

GENERAL INSTRUCTIONS FOR ALL FILERS

This section contains general information regarding all returns. Specific instructions are attached for RESIDENT, NON-RESIDENT and PART-YEAR returns.

PLEASE INCLUDE W-2 FORM(S) WITH YOUR RETURN. The processing of your return may be delayed if the W-2 Forms are not attached.

WHO MUST FILE A RETURN

If you had Portland taxable income greater than the total of your personal and dependency exemptions, you must file a tax return — even if you did not file a federal tax return. See Exemptions Schedule for more information on your allowable exemptions. **You are required to file a tax return and pay tax even if your employer did not withhold Portland tax from your paycheck.** You will be required to make quarterly estimated income tax payments if you work for an employer not withholding Portland tax from your wages.

ESTIMATED TAX PAYMENTS

When your total income tax is greater than the amount of tax withheld plus other credits by \$100 or more, you may be required to make quarterly estimated tax payments. File Form P-1040ES (available on the Portland website) by April 30 of the tax year and pay at least one-fourth (¼) of the estimated tax. The remaining estimated tax is due in three equal payments on June 30 and September 30 of the tax year and January 31 of the following year. Adjust the remaining quarterly payments if your income increases or decreases during the year.

Failure to make required estimated tax payments or underpayment of estimated tax will result in assessment of penalty and interest.

If you have made estimated tax payments and do not owe additional tax for the year, you still must file a tax return.

DUE DATE AND EXTENSIONS

Returns are due on or before April 30th each year. If a due date falls on a weekend or holiday, the due date becomes the next business day. **2024 DUE DATE: APRIL 30th, 2025. RETURNS MUST BE POSTMARKED BY THIS DATE.**

The due date of the annual income tax return may be extended for a period not to exceed six months. To apply for an extension, file Form POR-4868, Application for Automatic Extension of Time to File an Individual Income Tax Return. Applying for a federal extension does not satisfy the requirement for filing a Portland extension. Application for an extension must be made and the tentative tax due must be paid (MCL 141.664). Filing an extension with payment is not a substitute for making estimated tax payments. **An extension does not extend the time for paying the tax due.**

When an extension form is filed and the balance due is paid, it may be assumed that the extension is automatically granted unless otherwise notified. Interest and penalty is charged on taxes paid late even if an extension of time to file is granted. Penalty may be waived by the Income Tax Administrator if the tax paid by the original due date is not understated by more than 5% of tax or the taxpayer is able to show that the failure to pay on time was due to reasonable cause.

CHARGES FOR LATE PAYMENTS

All taxes remaining unpaid after the due date are subject interest at the rate of 1% above the adjusted prime rate on an annual basis and to penalty at a rate of 1% per month, not to exceed a total penalty of 25% of the tax. The minimum charge for interest and penalty is \$2.00. **Charges begin to accrue on tax not paid by the due date even if the return is filed on time.**

AMENDED RETURNS

If you have already filed a return and need to make changes, you may file an amended return. If your federal return is adjusted and the change affects your Portland income, an amended return must be filed and paid within 90 days. You may use the P-1040X amended form available on our website. If you are writing corrections on a copy of the original tax return, please clearly write AMENDED at the top of the return. **Please be sure to provide an**

explanation for the amendment. This information can be provided on page 2 of the 1040X in Part III: Explanation of Changes or by attaching a separate sheet. Amended returns may be mailed to: City of Portland Income Tax Dept, 259 Kent St. Portland, MI 48875. If applicable, please attach a copy of the amended federal return or the IRS notice detailing why your federal return was adjusted.

DISCLAIMER

These instructions are interpretations of the Portland Income Tax Ordinance. The City of Portland Ordinance will prevail in any disagreement between these instructions and the Ordinance.

COMPLETING YOUR RETURN

NAME, ADDRESS, SOCIAL SECURITY NUMBER

- **Always write your Social Security number(s) on the return.** Your Social Security number must match the SSN on the W-2 Form(s) attached to your return.
- Enter your name and, if a joint return, your spouse's name.
- If the taxpayer or spouse is deceased: attach a copy of federal Form 1310 or a copy of the death certificate and mark (X) the box under the Social Security numbers indicating the taxpayer and/or spouse is deceased. Write "deceased" in the signature area on page 2 and enter the date of death in the box on the right side of the signature line.
- Enter your current home address on the present home address line. If using a PO Box for mailing purposes, enter the PO Box number on address line 2. If using an in care of address that is not your legal residence (domicile), you must report your residence (domicile) address in the Address Schedule on page 2.

