

P-1120
CITY OF PORTLAND INCOME TAX
CORPORATION RETURN

20

EXTENSION NUMBER

Do Not Write in this Space

For the year January 1 - December 31 20 ____ or other taxable year beginning _____ ending _____

THIS IS NOT A FEDERAL RETURN

PLEASE TYPE OR PRINT	Name _____	Where Incorporated _____ Date Incorporated _____
	Number and Street _____	Principal business activity _____
	City, Town or Post Office _____ State _____ Zip Code _____	Main address in Portland _____
		Person in charge of Portland records _____
		Portland telephone number _____
		Federal employer identification number → _____

TAXABLE INCOME COMPUTATION

<p>1. a. Taxable income from Federal Form 1120 ATTACH COPY OF FEDERAL FORM 1120 including Schedule E - Compensation of Officers) _____</p> <p>b. Income from p. 2, Schedule C, line 30. _____</p> <p>2. Enter gain or loss from sale or exchange of property included in line 1a or 1b _____</p> <p>3. Result after excluding line 2 from line 1a OR 1b _____</p> <p>4. Enter items not deductible under Portland Income Tax Ordinance (from p. 2, Schedule E, col. 1, line 5) _____</p> <p>5. Total - add lines 3 and 4 _____</p> <p>6. Enter items not taxable under Portland Income Tax Ordinance (from p. 2, Schedule E, col. 2, line 11) _____</p> <p>7. Total - line 5 less line 6 _____</p> <p>8. Amount in line 2 above (after excluding any capital loss carryover) applicable to taxable period (see instructions) _____</p> <p>9. Total income - add lines 7 and 8 _____</p> <p>10. Allocation percentage from p. 2, Schedule D, line 5 - if all business was conducted in Portland enter 100% on line 10 and DO NOT fill in Schedule D on page 2 _____ %</p> <p>11. Total - multiply line 9 by % on line 10 _____</p> <p>12. Less: Applicable portion of net operating loss carryover and/or capital loss carryover (see instructions) _____</p> <p>13. Total income subject to tax - line 11 less line 12 _____</p> <p>14. CITY OF PORTLAND. - multiply line 13 by 1% _____ ●</p>	<p>\$ _____</p> <p>_____</p>
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PAYMENTS AND CREDITS

<p>15. a. Tax paid with tentative return _____</p> <p>b. Payments and credits on 20 ____ Declaration of Estimated Portland Income Tax _____ ●</p> <p>c. Other Credits - explain in attached statement _____</p> <p>16. Total - add lines 15a, b, and c _____ ●</p>	<p>\$ _____</p> <p>_____</p> <p>_____</p>
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TAX DUE OR REFUND

<p>17. If your payments (line 16) are larger than your tax (line 14) enter amount of OVERPAYMENT _____ ●</p> <p>18. If your tax (line 14) is larger than your payments (line 16) enter amount of BALANCE DUE _____ ●</p>	<p>\$ _____</p> <p>\$ _____</p>
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PAY IN FULL WITH THIS RETURN TO "TREASURER, CITY OF PORTLAND" - AND MAIL TO CITY OF PORTLAND, INCOME TAX DIVISION, 259 KENT ST., PORTLAND, MICHIGAN 48875

19. Amount on line 17 to be: (A) Credited on 20 ____ estimated tax (B) Refunded

<p>A. Name and address of resident agent in Michigan _____</p> <p>B. Is this a consolidated return? <input type="checkbox"/> Yes <input type="checkbox"/> No. If yes, list names and addresses of included corporations in an attached statement showing percent owned of voting stock of each corporation.</p> <p>C. IMPORTANT: Check this box <input type="checkbox"/> if the amount shown on line 1b above is not in agreement with the amount shown for this item on the return which you filed with the Federal Government for the year indicated above; and attach an explanation, together with a reconciliation of the difference.</p> <p>D. Number of Portland location(s) included in this return _____ Number of location(s) everywhere _____</p> <p>E. Indicate the last fiscal or calendar year audited by the Federal Internal Revenue Service _____</p>	<p>Do Not Write in Space Below</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">File _____</td> <td style="width: 50%; border-bottom: 1px solid black;">ITEMS _____</td> </tr> <tr> <td style="border-bottom: 1px solid black;">S. to I. _____</td> <td style="border-bottom: 1px solid black;">Classifier _____</td> </tr> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">AUDIT RESULTS</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">Let. D. _____</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">Auditor _____</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">Approval _____</td> </tr> </table>	File _____	ITEMS _____	S. to I. _____	Classifier _____	AUDIT RESULTS		Let. D. _____		Auditor _____		Approval _____	
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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 taxpayer, his declaration is based on all information of which he has any knowledge.

