



CITY OF PORTLAND
259 KENT STREET
PORTLAND MI 48875

CITY OF PORTLAND

2022

RESIDENT & NONRESIDENT INCOME TAX FORMS AND INSTRUCTIONS FORM P-1040 -INDIVIDUAL RETURN

- FILING DATE:** Your return must be filed by May 1, 2023
- REMITTANCE:** Make check or money order payable to:
CITY OF PORTLAND
- MAILING:** CITY OF PORTLAND
INCOME TAX DEPARTMENT
259 KENT STREET
PORTLAND MI 48875
- BUSINESS HOURS:** MONDAY THROUGH FRIDAY
8:00 AM TO 4:30 PM
- TELEPHONE NUMBER:** (517) 647-2941
- WEBSITE ADDRESS:** www.portland-michigan.org

WHO MUST FILE A RETURN?

Anyone who worked or lived in The City of Portland at any time during 2022 and had taxable income

Individuals filing a resident return must include a copy of Page 1 and Page 2 of Federal Form 1040 along with all form W-2's. This information is needed to verify *allowable* deductions (if any) from gross income in order to properly administer the Portland Income Tax Ordinance.

2022 FILING INSTRUCTIONS FOR FORM P-1040

NEW FOR 2022

There are no significant changes to the 2022 income tax forms.

WHO MUST FILE A RETURN

Every resident or part-year resident of Portland who has taxable income in a tax year must file a return.

Every nonresident who has taxable income derived from working or from sources inside the city limits must file a return.

Every taxpayer filing a resident Portland income tax return must attach a copy of page 1 and page 2 of Federal 1040 to their Portland return.

This information is needed to verify allowable deductions (if any) from gross income in order to properly administer the Portland Income Tax Ordinance.

MARRIED PERSONS-JOINT/SEPARATE RETURNS

Married persons may file either a joint return or separate returns. If a joint return is filed, both names and both social security numbers must be listed, all taxable income of both husband and wife must be included, and the return must be signed by both individuals.

TAXABLE INCOME OF RESIDENTS:

Portland residents are required to report the following kinds of income regardless of where earned. These kinds of income are taxable by the City of Portland to the extent and on the same basis as income subject to taxation by the Federal Government unless otherwise noted.

- 1 . WAGES, SALARIES, BONUSES, COMMISSIONS, FEES, TIPS, GRATUITIES, VACATION PAY, SICK PAY, DISABILITY PAY, AND SEVERANCE PAY.
- 2 . INTEREST: earned from bank accounts, credit unions, savings and loan association, land contracts, notes and bonds.
- 3 . DIVIDENDS: Including distributions from Sub Chapter S Corporations, taxed as dividends by the Federal Government.
- 4 . NET PROFITS: from self-employment, an unincorporated business or profession. (Attach a copy of Federal Schedule C page one and two.)
- 5 . SALES AND EXCHANGES OF PROPERTY (CAPITAL GAINS AND LOSSES). Attach a copy of the Federal Schedule D and form 4797 or 8949. Enter the net income (or loss) from sales and exchanges of property per your Federal tax return. NOTE: The only exception is the sale of property purchased prior to January 1, 1984. Gains or losses on property purchased prior to January 1, 1984 must be determined by one of the following methods:
 - a . The basis may be the adjusted fair market value of the property on January 1, 1984 or;
 - b . Divide the number of months the property has been held since January 1, 1984 by the total number of months the property was held. Apply this fraction to the total gain or loss as reported on your Federal tax return.
- 6 . INCOME FROM: Rents, Royalties, Patents and Copyrights. (Attach Federal Schedule E).
- 7 . PARTNERSHIPS: All partnerships located inside the City of Portland must file an Annual Informational City of Portland P-1065 Partnership Return. (Attach Federal Schedule E and all supporting schedules.) In addition, each individual of the partnership is required to report as income on their City of Portland P-1040 Individual Return their distributive share of the Net Profits. If you are a Portland resident and had income from a partnership located outside of the City of Portland, you must attach a copy of your Federal Schedule K-1.
- 8 . INCOME FROM: Estates and Trusts. (Attach Federal Schedule E)
- 9 . PREMATURE DISTRIBUTIONS FROM: IRA's, Employee Savings Plan, Stock Purchases, Profit Sharing Plans, and Deferred Compensation.
- 10 . SUB CHAPTER S CORPORATION DISTRIBUTIONS: Sub Chapter S Corporations are taxable under the City of Portland Income Tax Ordinance and are required to file a City of Portland P-1120 Corporate Return.

Enter on line 10, cash or property distributions from S Corporations from page two of the Federal Schedule K-1. The Portland City Income Tax Ordinance does not recognize Subchapter S status. Distributions from an S corporation are taxable as if paid by a regular corporation as dividends.

