

CITY OF PORTLAND INCOME TAX
FIDUCIARY RETURN

Other taxable period beginning _____, 20..... Ending _____, 20.....

Table with 3 columns: PLEASE PRINT OR TYPE, NAME OF ESTATE OR TRUST, EMPLOYER IDENTIFICATION NUMBER OF ESTATE OR TRUST. Row 2: NAME, ADDRESS AND TITLE OF FIDUCIARY, FOR AUDIT USE

INCOME

Net profit (or loss) from business located in Portland:

Table with 2 columns: Description, Amount. Lines 1-10: Total net profits, Add City of Portland income tax, Total allocable income, Allocation percentage, Allocated income, Net income from rental property, Net Income from sale or exchange, Other Portland income, Total Portland income, Less amount of Portland income on line 9 applicable to beneficiaries.

Resident beneficiaries share of distributable net income received by the estate or trust X Amount on Line 9 less any portion of Line 9 not included in distributable net income = Amount to enter on Line 10

Table with 2 columns: Description, Amount. Lines 11-12: Amount subject to tax, TAX (Line 11 multiplied by 1/2%)

MAKE CHECK PAYABLE TO TREASURER, CITY OF PORTLAND - MAIL TO INCOME TAX DIVISION, CITY HALL, PORTLAND MI 48875

SCHEDULE A - BUSINESS ALLOCATION FORMULA

Table with 4 columns: Description, I LOCATED EVERYWHERE, II LOCATED IN PORTLAND, III PERCENTAGE II / I. Lines 1-5: Average net book value of real and tangible property, Total wages, salaries and other compensation, Gross receipts from sales, Total percentages, Average percentage.

In the case of a taxpayer authorized by the Administrator to use one of the special formulas, use lines provided below: a. Numerator, c. Percentage (a / b), b. Denominator, d. Date of Administrator's approval letter

I declare I have examined this return (including all schedules and accompanying statements) and to the best of my knowledge and belief, it is true, correct and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

SIGN HERE (SIGNATURE OF FIDUCIARY OR OFFICER REPRESENTING FIDUCIARY) (DATE) (SIGNATURE OF PREPARER OTHER THAN FIDUCIARY) (ADDRESS) (DATE)

RESIDENT BENEFICIARIES

1. Name of each resident beneficiary	2. Address	3. Social Security Number
a.		
b.		
c.		
d.		

SCHEDULE B - RESIDENT BENEFICIARIES' SHARES OF EXCLUSIONS

4. Exclusion for Dividends from National and State Bank Stock	5. Exclusion for Capital Gains and losses for period prior to January 1, 1984	6. Exclusion for Interest from Government obligations
a.		
b.		
c.		
d.		
Totals		

CONTINUATION OF SCHEDULE B

7. Exclusion for Rentals	8. Exclusion of Business Income	9. Total Miscellaneous Estate and Trust Income Exclusion (Add Cols. 6, 7, and 8)
a.		
b.		
c.		
d.		
Totals		

NOTE: Fiduciary shall report amounts in Columns 4, 5, and 9 to each resident beneficiary

INSTRUCTIONS FOR FORM P-1041 - FIDUCIARY RETURN

GENERAL

Every trust and estate, which had gross income from sources listed under "Taxable Income," must make and file a form P-1041, City of Portland Income Tax Fiduciary Return, whether a tax is due or not. For the purposes of this tax, an estate or trust shall be treated as a non-resident individual and a tax rate of one-half of one percent shall apply on the earnings listed under "Taxable Income".

"Income from estates" means "Income" as defined in Sec. 643 (b) of the Federal Internal Revenue Code, properly paid, credited or distributed but not in excess of the resident individual's share of the distributable net income of the estate, decreased by the amount of depreciation or depletion allowed the resident individual as a deduction under Sec. 642 of the Federal Internal Revenue Code. The exceptions hereinafter set forth with respect to trusts are also applicable to income from estates. "Income from trusts" means the amount of "Income" as defined in Sec. 643 (b) of the Federal Internal Revenue Code, distributed under Sec. 652 (a) or 662 (a) (1) of the Federal Internal Revenue Code, decreased by the amount of depreciation or depletion allowed the resident individual as a deduction by Sec 642 of the Federal Internal Revenue Code.

TAXABLE INCOME

The only types of income taxable to an estate or trust are the following:

- (1) That portion of the net profits from the operation of a business or enterprise operated by the estate or trust that is attributable to business activity conducted Portland whether or not such business or enterprise is located in Portland. For example, a business located out of Portland that conducts business in Portland would be taxable on the portion of its net profits properly allocable to such Portland business activities.
- (2) Net Profits from rentals from real and tangible personal property located in Portland.
- (3) Net profits on the sale or exchange of real and tangible personal property located in Portland.
- (4) Income from partnerships.

Other income, such as dividends and interest, are not taxable to trusts and estates. However, resident beneficiaries must report their distributive shares on Form P-1040.

INSTRUCTIONS FOR FILING IN PAGE ONE OF FORM P-1041

Line 1 - The total net profit (or loss) is to be computed from page 1 of the Federal Income Tax Form 1041 by using those lines applicable to any business operation.

Line 4 and 5 - Before completing these lines, fill out schedule A - Business Allocation Formula.

Line 10 - Portland resident beneficiaries will report their portion of distributable net income on their individual returns and should receive this information from the Fiduciary. Therefore, this line, which is the resident's share of the Portland income, should be subtracted from line 9 to arrive at the amount of Portland income taxable to the trust or estate.

INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA- SCHEDULE A

The Business Allocation Percentage Formula is to be used by estates or trusts with business activity both within and without 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.

Line 1 - Enter in column 1 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 located 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 January 1, of a taxable year and the net book values at the end of the year and dividing the sum thus obtained by 2. Any other method which will accurately reflect the average net book value for taxable year will also be permitted.

Line 1a - Enter in column 1 the gross rentals for taxable year multiplied by 8 for all rented property regardless of location. In column II show the gross rentals for taxable year multiplied by 8 for all rented property located in the City of Portland. Gross rentals refer only to real property, rented or leased 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 real property for the year.

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

Line 3 - Enter in column 1 the total gross receipts from all sales or services rendered during taxable year and in column II show the amount of receipts derived from sales made or services rendered in the City of Portland during taxable year.

RESIDENT BENEFICIARIES' SHARES OF INCOME AND CREDITS - SCHEDULE B

The information for this schedule is to be taken from the comparable columns of Schedule C Form 1041 U.S. Fiduciary Income Tax Refund. However, only that information which applies to residents of the City of Portland is to be shown herein. Fiduciaries shall report amounts in columns 4, 5, and 9 to each resident beneficiary who will show these amounts as exclusions on the individual return P-1040.

TAX DUE OR REFUND

After computing your Portland Income Tax, if the tax due is one dollar (\$1.00) or more 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 Income Tax Division, City Hall, Portland, Michigan, 48875. Tax due of less than a dollar (\$1.00) need not to be paid.

ASSISTANCE

If you have any questions not answered in these instructions, or if you need assistance in preparing your return, call (517) 647-2941 or visit the Income Tax Division City Hall.