(Date)	(Signature of officer)	(Title)
(Date)	(Individual or firm signature of preparer)	(Address)

MAIL TO: CITY OF PORTLAND, Income Tax Division, 259 Kent Street, Portland, Michigan 48875

PROFIT (OR LOSS) FROM BUSINESS - SCHEDULE C

Period from _____ to _____

Show period covered and check appropriate box to indicate date used for Schedule C. Separate accounting method. Includes operations at all locations.

<table border="0" style="width:100%;"> <tr><td>1. Gross Receipts</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>2. Less: Returns and allowances</td><td style="text-align: right;">_____</td></tr> <tr><td>3. Net Receipts</td><td style="text-align: right;">_____</td></tr> <tr><td colspan="2">COST OF GOODS SOLD</td></tr> <tr><td>4. Inventory at beginning of period</td><td style="text-align: right;">_____</td></tr> <tr><td>5. Merchandise bought for manufacture or sale</td><td style="text-align: right;">_____</td></tr> <tr><td>6. Salaries and wages</td><td style="text-align: right;">_____</td></tr> <tr><td>7. Other costs (attach statement)</td><td style="text-align: right;">_____</td></tr> <tr><td>8. Total - lines 4 through 7</td><td style="text-align: right;">_____</td></tr> <tr><td>9. Less: Inventory at end of period</td><td style="text-align: right;">_____</td></tr> <tr><td>10. Cost of goods sold</td><td style="text-align: right;">_____</td></tr> <tr><td>11. Gross profit - line 3 less line 10</td><td style="text-align: right;">_____</td></tr> </table>	1. Gross Receipts	\$ _____	2. Less: Returns and allowances	_____	3. Net Receipts	_____	COST OF GOODS SOLD		4. Inventory at beginning of period	_____	5. Merchandise bought for manufacture or sale	_____	6. Salaries and wages	_____	7. Other costs (attach statement)	_____	8. Total - lines 4 through 7	_____	9. Less: Inventory at end of period	_____	10. Cost of goods sold	_____	11. Gross profit - line 3 less line 10	_____	<table border="0" style="width:100%;"> <tr><td align="center" colspan="2">BUSINESS DEDUCTIONS</td></tr> <tr><td>12. Compensation of officers</td><td style="text-align: right;">\$ _____</td></tr> <tr><td>13. Salaries and wages - not deducted elsewhere</td><td style="text-align: right;">_____</td></tr> <tr><td>14. Rents</td><td style="text-align: right;">_____</td></tr> <tr><td>15. Depreciation</td><td style="text-align: right;">_____</td></tr> <tr><td>16. Contributions</td><td style="text-align: right;">_____</td></tr> <tr><td>17. Taxes (attach statement)</td><td style="text-align: right;">_____</td></tr> <tr><td>18. Interest</td><td style="text-align: right;">_____</td></tr> <tr><td>19. Repairs</td><td style="text-align: right;">_____</td></tr> <tr><td>20. Bad debts</td><td style="text-align: right;">_____</td></tr> <tr><td>21. Other (attach statement)</td><td style="text-align: right;">_____</td></tr> <tr><td>22. _____</td><td style="text-align: right;">_____</td></tr> <tr><td>23. Total - lines 12 through 22</td><td style="text-align: right;">_____</td></tr> <tr><td>24. Net profit or loss - line 11 less line 23</td><td style="text-align: right;">_____</td></tr> </table>	BUSINESS DEDUCTIONS		12. Compensation of officers	\$ _____	13. Salaries and wages - not deducted elsewhere	_____	14. Rents	_____	15. Depreciation	_____	16. Contributions	_____	17. Taxes (attach statement)	_____	18. Interest	_____	19. Repairs	_____	20. Bad debts	_____	21. Other (attach statement)	_____	22. _____	_____	23. Total - lines 12 through 22	_____	24. Net profit or loss - line 11 less line 23	_____
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BUSINESS ALLOCATION FORMULA - SCHEDULE D