If you are a shareholder in a corporation that has elected to file under Subchapter S of the Internal Revenue Code, you are not required to report any distributed income from the Federal schedule K-1 page one, nor may you deduct your share of any loss or other deductions distributed by the corporation.

Attach copies of pages one and two of Federal Schedule K-1 for all S Corporations listed on page two of your Federal Schedule E regardless of whether or not the S Corporation made distributions.
- 11 . Unemployment Compensation is not taxable to the City of Portland.
- 12 . Social Security Benefits are not taxable to the City of Portland.
- 13 . ALL OTHER INCOME: subject to tax by the Federal Government that is not specifically excluded under the City of Portland Income Tax Ordinance. Includes: Gambling and Lottery Winnings, Alimony Received under a divorce or separation agreement executed before December 31, 2018 (unless modified later to exclude).

RESIDENCY:

Resident: A person who has established a true, fixed home for an extended or permanent period of time in the City of Portland.

Non resident: A person who lived outside the city but who earned taxable income in Portland in 2022.

Part-Year Resident: If you were both a RESIDENT AND NON RESIDENT in 2022 Enter the period you were a resident during the year. Subtract your nonresident earnings from your total income.

Part-Year Resident who worked in Portland as both a resident and a non resident: Complete and attach schedule P-PY to the individual return.

TAXABLE INCOME OF A NONRESIDENT

Nonresidents are required to report income earned within, derived from or attributable to the City of Portland sources.

- 1 . COMPENSATION: received for all work or services performed in the City of Portland.
- 2 . NET PROFITS: from the operation of a business or profession attributable to any business activity conducted in the City of Portland.
- 3 . NET PROFITS: from the rental of real and tangible property located in the City of Portland.
- 4 . CAPITAL GAINS: from the sale or exchange of real and tangible property located in the City of Portland.
- 5 . Premature distributions from a retirement or deferred compensation plan are taxable.

NONTAXABLE INCOME

RESIDENTS AND NONRESIDENTS:

The following kinds of income are NONTAXABLE for both RESIDENTS and NONRESIDENTS by the City of Portland.

- . GIFTS, INHERITANCES AND BEQUESTS.
- . SOCIAL SECURITY, QUALIFIED PENSIONS AND ANNUITIES. (INCLUDING DISABILITY PENSIONS AND RAILROAD RETIREMENT ACT BENEFITS.)
- . UNEMPLOYMENT COMPENSATION, WORKER'S COMPENSATION, AND WELFARE BENEFITS.
- . CHILD SUPPORT
- . INSURANCE PAYMENTS: (Except those payments from a Health or Accident Policy paid for by your employer; these payments are taxable the same as other sick or disability pay).
- . DIVIDENDS: received from an insurance policy, when these are a refund of premiums paid. (Any excess amount paid to you above the premiums you paid is taxable.)
- . INTEREST: from obligations of the United States, States, Cities or any other subordinate governmental unit of the United States.
- . COMPENSATION: received for service in the Armed Forces of the United States, including Active Duty, Reserve and National Guard pay.

NONRESIDENTS ONLY:

The following are NOT TAXABLE to NONRESIDENTS only.

- . INTEREST, DIVIDENDS AND ROYALTY INCOME.
Exception: when the receipt of interest and other tangible income is part of a business located in the City of Portland, such interest etc. shall be considered business income taxable to NONRESIDENTS and reported on Federal Schedule C.
- . INCOME FROM AN ESTATE OR TRUST.
- . ALIMONY AND SEPARATE MAINTENANCE PAYMENTS.

DEDUCTIONS FROM INCOME

- . Ordinary, necessary, reasonable and UNREIMBURSED expenses incurred in the performance of an employee's job to the extent these expenses are applicable to your taxable income. (Attach a detailed list) These expenses are only allowed to the extent NOT REIMBURSED by your employer and are limited to the following:
 - A . Expenses of travel, meals and lodging while away from home.
 - B . Expenses of an outside salesman, while away from employer's place of business.
 - C . Expenses of transportation.
 - D . Reimbursed expenses which have been included in W-2 income.

- 1 . A self-employed individual may deduct payments to a qualified retirement plan to the extent provided in Section 404 of the Federal Internal Revenue Code.
- 2 . Contributions to your Individual Retirement Account, to the extent provided in Section 219 of the Federal Internal Revenue Code. Attach page 1 of your Federal return and receipt showing the owner of the IRA and amount contributed during the year.
- 3 . Moving expenses into the City of Portland only. (Attach Federal Form 3903.) Only for certain Armed Forces members. See the federal instructions to see if you qualify.
- 4 . Payments of alimony, separate maintenance payments and principle sums payable in installments. (You can't deduct these payments made under a divorce or separation agreement (1) executed after December 31, 2018, or (2) executed before 2019 but later modified to state the repeal of the deduction for alimony payments. Only the amount that is considered taxable income for the spouse under the Federal Internal Revenue Code is deductible. NAME, ADDRESS and SOCIAL SECURITY NUMBER of the spouse to which payments were made must be attached).

