of the amount of overpayment on line 28 you want to receive as a refund. If your overpayment is not used to pay past due income tax, **the refund amount on line 30 will be sent separately from any refund you claimed on your original return.**

You will receive a check for any refund due to you. A refund on an amended return **cannot** be deposited directly to your bank account.

FORM CF-1040X, PAGE 2, INSTRUCTIONS**PART I – DEDUCTIONS SCHEDULE**

If you are changing any of the deductions claimed on your original return, you must complete Part I, Deductions Schedule. The only exception is for part-year residents or other taxpayers required to use Schedule TCX to compute taxable income and tax. Part-year residents amending a return must use the deductions schedule on Schedule TCX.

Use column A to report the amounts from your original return, column B to report any changes and column C to report the correct amount.

If you have questions about the deduction, refer to the instructions for the tax year you are amending.

PART II – EXEMPTIONS SCHEDULE**Lines 1 through 4 – Personal and Dependent Exemptions**

If you are changing the number of exemptions claimed on your return, complete lines 1 through 5, and if necessary, complete line 7. Enter the totals on line 6 and also on page 1, line 21, columns A, B and C. If you are using Schedule TCX to compute the taxable income and tax, enter the amounts from line 6 on line 21b of Schedule TCX.

Line 5 – Exemption Value

Refer to Appendix A for a listing of the exemption amounts in effect for each tax year for each city accepting Form CF-1040X.

Line 6 – Total Exemption Amount

Multiply the number of exemptions on line 4 by the exemption value on line 5.

Line 7 – Dependents

List **all** dependents claimed on this amended return. This includes:

- Dependents claimed on your original return who are still being claimed on this return, and
- Dependents not claimed on your original return being added to this return.

If you are now claiming more than 7 dependents, attach a separate statement with the required information.

Column (c). You must enter each dependent's social security number (SSN). If the dependent child was born and died in the tax year you are amending and you do not have an SSN for the child, enter "Died" in column (c), and attach a copy of the child's birth certificate, death certificate, or hospital medical records. The document must show the child was born alive.

Be sure the name and SSN entered agree with the dependent's social security card. Otherwise, at the time we process your return, we may disallow the exemption claimed for the dependent.

Part III – EXPLANATION OF CHANGES

The Income Tax Department needs to know **why** you are filing Form CF-1040X. For example, you:

- Received another Form W-2 after you filed your return,
- Forgot to claim the IRA deduction.
- Were audited by the IRS and the adjustments made by the auditor are noted in the attached copy of the Revenue Auditors Report.

Paid Preparer. Generally, anyone you pay to prepare your return must sign it and include their Preparer Tax Identification Number (PTIN) in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign.

Assembling Your Return. Assemble any schedules and forms behind Form CF-1040X in line number order. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. Do not attach correspondence or other items unless required to do so.

Attach to the front of Form CF-1040X:

- A copy of any Forms W-2 or W-2C (a corrected Form W-2);
- A copy of any Form W-2G and Form 1099-R that support changes made on this return.

If you owe tax, enclose (do not attach) your check or money in the envelope with your amended return. See the instructions for line 27.

SCHEDULE TCX INSTRUCTIONS**PART-YEAR RESIDENT AMENDED RETURN**

A part-year resident filing an amended return uses Schedule TCX to compute taxable income and tax for the year being amended. Schedule TCX provides separate three column areas for changing the reported income and computing the tax for each residence status.

A part-year resident is required to compute the tax due for each residence status separately.

When using Schedule TCX to compute taxable income and tax, lines 1 through 22 of Form CF-1040X must remain blank.

For income while a **RESIDENT**, use columns A, B and C as noted in the Resident and Nonresident Instructions except for the lines in these columns that are grayed out. See Appendix A for a listing of the tax rates in effect for each tax year for each city accepting Form CF-1040X.

For income while a **NONRESIDENT**, use columns D, E and F as noted in the Resident and Nonresident Instructions except for the lines in these columns that are grayed out. For column D follow the Resident and Nonresident instructions for column A; for column E use the column B instructions; and for column F use the column C instructions. See Appendix A for a listing of the tax rates in effect for each tax year for each city accepting Form CF-1040X.

2010 Amended Return for Grand Rapids. When amending a 2010 part-year resident return, there are two tax rate periods to consider because the tax rate was increased effective 7/1/2010. More than one Schedule TCX will be needed to compute your 2010 tax if you had resident and nonresident taxable income in the same tax rate period.

DEDUCTIONS SCHEDULE**Lines 1 through 6**

Part-year residents and others required to use Schedule TCX must use the Deductions Schedule on Schedule TCX (not the Part I Deductions Schedule) to properly compute their deductions.

EXEMPTIONS**Line 21a – Number of Exemptions Claimed**

If the number of exemptions was changed, enter in column B the net change as noted in Part II, Exemptions Schedule, line 4, column B.

Line 21b – Total Value of Exemptions

Enter in column B the amount from Part II, line 6, column B.

Line 21c – Value of Exemptions Against Nonresident Income

The total value of the exemptions (line 21b) may be deducted from resident income. If the total value of the exemptions (line 21b) of column B or column C exceeds the total income after deductions (line 20) the column, the amount of the excess (the difference) is entered on line 21c, columns E and F. Otherwise, line 21c, columns E and F remain blank.

TAXABLE INCOME**Line 22a – Income Subject to Tax as a Resident**

In column B enter the result from subtracting line 22a from line 20.

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Line 22b – Income Subject to Tax as a Nonresident

In column E enter the result from subtracting line 22b from line 20.

TAX

Line 23a – Tax Rate

In column B enter the resident tax rate for the tax year being amended.

In column E enter the nonresident tax rate for the tax year being amended. Refer to Appendix A for a listing of the tax rates in effect for each city accepting the Form CF-1040X.

Line 23b – Tax at the Resident Rate (Round to nearest dollar)

In column B enter the tax resulting from multiplying line 22a by the tax rate on line 23a.

Line 23c – Tax at the Nonresident Rate (Round to nearest dollar)

In column E enter the tax resulting from multiplying line 22b by the tax rate on line 23b.

Line 23d – Total Tax

In column B enter the total from adding column B, line 23b, to column F, line 23c. Also enter the totals from column A, B and C on Form CF-1040X, page 1, line 23.

Revised 09/01/2015
