

FORM BC – 1040



CITY OF BATTLE CREEK

INDIVIDUAL RETURN INSTRUCTIONS

RESIDENT AND NON RESIDENT

FILING DATE: Your return must be filed by April 30th

REMITTANCE: Make check payable to: City Treasurer

Please submit with your BC-1040

MAILING: Mail your return with remittance, and all

supporting documents attached

MAIL RETURNS TO: CITY INCOME TAX DIVISION, P O BOX 1657, BATTLE CREEK, MI 49016-1657

FORMS ARE AVAILABLE AT: www.battlecreekmi.gov/city_government/permits_and_forms

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Year

1. Enter in the year.

Social Security Number(s)

2. Social Security Number(S)
Enter your social security number and if you are filing joint enter your spouse's.

Name of Filing Taxpayers

3. Enter your name if you are filing a joint return enter your spouses.

Address at Which you Presently Reside

4. Your complete current street address including house number or apartment number, if you have one. If you have a Post Office Box, enter it after your current residence address. On the next line enter in your City, State and Postal Zip Code.

Residency Status

5. If you were a resident of the city of Battle Creek at any time during the year or if you were a part-year resident and did not work in the City of Battle Creek for the part of the year that you were a nonresident, check the "Resident" box. If you were a nonresident of the City of Battle Creek during the year, but worked in the City of Battle Creek check the "Non-Resident" box. If you were a part-year resident who worked in Battle Creek as both a resident and nonresident check the "Part-Year Resident" box.

Filing Status used for this return

6. Check the appropriate box for your filing status. If you are a nonresident working in the City of Battle Creek, and your spouse is not working in Battle Creek and has no taxable Battle Creek income, you are still allowed to file a joint return using the spouse's exemption.

Date of Birth

7. Enter your date of birth. If filing a joint return enter your spouse's date of birth also.

Exemptions

8. The same rules that apply under the Federal Internal Revenue Code are used in determining exemptions for the City of Battle Creek, with the following amendment: additional \$750.00 exemptions may be claimed for persons who are 65 years of age and

older; blind; deaf; or suffer some sort of major paralysis or who are totally and permanently disabled. (Doctors statement must be attached to your return when claiming any/all disabilities.) Also an individual who is claimed as a dependent on another taxpayer's Federal income tax return, (example: children 21 years of age and under) is entitled to take a \$750.00 exemption on the City of Battle Creek income tax return when they have taxable income. The total number of exemptions listed and taken credit on your BC-1040 return must not exceed the total number of personal exemptions allowed under the Battle Creek City Income tax Ordinance. If you are required to complete and file form 8332 (Release of Claim to Exemption for Child of Divorced or Separated Parents) with your Federal return, a copy of that form must be attached to your Battle Creek City return.

Payments and Credits

9. Lines 8 - enter the amount of Battle Creek tax withheld as shown on your W-2. (W-2 must be attached for credit taken)
10. Lines 9 - enter any estimated payments and prior year credit carried forward to this year.
11. Line 10 - if you are a Battle Creek resident subject to a city income tax in another Michigan City, you may claim a credit for the tax liability paid to the other city during the current year. (You must attach a copy of the other city return to receive credit). This credit may not exceed what a nonresident of Battle Creek would pay on the same income earned in Battle Creek. Any payments made on your behalf by a Partnership should also be entered on line 10. (Attach pg 1 of the Partnership to receive credit). On line 11 add the total payments and credits and enter the sum.

Tax Due

12. Line 12 - Subtract the total payments and credits on line 11 from the tax due on line 7. If after computing your Battle Creek tax and deducting your payments and credits you have a balance due the City of Battle Creek, enter that amount on line 12. If the amount is \$1.00 or more, it must be paid when filing this return. You may pay your return with direct debit by entering in your bank information at the bottom of the return.

Overpaid (Refund or Credit) Note: Refunds or Credits of less than \$1.00 cannot be made

13. Line 13 - if payments or credits are larger than line 7 you have an overpayment of taxes. You may choose from 3 refund/credit options; line 13A if you would like

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a refund check or Direct Deposit (*bank information must be filled in or a check will be sent), line 13B if you would like it credited to next year.