RESIDENCY STATUS

Indicate your residency status by marking (X) the proper box at the top of page 1.

Resident – a person whose domicile (principle residence) was in the city limits of Portland all year. File as a resident if you were a resident the entire year.

Non-Resident – a person whose domicile (principle residence) was outside the city limits of Portland all year. File as a nonresident if you were a nonresident the entire year.

Part-Year Resident – a person who changed their domicile (primary residence) during the year from one inside Portland to one outside Portland or vice versa. If you were a resident for only part of 2024, use the Schedule TC form to calculate the tax and attach it to the POR-P-1040.

Check Residency. Portland Street Directory to check if an address is located in the city: <https://portland-michigan.org/DocumentCenter/View/71/City-Limits-Street-Guide-PDF>

Married with Different Residency Status. If you were married during the tax year and had a different residency status from that of your spouse, file separate returns or file a part-year resident return using the Schedule TC form to compute the tax.

FILING STATUS

Indicate filing status by marking (X) the proper box. If married filing separately, enter spouse's Social Security number in the spouse's SSN box and enter the spouse's full name in the filing status box.

INCOME EXEMPT FROM CITY TAX

Portland does not tax the following types of income:

1. Social Security, pensions and annuities (including disability pensions), Individual Retirement Account (IRA) distributions received after reaching age 59½.
2. Proceeds of insurance where the taxpayer paid policy premiums. (Payments from a health and accident policy paid by an employer are taxed the same as under the Internal Revenue Code).
3. Welfare relief, unemployment compensation and supplemental unemployment benefits.

4. Interest from obligations of the United States, the states or subordinate units of government of the states and gains or losses on the sales of obligations of the United States.
5. Military pay of members of the armed forces of the United States, including Reserve and National Guard pay.
6. Michigan Lottery prizes won on or before December 30, 1988. (Michigan lottery prizes won after December 30, 1988 are taxable to residents.)
7. City, state and federal refunds.

ITEMS NOT DEDUCTIBLE ON THE PORTLAND RETURN

Portland does **not** allow deductions for items such as taxes, interest, medical expenses, charitable contributions, casualty and theft losses, etc. In addition, the following federal adjustments are not deductible on the Portland return: student loan interest, Archer MSA deduction, self-employed health insurance deduction, one-half or self employment tax, and penalty for early withdrawal of savings. Portland allowable deductions can be found under the DEDUCTIONS SCHEDULE on page 2 of the tax form.

The **Standard Federal Deduction** is not applicable to Portland and cannot be subtracted from taxable income.

PAGE 1: All taxpayers should complete the **EXEMPTIONS SCHEDULE** at the top of the page. All taxpayers are to claim 1 exemption for self – even if claimed as a dependent on another person’s return. Dependents should be the same as reported on your federal tax return – if you cannot claim a dependent on the federal return, you cannot claim them on the Portland return.

INCOME: The tax form has 3 columns. **Column A** should have all income as reported on your federal tax return. **Column B** is where income NOT taxable to Portland will be reported, such as excludible non-resident wages (see non-resident instructions). **Column C** should contain only the income taxable to Portland.

Line 17 is where your total taxable income after subtracting applicable deductions and exemptions will be reported. This amount will be multiplied by either the resident rate (.015) or the non-resident rate (.0075) depending on your filing status on **Line 18**. If you were a part-year resident, the tax amount will be carried to Line 18 from the Sch TC (part-year resident schedule).

Line 19. On Line 19, you will report Portland tax withheld by your employer(s) in Box 19a – **ATTACH W-2 FORMS SHOWING THE PORTLAND TAX WITHHELD**. Estimated tax paid, tax paid with extension and credits from the previous tax year are reported in Box 19b. Corporate and partnership tax credits are also to be claimed in Box 19b. Credit for tax paid to another city is claimed in Box 19c – **ATTACH PAGE 1 OF THE OTHER CITY’S TAX FORM**. Failure to attach W-2 Forms and other city tax forms may result in a delay in processing your tax return.