	Located Everywhere I	Located in Portland II	Percentage II ÷ I
1. Average net book value of real and tangible personal property	\$ _____	\$ _____	
a. Gross annual rent paid for real property only, multiplied by 8			
b. TOTAL (add lines 1 and 1a)			%
2. Total wages, salaries, commissions and other compensation of all employees			%
3. Gross receipts from sales made or services rendered			%
4. Total percentages - add the three percentages computed for lines 1b, 2 and 3 which you entered in the last column (you must compute a percentage for each of lines 1b, 2 and 3)			%
5. Average percentage (one-third of line 4) - enter here and on p. 1, line 10			%

In determining the average percentage (line 5), 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 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, attach explanation and use the lines provided below:

- | | |
|----------------------|---|
| a. Numerator _____ | c. Percentage (a ÷ b) enter here _____ and on p. 1, line 10 |
| b. Denominator _____ | d. Date of Administrator's approval letter _____ |

SCHEDULE E

Schedule E is used to adjust the income reported on page 1 on lines 1a or 1b to give effect to the requirements of the Portland Income Tax Ordinance. The period of time used to compute items for Schedule E must be the same as the time period used to report income on lines 1a or 1b. Schedule E entries are allowed only to the extent directly related to net income as shown on lines 1a or 1b on page 1.

Period: From _____ to _____

COLUMN 1 Add - Items Not Deductible	COLUMN 2 Deduct - Items Not Taxable and Allowable Deductions
1. Adjustments to income relating to prior periods. (See instructions)	6. Interest from U. S. obligations and from United States governmental units
2. All expenses (including interest) incurred in connection with derivation of income not subject to Portland income tax	7. Foreign tax deduction
3. Portland income tax paid or accrued	8. Other (submit schedule)
4. Other (submit schedule)
.....
5. Total Additions (enter on page 1, line 4)	9. Total Deductions (enter on page 1, line 6)
\$ _____	\$ _____

CITY OF PORTLAND INCOME TAX

20____ CORPORATE RETURN

Instructions for Form P-1120 for Corporations doing business in Portland

FILING DATE:

Calendar year taxpayers must file by April 30, of the next year.

Fiscal year taxpayers must file within 4 months after the end of their fiscal year.

REMITTANCE:

The tax due, if one dollar (\$1.00) or more, must be paid when filing the return. Make remittance payable to

TREASURER-CITY OF PORTLAND

MAILING ADDRESS:

Mail your return and remittance to
CITY OF PORTLAND
INCOME TAX DIVISION
259 KENT STREET
PORTLAND MI 48875

Effective Date of Tax

The City of Portland income tax became effective January 1, 1984. Corporations are required to pay the tax each year on that part of their net income attributable to business activity conducted in Portland commencing with their first year, calendar or fiscal, ending after January 1, 1984.

Corporations Required to File

Every corporation doing business in the city, whether or not it has an office or place of business in the city, and whether or not it has net profits, is required to file an annual City of Portland Corporation Income Tax Return. Form P-1120 or Corporate Common Form.

Corporations cannot elect to file and be taxed as partnerships. (Likewise, partnerships cannot elect to file and be taxed as corporations.)

The ordinance specifically exempts from taxation state and national banks, trust companies, insurance companies, building and loan and savings and loan associations, credit unions safety and collateral deposit companies, and any other association, joint stock company or corporation at least 90% of whose assets consist of intangible personal property and at least 90% of whose gross income consists of dividends or interest or other charges resulting from the use of money or credit.

Filing Date

Taxpayers on a calendar year are required to file by April 30, of the next year. Those on a fiscal year must file by the last day of the fourth month following the end of the fiscal year. Returns shall be for the same calendar year, fiscal year, or other accounting period as the taxpayer uses for Federal income tax purposes.