Sign and date your return

14. Be sure to sign your return and if you filed jointly, or if an employed spouse has agreed to have you income his/her personal exemption on your return, the spouse must sign the return also. If someone other than yourself prepared your Battle Creek City tax return, that person must also sign the return including their name, address, identification number and phone number.

IT IS IMPORTANT THAT YOU CHECK YOUR COMPLETED BATTLE CREEK RETURN AND ALL ATTACHEMETS FOR ACCURANCY AND LEGIBITLY. ALL SCHEDULES, W-2 FORMS AND ANY DOCUMENTATION MUST BE ATTACHED.

Mail your returns to: Battle Creek City Income Tax,
P O Box 1657, Battle Creek, MI 49016-1657.

Phone: 269-966-3345

Fax: 269-966-3629

Forms available at our website at:

http://www.battlecreekmi.gov/city_government/permits_and_forms.htm

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All income (with the exceptions noted in what is exempt income) included on your Federal Income Tax return which was received while residing in the City of Battle Creek regardless of the location of where it was earned, must be included on your BC-1040 return, completed and filed with the City of Battle Creek. ATTACHMENT OF THE FEDERAL INCOME TAX RETURN PG 1 AND FEDERAL TAX SCHEDULES ARE REQUIRED FOR VERIFICATION.

What is exempt income (Taken from Section 32)

- A. Gifts, inheritances and bequests.
- B. Pensions and annuities, including disability pensions (issued by employers) on a 1099-R (box 7, code 7 only). Please attach copy of all 1099-R's to your return.
- C. Proceeds of insurance (except those payments from a health and accident policy paid for by your employer are taxable the same as other sick and/or disability pay), to the same extent as provided by the Federal Internal Revenue Code.
- D. Unemployment compensation, supplemental unemployment benefits, welfare relief payments.
- E. Workmen's compensation or similar payments for death, injury or illness arising out of and in the course of an employee's job.
- F. Interest from obligations of the United States, the states, or subordinate units of government of the states.
- G. Social Security benefits, Railroad Retirement Act Benefits.
- H. Dividends on an insurance policy (these are in effect partial refunds of premiums paid).
- I. Military pay of members of the armed forces of the United States, including Reserve and National Guard pay.

Line 1 – Total gross income from employers. Enter the total of all wages, salaries, sick pay, tips, bonuses, profit sharing, severance pay, disability pay from your employer, ect., report all W-2's. ATTACH COPY OF ALL W-2'S EVEN IF THERE IS NO BATTLE CREEK CITY WITHHOLDINGS.

Line 2 – Additions to income (do not include any subtractions).

- A. Interest - (Attach copy of federal schedule B)
- B. Dividends – Include distributions from Sub Chapter S corporations taxed as dividends on your federal income tax return. (Attach copy of federal schedule B).
- C. Profit from business or profession – (Attach copy of federal schedule C).
- D. Capital Gains from sale or exchange of property – The amount subject to tax is determined on the same

basis as the federal internal revenue code. (Attach copy of federal schedule D).

NOTE: The only exception is the sale of property purchased prior to July 1, 1967. Gains or losses on property purchased prior to July 1, 1967 must be determined by one of the following methods:

1. The base may be the adjusted fair market value of the property on July 1, 1967 (June 30 closing price) for traded securities or;
 2. Divide the number of months the property has been held since June 30, 1967, by the total number of months the property was held. Apply this fraction to the total gain or loss as reported on your federal income tax return.
- E. Rents, Royalties, Partnerships, Estates, Trusts, ect. included any shares of partnership income. If you are claiming income from a partnership located outside of Battle Creek, you must ATTACH A COPY OF YOUR FEDERAL SCHEDULE K-1. All partnerships located in the City of Battle Creek must file a BC 1065 (Partnership Return). You must also ATTACH A COPY OF YOUR FEDERAL SCHEDULE E AND ALL OTHER SCHEDULES WHICH SUPPORT CLAIMED INCOME.
 - F. Other income – you must include distributions from employees' stock purchase and profit sharing plans (which are classified as wages not subject to withholding), and distributions which have been received from qualified trust upon termination of employment and were treated as capital gains under federal internal revenue code.
 - G. Farm income – (Attach copy of federal Schedule F).
 - H. Withdrawals and distributions from deferred income plans.
 - I. Alimony.
 - J. Sub Chapter S corporation distributions – All corporations taxable under the City of Battle Creek and pay their own income tax.
 - K. All lottery winnings.