Line 21 (TAX DUE). If Line 19d (or 20c) is LESS than Line 18b, you owe tax and will report the amount on Line 21. To pay with a check or money order, please make payable to CITY OF PORTLAND. Be sure your name and Social Security or account number is on the payment. You may also have the money directly withdrawn from your checking or savings account by filling out the bank account information at the bottom of the form. Additional options for payment are available on our website: grandrapidsmi.gov/Payments/Income-Tax-Payments. If you will be mailing a payment with a payment voucher separately from the tax return, do not provide your bank account on the tax return. **SEE MAILING ADDRESS AT THE BOTTOM OF PAGE.**

Line 22 (OVERPAYMENT). If Line 19d (or 20c) is MORE than Line 18b, you are due a refund and will report the amount on Line 22. If you would like the full amount to be refunded, put the amount on **Line 25**. Options for donating all or part of your refund are on **Line 23**. If you would like your refund to be issued as a direct deposit, please fill out the bank account information at the bottom of the form. Please allow 45 days before contacting our office to inquire about refund status. **SEE MAILING ADDRESS AT THE BOTTOM OF PAGE.**

Line 24. If you would like all or part of your refund to be credited to the next year, put the amount on Line 24.

PAGE 2. SCHEDULE A – OTHER INCOME. All items in Sch A are taxable to residents. Alimony, S-Corp and Gambling income is not taxable to non-residents. See specific non-resident instructions.

EXCLUDED WAGES AND TAX WITHHELD SCHEDULE (Attach W-2 Forms even if completing this schedule). All wages of RESIDENTS are taxable – even if earned outside of the Portland city limits. For NON-RESIDENTS, wages earned outside of the Portland city limits are not taxable, however **documentation from the employer will be required if Portland tax was withheld on the excluded wages**. Additional information can be found with the non-resident instructions.

DEDUCTIONS SCHEDULE. Deductions are allowed to the same extent as the federal return, however must be pro-rated if you were a non-resident or part-year resident. For example, if you contributed to an IRA as a non-resident but only 50% of your wages were taxable to Portland, only 50% of the IRA contribution can be claimed.

Allowable deductions include: **1. Contributions to an Individual Retirement Account (IRA).**

2. Self-Employed SEP, SIMPLE and Qualified Plans.

3. Employee Business Expenses. Employee business expenses are deductible only when incurred in the performance of service for an employer and only to the extent not reimbursed by the employer. Meal expenses are not subject to the reductions and limitations of the Internal Revenue Code. Under the Portland Income Tax Ordinance, meals must be incurred while away from home overnight on business.

BUSINESS EXPENSES ARE LIMITED TO THE FOLLOWING:

- A. Expenses of transportation, but not to and from work.
- B. Expenses of travel, meals and lodging while away from home overnight on business for an employer.
- C. Expenses incurred as an “outside salesperson” away from the employer’s place of business. This does not include driver-salesperson whose primary duty is service and delivery.
- D. Expenses reimbursed by employer from an expense account or other arrangement if included in gross earnings.

NOTE: Business expenses claimed on line 4 of federal Form 2106 are not allowed unless taxpayer qualifies as an outside salesperson.

Please attach federal Form 2106 to support the deduction claimed.

4. Moving Expenses. For tax years after 2017, only members of the military are eligible to claim moving expense. If applicable, attach federal Form 3903.

5. Alimony Paid (do not include child support). Attach the federal return showing the recipient’s Social Security number and amount paid.

ADDRESS SCHEDULE (Taxpayer, Spouse or Both). Please complete this section with all home addresses for the tax year.

THIRD PARTY DESIGNEE. If you would like to authorize another person to discuss the tax return, check the box for YES and provide their information. If you are a parent preparing the return for a dependent, this will need to be completed before information about the return can be shared.

SIGN AND DATE THE RETURN.

WHERE TO MAIL FORMS AND PAYMENTS

City of Portland
Attn: Income Tax Department
259 Kent St.
Portland, MI 48875