NONRESIDENTS

The same percentages that applied when calculating your City of Portland taxable income must be applied to all deductions from your taxable income.

PART-YEAR RESIDENTS

Part-Year Residents must allocate deductions the same way they allocate income.

EXEMPTIONS

- 1 . A taxpayer may deduct \$1,000.00 per exemption for 2022.
- 2 . One exemption may be claimed for yourself, your spouse and each dependent*. The City of Portland follows the same rules established by the Federal Internal Revenue Code when determining personal and dependency exemptions.
- 3 . An additional exemption(s) may be claimed if the taxpayer qualifies under any of the following categories. Only ONE EXEMPTION is allowed per category except as noted. (A doctor's statement must be attached to your P-1040 return when claiming any of these disabilities.)

CATEGORY I: Age 65 and older by December 31, 2022, or disabled.

Note: If you claim this exemption, you may not claim an additional exemption for totally and permanently disabled. However, if you are Blind, Deaf, Hemiplegic, Paraplegic or Quadriplegic you may claim an additional exemption.

CATEGORY II: Blind, Hemiplegic, Paraplegic, Quadriplegic.

CATEGORY III: DEAF as defined in Section 393.502 of the Michigan Compiled Laws.

- 4 . If you are claiming a child who is not living with you as an exemption, you must submit a copy of Federal Form 8332 or Pre-1985 divorce agreement allowing the exemption.

*Please Note...

If an individual has taxable income and is claimed as a dependent on another person's Federal income tax return, they may claim a personal exemption on their own Portland tax return, also.

INSTRUCTIONS FOR COMPLETING YOUR CITY OF PORTLAND P-1040 RETURN

Please print or type all requested information. Refer to pages 2-5, of this booklet for General Information that will assist in completing this form.

Print clearly your NAME(s), complete ADDRESS (if using a P.O. Box number you must also list your physical address), and SOCIAL SECURITY NUMBER(s).

Check appropriate box to indicate your Residency Status. If part-year, complete and attach to the tax return 'Schedule PY'.

Check appropriate box to indicate your FILING STATUS. (If married filing separately, list spouse's full name and social security number.)

Exemptions: Please list the names of dependant children who lived with you. For other dependents please attach an explanation.

**NON RESIDENT WAGE AND OR BUSINESS ALLOCATION:
- See page 10.**

LINE BY LINE INSTRUCTIONS

INCOME

LINE 1 - WAGES, SALARIES, TIPS, ETC.

Attach page 1 and page 2 of Federal 1040 and all W-2 & 1099 forms.

LINE 2 - INTEREST

Enter interest from your federal return minus interest from obligations of the United States and subordinate units of government. Interest received while a resident of Portland is taxable regardless of where earned.

LINE 3 - DIVIDENDS

Enter dividends from your federal return minus dividends from obligations of the United States and subordinate units of government. Interest received while a resident of Portland are taxable regardless of where earned.

LINE 4 - INCOME/LOSS FROM BUSINESS, ETC.

Income from a business or partnership. Attach a copy of the Federal Schedule C.

LINE 5 - CAPITAL GAINS OR LOSSES

Capital gain or loss reported on the federal return. Attach the Federal Schedule D/ form 8949

LINE 6 - RENTS/ROYALTIES

Rental real estate or royalties reported on the federal return. Attach Federal Schedule E, page 1

LINE 7 - PARTNERSHIPS

Partnership income reported on the federal return. Attach Federal Schedule E, page 2.

LINE 8 - ESTATES AND TRUSTS

Estate or trust income. Attach Federal Schedule E, page 2.

LINE 9 - PREMATURE DISTRIBUTIONS FROM PROFIT SHARING PLANS, PREMATURE IRA DISTRIBUTIONS

IRA distributions received after age 59 1/2 are not taxable. Premature IRA distributions (those reported on Form 1099-R, box 7 distribution code 1) and IRA distributions made to a decedent's beneficiary other than the decedent's spouse (form 1099-R, box 7, distribution code 4) are taxable. Enter on this line all early pension and profit sharing withdrawals and/or distributions subject to the 10% federal penalty. Also report premature IRA distributions subject to the 10% federal penalty.

LINE 10 - S CORPORATION DISTRIBUTIONS

S Corporation distributions only. S-Corporation income (loss) is not taxable. Attach Federal Schedule K-1

Line 11 - UNEMPLOYMENT COMPENSATION

Nontaxable on the City of Portland tax return.

LINE 12 -SOCIAL SECURITY BENEFITS

Nontaxable on the City of Portland tax return.