Extensions

All taxpayers having a liability for filing a City of Portland income tax return must file either a final return or a tentative return on or before the due date for filing. For Calendar-year taxpayers the due date is April 30. Fiscal-year taxpayers must file either the final return or a tentative return on or before the last day of the fourth month after the close of the fiscal year. The amount of income tax liability estimated on a tentative return, less prior payments if any, must be paid at the time of filing.

When a tentative return is filed, a final return must be filed no later than six (6) months after the filing of the tentative return. Additional tax due, if any, must be paid with the final return.

Instructions for Page 1

Line 8. If you entered an amount on line 2 of page 1, use either of the methods explained in the instructions for line 28 of Schedule C to determine the taxable portion of the gain or loss for the taxable period. Do not include capital gains and losses on the sale or exchange of United States obligations since such gains and losses are excluded from taxation under the uniform city income tax ordinance.

Line 12. Enter on this line the net capital loss carryover and net operating loss carryover applicable to Portland. Do not use this line for a net operating loss carry back or capital loss carried back and applied to prior years, but may be carried forward to the same extent and on the same basis as under the Federal Internal Revenue Code.

Carryover losses are to be allocated to Portland at the percentage of business conducted in Portland in the year in which the loss was sustained. If all business was not conducted in Portland in the year in which the loss was sustained, use the business allocation percentage formula to arrive at the deductible portion of the loss. If you did not allocate the loss reported on prior years' returns and you did not conduct 100% of your business in Portland, attach a schedule showing your computation for the amount reported on this line.

Schedule C - Option

A corporation has the option of either entering on line 1a of page 1 the taxable income before net operating loss deductions and special deductions as shown on its U.S. Corporation Income Tax Return, Form 1120, or of starting with line 1b, and entering there the total from line 30 of Schedule C of this return.

If it starts with line 1a of page 1 it must attach a copy of its Federal Return.

Corporations reporting on the separate accounting method are required to complete Schedule C and report income on line 1b of page 1.

Schedule C – Instructions

Taxpayers electing to report under the separate accounting method (Sec. 19 of the Ordinance) rather than under the apportionment formula (Secs. 20-24) will enter only the amounts applicable to Portland business activity in Schedule C. To report under the separate accounting method the taxpayer must regularly keep its books and records in such a manner as to show with reasonable accuracy the portion of its net profits attributable to work done, services performed or rendered, and other business activities conducted within the city. Generally, a corporation that is unitary in nature i.e., has central management, purchasing, warehousing, advertising, etc., cannot use separate accounting.

Depreciation – Line 15. use the same basis and method as used for Federal income tax reporting.

Contributions- Line 16. Contributions are deductible to the same extent, and under the same limitations, as under the Federal Internal Revenue Code.

Dividends and Interest Lines 25 and 26. Taxpayers allocating on any basis other than separate accounting shall include all interest, dividends, and other non-operating income to arrive at the

total income subject to the allocation percentage. Taxpayers using separate accounting shall include in income subject to tax a proportionate share of dividends, interest, and other non-operating income of the total corporation, using a direct allocation if the income is received by the divisions subject to the Portland tax, or apportioning it on the same basis as general administrative and overhead costs are apportioned to Portland activity.

Income from rents and royalties- Line 27. Follow the same instructions here as for dividends and interest above.

Gain or loss from sale or exchange of property – Line 28. Enter on line 28 of Schedule C the total amount of gain or loss from sale or exchange of property for the same period as reported in this schedule. Only the amount of the gain or loss occurring from January 1, 1984 to date of disposition shall be recognized for purposes of the Portland income tax. Adjustment for this is to be made on page 1, however, rather than on Schedule C by removing the gain or loss on line 2 and inserting on line 8, only the portion of the gain or loss applicable to the holding period subsequent to January 1, 1984 to the date of disposition. Any net capital loss carryover included in line 2 of page 1 should be excluded before entry on line 8 of page 1. The portion of line 2 that represents net capital loss carryover is to be entered on line 12 of page 1 in accordance with the instructions for that line. The amount of gain or loss occurring after January 1, 1984 (to be entered on page 1, line 8) is to be determined by either (1) computing the difference between the January 1, 1984 fair market value (December 29, 1983 closing price for traded securities) or the cost if the date acquired was subsequent to January 1, 1984, 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 January 1, 1984 is to the total time the property was held.