Line 3 – Deductions from income (Taken from Section 33 & 34)

All losses included on your Federal 1040 return that are not specifically excluded by the City of Battle Creek Income Tax Ordinance are reported here.

- A. Contributions to a traditional Individual Retirement Account (IRA), to the extent provided in Section 219 of the federal internal revenue code. (Proof of payment must be attached for credit). Proof of payment includes, but is not limited to, a copy of receipt(s) for IRA contribution(s), a copy of the canceled check(s), ect, that clearly indicates it is for the purchase of an IRA.

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- B. A Keogh Retirement Plan and SEP Plan, to the extent it applies to income earned in Battle Creek. (PROOF MUST BE ATTACHED FOR DEDUCTION).
- C. Employee Business Expenses – These expenses are allowed only to the extent not paid by your job, and are LIMITED TO THE FOLLOWING:
1. Expenses for travel, meals, and lodging while away from home.
 2. Expenses incurred as an outside sales person who works away from his/her employer's place of business (does not include driver-salesperson whose primary duty is service and delivery).
 3. Expenses of transportation (but not transportation to and from work).
 4. Federal Schedule 2106 line 4 business expenses not allowed on City returns – (ONLY ALLOWED ON FEDERAL).
 5. Expenses reimbursed under an account or other arrangement with your employer, if the reimbursement has been included in gross earnings reported. (FORM 2106 MUST BE ATTACHED FOR DEDUCTION TO BE TAKEN).
 6. Moving expenses that qualify under the federal internal revenue code, section 217, as a deduction from federal gross income may be deducted on your Battle Creek turn (MOVING INTO THE CITY ONLY). (FORM 3903 MUST BE ATTACHED FOR DEDUCTION TO BE TAKEN).
 7. Alimony (CHILD SUPPORT IS NOT DEDUCTIBLE) deducted on your current year return. An individual may deduct alimony, separate maintenance payments and principle sums payable in installments, to the extent includable in the spouse's deductible by the individual under the federal internal revenue code. (To be allowed this deduction, the recipient's name, address and social security number must be supplied.) Part-year residents must allocate deductions the same way they allocate income.

IMPORTANT: A COPY OF THE FEDERAL SCHEDULE(S) AND OTHER REQUESTED DOCUMENTATIONS SUPPORTING DEDUCTIONS MUST BE ATTACHED. (FAILURE TO ATTACH CORRECT DOCUMENTATION WILL RESULT IN DEDUCTIONS BEING DISALLOWED AND/OR DELAY THE PROCESSING OF YOUR RETURN).

Calculation of tax

1. Line 4 - Add lines 1 and 2, subtract line 3 and enter the result on line 4.
2. Line 5- compute the exemption deduction by taking the total number of exemptions ×\$750.00 and enter result on line 5.
3. Line 6 – Subtract the total amount for personal exemptions on line 5 from line 4 and enter remainder as total income subject to tax on line 6.
4. Line 7 – Multiply line 6 by 1% (.01) to determine the City of Battle Creek tax and enter the tax on line 7.

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Credit for income tax paid to another city

Worksheet for BC-1040 form line 10 – resident and part-year residents only. Residents and part-year residents may claim the credit for tax paid to another city only on the portion of income earned while a resident of Battle Creek.

Calculation for credit BC residents or part-year resident only	Column A BC resident income	Column B Other taxing income
1. Identical Income – taxable to both cities		
2. Exemptions per city's return		
3. Taxable income for credit subtract line 2 from line 1 in column A and B		
4. Each city's nonresident tax rate		
5. Multiply line 3 by line 4 in column A and B		
Credit allowed – enter the smaller of line 5, Column A or B and carry to line 10 of BC-1040		

If you are required to file and pay your city tax on Estimated Vouchers, and you have not received a pre-printed set please call the office or visit our website.

The City of Battle Creek Income tax Office is located at 10 North Division St, Room 114, City Hall. Office hours are 8 am to 5 pm Monday thru Friday.

Mail: P O Box 1657, Battle Creek, MI 49016-1657.

Phone: 269-966-3345

Fax: 269-966-3629

Form available at our website at:

http://www.battlecreekmi.gov/city_government/permits_and_for_ms.htm