LINE 13 - OTHER INCOME

This line is used to report other income including gambling and lottery winnings, and any other income or loss reported on their federal return.

Attach a statement listing the type of income as well as the amount.

LINE 14 - TOTAL INCOME

Total Income: Add lines 1 through 13.

DEDUCTIONS

LINE 15 - IRA DEDUCTION

IRA contributions based upon the amount allowed on the federal return. Include Schedule 1 of Federal form 1040.

LINE 16 -EMPLOYEE BUSINESS EXPENSES

The employee business expenses listed below are not subject to the same reductions and limitations required under the Internal Revenue Code. These expenses are, however, allowed only to the extent not paid or reimbursed by your employer and only when incurred in the performance of service for your employer.

The employee business expense deductions allowed by the City of Portland Income Tax Ordinance are as follows:

Under the Portland Income Tax Ordinance meals must be incurred while away from home overnight on business to be deductible.

A. Expenses of travel, meals and lodging while away from home, overnight on business for an employer.

B. Expenses as an outside salesperson who works away from his employer's place of business (does not include driver/salesperson whose primary duty is service and delivery.)

C. Expenses of transportation (but not transportation to and from work.)

D. Expenses reimbursed under an expense account or other arrangement with your employer, if the reimbursement has been included in and reported in gross income.

LINE 17 - MOVING EXPENSES

Moving expenses for certain Armed Forces members only into the City of Portland that qualify under the Internal Revenue Code as a deduction from federal gross income may be deducted on your Portland return. You must attach a copy of Federal Form 3903 or a list of your moving expenses, including the distance in miles from where you moved.

LINE 18 - NON-RESIDENT INCOME

Income that is earned outside the City of Portland by a nonresident. This line is used for part-year residents that did not work in the City of Portland in 2022.

LINE 19 - OTHER DEDUCTIONS

Other, explain and attach support.

LINE 20 - TOTAL DEDUCTIONS

Total deductions: Add lines 15 through 19.

LINE 21 - TOTAL INCOME AFTER DEDUCTIONS

Total income after deductions: Subtract line 20 from line 14.

LINE 22 - AMOUNT OF EXEMPTIONS

Amount of exemptions: Number of exemptions x \$1,000.00.

LINE 23

Income subject to tax: Subtract line 22 from line 21.

LINE 24-TOTAL TAX

Total Tax: Multiply line 23 by 1% (.01) if a resident, .5% (.005) if a non resident. Attach Portland Schedule PY-if you worked in Portland as a resident and a nonresident.

PAYMENTS/CREDITS

LINE 25 - PORTLAND TAX WITHHELD

On line 25 enter the amount of Portland Tax withheld as shown on your 2022 W-2. The City copy of your 2022 W-2(s) clearly showing the locality as Portland and the amount of tax withheld in box 19 must be submitted with your return before credit can be allowed for Portland tax withheld.

LINE 26 - PAYMENTS/CREDITS

Enter any estimated payments made in 2022, payments with extension, and any credits carried forward from 2021.

LINE 27- TAX PAID TO OTHER CITY

A Portland resident subject to city income tax in another city may claim a credit for the net amount paid to the other city on income that is taxable by both cities. Do NOT report the amount withheld for the other city. This credit may not exceed the tax that a nonresident of Portland would pay on the same income earned in Portland. Use the worksheet located on page 10 to calculate this credit.

You must attach a copy of the city income tax return you filed with the other city to receive this credit.

LINE 28 - TOTAL PAYMENTS AND CREDITS

Total payments and credits: Add lines 25-27.

LINE 29- TAX DUE

Total Tax Due: Subtract line 28 from line 24. This is your tax due to pay with your return.

Line 30-CREDIT CARRIED FORWARD

Total Tax Credited: Subtract line 24 from line 28. This is your credit carried forward to 2023.

Line 31 -CREDIT REFUNDED VIA CHECK

Tax To Be Refunded: Subtract line 24 from line 28. This is your refund amount.

Line 32 - CREDIT REFUNDED VIA DIRECT DEPOSIT

Tax To Be Refunded: Subtract line 24 from line 28. This is your refund amount that will be deposited to your account.

DECEASED TAXPAYER:

A return for a person who died during 2022 should be filed on the same basis as if the person was still living. Please attach a copy of the death certificate. If a refund is due and the check is to be made payable to persons other than the surviving spouse, a letter of explanation should be attached.

Summary of Required Attachments

All W-2 forms - **Please note** - W-2's must have box 1, 18, 19 & 20 Completed. Page 1 and 2 of Federal 1040. RESIDENTS ONLY Resident filers taking a credit for TAX LIABILITY PAID TO ANOTHER CITY: Attach a copy of page one of the other city return.