Schedule D – Instructions

The business allocation percentage formula is to be used by corporations within business activity both inside and outside the City of Portland who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted within the City of Portland, or for other reasons, are not using the separate accounting method.

A corporation located in Portland without a regularly maintained and established out-of-city location SHOULD NOT use the business allocation formula. Sales, and shipments, to out-of-city destinations, when no out-of-city location is regularly maintained and established, does not entitle apportionment of a part of the net profit as being earned as result of work done, services rendered, or other business activity conducted outside the city.

Solicitation of orders by telephone or by catalogs or other mailed matter from a location within the City for shipment to an out-of-city destination does not constitute out-of-city activity. Also, the solicitation of orders by an out-of-city independent contractor does not constitute out-of-city activity for a local corporation.

Line 1. Enter in column I the average net book value of all real and tangible personal property owned by the business, regardless of location; and in column II show the net book value of the real and tangible personal property owned and located or used in the City of Portland. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year 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 year will also be permitted.

Line 1a. Enter in column I the gross annual rent multiplied by 8 for all rented real property regardless of location. In column II show the gross annual rent multiplied by 8 for rented real property located in the City of Portland, Gross annual rent refers to real property only, rented or leased during the taxable period and should include the actual sums of money or other consideration payable, directly or indirectly, by the taxpayer for the use of possession of such property.

Line 2. Enter in column I the total compensation paid to all employees during the year and in column II show the amount of compensation paid to employees for work or services performed within the City of Portland during the year.

Line 3. Enter in column I the total gross revenue from all sales or services rendered during the year and in column II show the amount of revenue derived from sales made or services rendered in the City of Portland during the year.

Schedule E- Instructions

Line 1. Use this line to adjust net profit for those items reflected in the taxable period which are attributable to any period prior to January 1, 1984.

Examples of items of this nature which are adjustments to prior periods would be assessments and interest based on deficiencies in sales and use taxes, federal excise tax, personal and real property taxes etc.

Line 6. The City of Portland Income Tax Ordinance provides for the specific exclusion from the tax of interest from obligations of the United States, the states of subordinate units of government of the state.

Line 8. Taxpayers may deduct income, war profits and excess profits taxes imposed by foreign countries or possessions of the United States, allocable to income included in taxable net income, any part of which would be allowable as a deduction in determining federal taxable income under the applicable provisions of the Federal Internal Revenue Code.

Computation and Payment of Tax

After computing your Portland Income Tax and deducting your credits, if there is any tax due it must be paid when filing this return. Make check or money order payable to **TREASURER-CITY OF PORTLAND** and mail with this return to **CITY OF PORTLAND, INCOME TAX DIVISION, 259 KENT ST., PORTLAND MICHIGAN 48875**. If your payments and credits exceed the tax, show the amount of such overpayment on line 17 and check the proper box on line 19 to indicate whether you wish the overpayment as a refund or as a credit on your estimated tax. 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. Tax due of less than one dollar (\$1.00) need not be paid.

Declaration and Payment of Estimated Tax

- WHO MUST FILE:** Every Corporation subject to the tax on all or part of its net profits must file a Declaration of Estimated Income Tax (Form P-1040-ES). A Declaration is not required from corporations if the estimated tax on Line 3 is TWO HUNDRED FIFTY DOLLARS (\$250.00) or less.
- WHEN AND WHERE TO FILE AND PAY:**
 - Declaration for Calendar Year.** The Declaration for a calendar year must be filed on or before April 30th, June 30th, September 30, and January 31st.
 - Declaration for Fiscal year.** The Declaration for a year, or period differing from the calendar year must be filed within four (4) months after the beginning of each fiscal year or period. For example, if your fiscal year begins on April 1st, your declaration will be due on July 31st. Remaining installments will then be due on the last day of the 6th, 9th and 13th months after the beginning of the fiscal year.
 - Filing and Payment.** The Declaration should be filed with the City of Portland, Income Tax Division, 259 Kent St., Portland MI 48875. The First installment payment must accompany the Declaration. However, the estimated tax may be paid in full with the declaration.