Worksheet available on page 10. NONRESIDENTS: ATTACH FORMS W-2 SHOWING PORTLAND WITHHOLDING

If Applicable:

Federal Schedules: Schedule I, Schedule C, Schedule D, Schedule E, including Federal Schedule K-1 for all S corporations shown on Sch.E Federal Forms: 8949, 4797, 6252,

Copies of all forms 1099-R for taxpayers under age 65 Attach additional form(s)/worksheet(s) you feel will help explain and expedite the processing of your return.

Note: Overpayments of less than one dollar (\$1.00) cannot be refunded or credited.

ESTIMATED TAX PAYMENTS FOR 2023

Estimated tax payments are REQUIRED if in 2023 you will have more than \$100.00 due after credits. A Declaration of Estimated Income Tax MUST be filed by May 1, 2023, and one-fourth (1/4) of the estimated tax due for 2023 must be paid with the declaration. The three remaining estimated tax payments are due at the end of June, September, and January.

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

If at any time during the year your income increases to such a level that one hundred dollars or more of tax will be due, a Declarations of Estimated Tax must be filed at that time.

The Declaration of Estimated Tax is available from the Portland Income Tax Department or the City's website.

EXTENSION OF TIME TO FILE

The due date of Portland annual returns may be extended for a period not to exceed six months. Send a copy of your federal extension along with tentative tax due, by May 1, 2023. Extensions do not extend the time to pay the tax due.

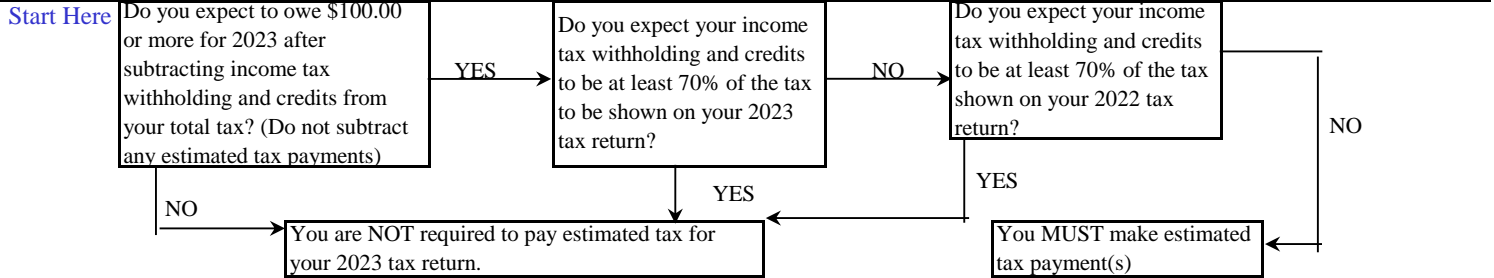
SIGNING THE RETURN

You must sign and date your return and the return must be received by the Portland Income Tax Department for it to be a valid return. If the return is filed jointly with your spouse, both you and your spouse must sign and date the return.

DISCLAIMER NOTICE

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

YOU MAY BE REQUIRED TO PAY ESTIMATED TAX



WHO MUST MAKE A DECLARATION:

- 1 . INDIVIDUALS AND UNINCORPORATED BUSINESSES - If you are a resident or nonresident and expect taxable income in 2023 from which City of Portland income tax will not be withheld by an employer; you must file a DECLARATION OF ESTIMATED INCOME TAX with the City of Portland. (If the estimated tax is \$100.00 or less, a declaration is not required.) A husband and wife may file a joint declaration.
- 2 . FILING and PAYMENT: The declaration vouchers, City of Portland Form P-1040 EST. The estimated tax may be paid in full with the first declaration voucher or in four equal installments paid quarterly. The due dates as indicated on each declaration voucher are: First Quarter - May 1, 2023, Second Quarter - June 30, 2023, Third Quarter - October 2, 2023 and Fourth Quarter - January 31, 2024. Vouchers can be found on page 12 of this booklet or can be printed from our website.



P-1040

CITY OF PORTLAND INDIVIDUAL RETURN

For year January 1-December 31, 2022

2022

Header section containing personal information: Your Social Security Number, Spouse's Social Security Number, RESIDENCY STATUS, FILING STATUS, EXEMPTIONS, Mailing Address, City/Town, State, Zip Code, and TOTAL NUMBER OF EXEMPTIONS CLAIMED.

Main tax calculation table with columns for line numbers, descriptions, and amounts. Includes sections for RESIDENTS INCOME, DEDUCTIONS, PAYMENTS AND CREDITS, TAX DUE, CREDIT TO 2022, REFUND CHECK, and DIRECT DEPOSIT.

PLEASE SIGN YOUR RETURN BELOW

If joint return, both husband and wife must sign. 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.

Signature section with fields for TAXPAYER'S SIGNATURE, DATE, SPOUSE'S SIGNATURE, PHONE #, PREPARER'S ADDRESS, and PREPARER'S PHONE NUMBER.

MAKE CHECK OR MONEY ORDER PAYABLE TO: CITY OF PORTLAND MAIL TO: CITY INCOME TAX DEPARTMENT, 259 KENT ST. PORTLAND, MI 48875



P-1040

CITY OF PORTLAND INDIVIDUAL RETURN

For year January 1-December 31, 2022

2022

Header section containing personal information: Your Social Security Number, Spouse's Social Security Number, RESIDENCY STATUS, FILING STATUS, EXEMPTIONS, Mailing Address, City / Town, State, Zip Code.

Main tax calculation section: RESIDENTS INCOME (lines 1-14), DEDUCTIONS (lines 15-22), PAYMENTS AND CREDITS (lines 25-28), TAX DUE (line 29), CREDIT TO 2022 (line 30), REFUND CHECK (line 31), DIRECT DEPOSIT (line 32).

PLEASE SIGN YOUR RETURN BELOW

If joint return, both husband and wife must sign. 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.

Signature section: SIGN HERE, TAXPAYER'S SIGNATURE, DATE, SPOUSE'S SIGNATURE, PREPARER'S ADDRESS, PREPARER'S PHONE NUMBER.

MAKE CHECK OR MONEY ORDER PAYABLE TO: CITY OF PORTLAND MAIL TO: CITY INCOME TAX DEPARTMENT, 259 KENT ST. PORTLAND, MI 48875



PART-YEAR RESIDENT TAX CALCULATION

ATTACH THIS SCHEDULE TO YOUR P-1040 FORM

Taxpayer's social security # Spouse's social security #

First Name and Initial Last Name

Table with columns: PART-YEAR RESIDENT, From, To. Rows for Taxpayer and Spouse, and FORMER ADDRESS for Taxpayer and Spouse.

COMPUTATION OF TAXABLE INCOME

Main table for income calculation with columns: INCOME, PORTLAND INCOME TAX WITHHELD, COLUMN 1 ALL INCOME EARNED WHILE A RESIDENT OF PORTLAND, COLUMN 2 PORTLAND INCOME WHILE A NONRESIDENT. Includes rows for Employer's Name, Interest Income, Dividend income, Business income, etc.

INSTRUCTIONS FOR COMPLETING THE P-PY

GENERAL INFORMATION

The purpose of Schedule PY is to help the part-year resident who earned income both as a Portland resident and as a nonresident working in Portland. Certain kinds of income are taxed differently to residents of Portland and nonresidents working inside Portland.

Schedule PY must be filed with a Portland Resident Individual Tax Return (P-1040). Instructions for the resident individual return apply to income earned while a resident. Instructions for the Nonresident apply to income earned in Portland while a nonresident.

COMPUTATION OF TAXABLE INCOME

Lines 1-16 of schedule PY describe the kinds of income subject to tax. Column 1 is for income earned while a resident of Portland. Column 2 is for income earned while a non resident.

The following instructions for specific kinds of income must be used together with the instructions for the P-1040.

LINES 1-6 WAGES, SALARIES, COMMISSIONS, TIPS, SICK PAY, ETC.

All wages earned while a resident must be reported in column 1 regardless of where earned. To determine resident wages use a check stub close to the date of move as a guide. Nonresident wages for an employer equal box #1 of the W-2 form (total wages) less resident wages reported in column 1. Taxable nonresident wages earned in Portland are calculated for each employer as follows:

1. Compute the number of actual days worked in Portland as a nonresident for the employer.
2. Compute the total number of days worked while a nonresident for the employer.
3. Divide the days worked in Portland by the total days worked as a nonresident to compute the percentage of nonresident wages earned in Portland.
4. Multiply the wages as a nonresident by the percentage earned in Portland (number 3 above) to calculate nonresident wages earned in Portland.
5. Enter the nonresident wages earned in Portland in column 2 for each employer.

LINE 7- INTEREST INCOME

Interest received while a resident (minus interest from government obligations) is taxable and must be entered in column 1. Interest received while a nonresident is not taxable.

LINE 8 - DIVIDEND INCOME

Dividends received while a resident (minus interest from government obligations) are taxable and must be entered in column 1. Dividends received while a nonresident are not taxable.

LINE 9a -BUSINESS INCOME/LOSS

Business, professional, and farm income earned while a resident of Portland is taxable, regardless of where the business or profession is conducted. Nonresident business, profession and farm income earned in Portland is taxable.

The KEOGH, SEP, or SIMPLE retirement deduction is subtracted from business, professional, and farm income prior to the income being entered on line 9a. This deduction must be allocated between resident and nonresident status in the same manner as income. Attach supporting schedules detailing computation of this deduction.

SALES OR EXCHANGES WHILE A RESIDENT

All gains or losses from the sale of both tangible and intangible property are taxable to residents regardless of where the property is located. The Portland Income Tax Ordinance follows the Internal Revenue Code except for gains on the sales of obligations of the United States (and subordinate units of government) and gains from the sales or exchanges of property purchased prior to January 1, 1984.

SALES OR EXCHANGES WHILE A NONRESIDENT

Only that portion of a gain or loss from the sale of tangible real and personal property located in Portland occurring after January 1, 1984, is taxable to a nonresident. The gain or loss from the sale of intangible property is not taxable to a nonresident.

LINE 9c- INCOME (OR LOSS) FROM RENTAL REAL ESTATE, ROYALTIES, PARTNERSHIPS, TRUSTS, ETC.

RENTAL AND ROYALTY INCOME

Rental and royalty income earned while a resident must be reported regardless of the location of the property. Nonresidents must report only that portion of rental income derived from the rental of real and tangible personal property located in Portland.

PARTNERSHIP, ESTATE AND TRUST INCOME (OR LOSS)

Partnership, trust and other similar income of a resident must be reported regardless of where located. Attach a copy of federal Schedule K-1. A nonresident must report only that portion of partnership income (or loss) allocated to Portland on the partnership's Portland Partnership Return (P-1065). If there is no partnership return on file the processing of the individual return will be delayed until a partnership return is filed. Income from estates, trusts, etc. is not taxable to a nonresident.

LINE 11- OTHER INCOME

Other income of a resident is taxable. See resident return instructions. Other income of a nonresident earned in Portland is taxable. See nonresident instructions for line 9, rental real estate, partnership and other income, for taxability of a nonresident's other income.

LINE 13-17 DEDUCTIONS

With the exception of the KEOGH, SEP, and SIMPLE retirement deduction residents and nonresidents are limited to the deductions listed on lines 13-18. The KEOGH, SEP or SIMPLE retirement deduction must be included on line 9a. Nonresidents must allocate deductions in the same manner they allocate their income. (See instructions to nonresidents.)

LINE 20- PERSONAL EXEMPTIONS

Complete the exemption section of the P-1040 and multiply the number of exemptions by \$1,000.00.

LINE 21 - TOTAL INCOME SUBJECT TO TAX

Subtract line 20 from line 19.

LINE 22a- TAX A RESIDENT RATE 1%

Multiply Line 22 by 1% (0.01)

LINE 22b-TAX AT NONRESIDENT RATE .5%

Multiply Line 20 Column 2 by .5% (0.005).

LINE 23- TOTAL TAX

Add the resident rate and nonresident rates together. (Lines 22a and 22b.) Enter this amount on the P-1040, Line 24

Attach this sheet to the P-1040 Form



P-1040 FORM, NONRESIDENT WAGE ALLOCATION

This schedule to be completed by nonresidents who performed part of their services in Portland and the other part outside of the City of Portland on the same job. (When husband and wife both have income subject to allocation figure separately.)

	YOURSELF	SPOUSE
A. Total income subject to allocation from W-2(s)	A . \$ _____	A . \$ _____
B. Figure percentage of wages earned in Portland	B . _____ %	B . _____ %
1. Total number of days worked everywhere in 2022.	1 . _____	1 . _____
2. Actual number of days worked in Portland.	2 . _____	2 . _____
* ATTACH STATEMENT FROM YOUR EMPLOYER - REQUIRED		
3. Divide line 2 by line 1, enter percentage on line B.		
C. Multiply line A by percentage on line B	C . _____	C . _____
D. Add all other W-2 income earned in Portland not allocated.	D . _____	D . _____
E. Total income subject to Portland tax. (Add C and D.)	E . _____	E . _____

(Enter on P-1040 form, line 1, in the taxable to Portland column).

BUSINESS ALLOCATION - NONRESIDENTS ONLY

This schedule applies to nonresidents who conducted business in the City of Portland.

A. Total income from BUSINESS or PROFESSION.	A. \$ _____
B. Percentage earned in Portland (Attach Federal Schedule C.)	B. _____ %
C. Multiply line A by percentage on line B. (Enter on P-1040, line 6, Portland column.)	C. _____

CREDIT FOR TAX PAID TO ANOTHER CITY

WORKSHEET FOR P-1040 FORM LINE 27 - *Residents 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 Portland.

CALCULATION FOR CREDIT (Residents or Part-Year Residents of Portland only.) Pro-rate credit for part-year residents.	COLUMN A PORTLAND RES. INCOME	COLUMN B OTHER TAXING CITY
1. IDENTICAL INCOME - TAXABLE IN BOTH CITIES	\$ _____	\$ _____
2. EXEMPTIONS PER CITY'S RETURN		
3. TAXABLE INCOME FOR CREDIT - Subtract line 2 from line 1 in column A and column B.		
4. EACH CITY'S NONRESIDENT TAX RATE	.005 (1/2%)	
5. Multiply line 3 by line 4 in column A and in column B		
CREDIT ALLOWED (Enter the smaller of line 5, Column A or B)	Enter on Line 27	

ESTIMATED TAX WORKSHEET (KEEP FOR YOUR RECORDS- DO NOT FILE)

- 1. Taxable Income expected in _____ \$ _____
- 2. Exemptions (\$1000 For Each Exemption) \$ _____
- 3. Estimated Portland Taxable Income (Line 1 less line 2) \$ _____
- 4. Estimated Portland Income Tax Non-resident individuals enter 1/2% of line 3
all other tax payers enter 1% of line 3. \$ _____
- 5. (a) Amount of Portland Income Tax Withheld \$ _____
- (b) Overpayment From Previous Year \$ _____
- (c) Other Credits- Explain Here \$ _____
- Total (Add line 5 (a), (b), (c), and Enter Here \$ _____
- 6. Estimated Tax: (Line 4 less Line 5 (*)) \$ _____
- 7. Amount to be paid for the year. Enter here and on the vouchers. \$ _____
- 8. Divide line 7 by four and enter here and on vouchers. This is the amount to pay quarterly. \$ _____

* Note: If line 6 is \$100.00 or less (Individuals or Unincorporated business) or \$250.00 or less (Corporation), this return is not required.

RECORD OF ESTIMATED TAX PAYMENTS

VOUCHER NO	DATE	AMOUNT PAID THIS QUARTER	TOTAL PAID TO DATE	CHECK #
1				
2				
3				
4				
	TOTAL			

P-1040ES CITY OF PORTLAND Income Tax Division	CITY OF PORTLAND ESTIMATED TAX DECLARATION-VOUCHER FOR THE YEAR 2023	VOUCHER 1 (Calendar year- Due May 1)
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TO BE USED FOR MAKING DECLARATION AND PAYMENT

Social Security No.	Social Security No.	Employer I.D. NO.
First Name	Last Name	
Address (No. and Street)		Estimated Tax..... \$ _____
City, State, and Zip Code		Amount of this Payment.. \$ _____

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: "TREASURER, CITY OF PORTLAND" AND MAIL TO: Income Tax Division, 259 Kent Street, PORTLAND, MICHIGAN 48875.

(DETACH HERE)

SIGN HERE

P-1040ES CITY OF PORTLAND Income Tax Division	CITY OF PORTLAND ESTIMATED TAX DECLARATION-VOUCHER FOR THE YEAR 2023	VOUCHER 2 (Calendar year- Due June 30)
---	---	--

TO BE USED FOR MAKING DECLARATION AND PAYMENT

Social Security No.	Social Security No.	Employer I.D. NO.
First Name	Last Name	
Address (No. and Street)		Estimated Tax..... \$ _____
City, State, and Zip Code		Amount of this Payment.. \$ _____

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: "TREASURER, CITY OF PORTLAND" AND MAIL TO: Income Tax Division, 259 Kent Street, PORTLAND, MICHIGAN 48875.

(DETACH HERE)

SIGN HERE

P-1040ES CITY OF PORTLAND Income Tax Division	CITY OF PORTLAND ESTIMATED TAX DECLARATION-VOUCHER FOR THE YEAR 2023	VOUCHER 3 (Calendar year- Due October 2)
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TO BE USED FOR MAKING DECLARATION AND PAYMENT

Social Security No.	Social Security No.	Employer I.D. NO.
First Name	Last Name	
Address (No. and Street)		Estimated Tax..... \$ _____
City, State, and Zip Code		Amount of this Payment.. \$ _____

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: "TREASURER, CITY OF PORTLAND" AND MAIL TO: Income Tax Division, 259 Kent Street, PORTLAND, MICHIGAN 48875.

(DETACH HERE)

SIGN HERE

P-1040ES CITY OF PORTLAND Income Tax Division	CITY OF PORTLAND ESTIMATED TAX DECLARATION-VOUCHER FOR THE YEAR 2023	VOUCHER 4 (Calendar year- Due January 31)
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TO BE USED FOR MAKING DECLARATION AND PAYMENT

Social Security No.	Social Security No.	Employer I.D. NO.
First Name	Last Name	
Address (No. and Street)		Estimated Tax..... \$ _____
City, State, and Zip Code		Amount of this Payment.. \$ _____

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: "TREASURER, CITY OF PORTLAND" AND MAIL TO: Income Tax Division, 259 Kent Street, PORTLAND, MICHIGAN 48875.

SIGN HERE