

Corporation Return

Instructions for Form F1120 for Corporations
doing business in Flint

Filing Date: Calendar year taxpayers must file by April 30, 2005. Fiscal year taxpayers must file within four (4) months after the end of their fiscal year.

Remittance: Tax due of one dollar (\$1.00) or more must be paid when filing the return. Make remittance payable to: Treasurer, City of Flint.

MAILING ADDRESS:

REMITTANCE:

TREASURER, CITY OF FLINT
INCOME TAX OFFICE
P.O. BOX 99
FLINT, MICHIGAN 48501

REFUND OR CREDIT:

TREASURER, CITY OF FLINT
INCOME TAX OFFICE
P.O. BOX 1800
FLINT, MICHIGAN 48501-1800

EFFECTIVE DATE OF TAX

The City of Flint income tax became effective January 1, 1965. Corporations subject to the tax are required to file a return each year, commencing with their first year, calendar or fiscal ending on after January 1, 1965 and to pay the tax on that part of their net income attributable to business activity in Flint.

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 a City of Flint Income Tax Corporation Return, Form F-1120

Corporations cannot elect to file and be taxed as partnerships. Subchapter S corporations are treated as C corporations.

Non-profit Corporations which have applied for and received approval for exemption from Federal Income tax shall not be required to file a Flint return provided they submit, to the Income Tax Administrator, a copy of their exemption approval from the Internal Revenue Service.

The ordinance specifically exempts state and national banks, trust companies, insurance companies, building and loan and saving and loan associations, and credit unions (either state chartered or federal chartered).

Filing Date

Taxpayers on a calendar year are required to file by April 30; those on a fiscal year must file by the last day of the fourth month following the end of the fiscal year, or other accounting period that the taxpayer uses for Federal income tax purposes.

Extensions

Upon written request of the taxpayer, made on or before the date for filing a return, the Income Tax Administrator may extend the time for filing up to six months. When an extension is requested, a tentative return must be filed and the estimated tax paid, if that tentative return indicates a balance due to the City of Flint.

When an extension is granted, the Income Tax Administrator will assign an extension number. This number is to be entered on the final return, and on any correspondence required before filing the final return.

INSTRUCTIONS FOR PAGE 1

Line 8. Only the amount of the gain or loss occurring from January 1, 1965 to date of disposition shall be recognized for purposes of the Flint income tax. Adjustments for this is to be made here 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, 1965, to date of disposition. Any net capital loss carryover is to be entered on line 12 in accordance with the instructions for that line.

Line 12. Enter on this line the net capital loss carryover and net operation loss carryover applicable to Flint. Net capital losses sustained by a corporation for periods subsequent to January 1, 1965, may be carried forward in the same manner as under the Federal Internal Revenue Code. There is no provision for carry back losses. Carryover losses are to be allocated to Flint at the same percentage of business conducted in Flint in the year in which the loss was sustained. If all business was not conducted in Flint in the year in which the loss was sustained, use the business allocation percentage formula to arrive at the deductible portion of the loss. Attach a schedule showing your computation for the amount reported on this line.

Line 14. Corporations qualified to claim the Renaissance Zone deduction, must attach copy of approval letter. All other Corporations compute the tax due at 1% of line 13.

SCHEDULE D-INSTRUCTIONS

The business allocation percentage formula is to be used by Corporations with business activity both within and without the City of Flint who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted within the City of Flint, or for other reasons are not using the separate accounting method.

Line 1a - 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 2 show the net book value of the real and tangible personal property located in the City of Flint. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning and 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 1b - Enter in Column 1 the gross annual rentals multiplied by 8 for all rented real property used by the business regardless of location. In Column 2 show the gross annual rentals multiplied by 8 for all rented real property used by the business and located in the City of Flint. Gross annual rentals refer to real property, 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 or possession of such real property.

Line 2 - Enter in Column 1 the local compensation paid to all employees during the year and in Column 2 show the amount of compensation paid to employees for work done or for services performed within the City of Flint during the year.

Line 3 - Enter in Column 1 the total gross revenue from all sales or services rendered during the year and in Column 2 show the amount of revenue derived from sales made or services rendered in the City of Flint during the year. If there is no regularly maintained sales force outside of the city, this allocation factor must be 100% for businesses with no other business activity outside the City.

SCHEDULE E - INSTRUCTIONS

Line 5 - The City of Flint Income Tax Ordinance provides for the specific exclusion of interest from obligations of the United States, the states or subordinate units of government of the state, from taxable income.

Line 6 - If you reported dividend income, enter on this line the amount of the dividend-received deduction allowed by the Federal Internal Revenue Code for dividends received.

Lines 7 & 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. If a foreign tax credit, rather than a foreign tax deduction was taken on your Federal return, enter on line 7 the portion of the foreign tax credit which was grossed up and included in your Flint return as dividends received and enter on line 8 the "foreign taxes paid or accrued" portion of the foreign tax credit claimed on your Federal return, not in excess of the Federal limitations thereon. The balance of your foreign tax credit is not deductible.

SCHEDULE F - INSTRUCTIONS

S corporations must file as C corporations. Schedule F is used to reconcile the amount reported on line 1, Page 1 of Form F-1120 with Federal Form 1120S and Schedule K.

Separate Accounting - The Income Tax Ordinance, Section 19 reads as follows:

"The taxpayer may petition for and the administrator may grant approval of, or the administrator may require the separate accounting method. If such method is petitioned for, the administrator may require a statement, explaining the manner in which the apportionment will be made, in sufficient detail to determine whether the net profits attributable to the city will be apportioned with reasonable accuracy."

Generally a corporation that is unitary in nature, has central management, purchasing, warehousing, advertising, etc.

cannot use separate accounting. Taxpayers allocation on any basis other than separate accounting shall include all interest, dividends, and other non-operation 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-operation income of the total corporation, using a direct allocation if the income is received by the divisions subject to the Flint tax, or apportioning it on the same basis as general administrative and overhead costs are apportioned to Flint activity.

COMPUTATION AND PAYMENT OF TAX

After computing your Flint 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 FLINT. If your payments and credits exceed the tax, show the amount of such overpayment on Line 18 and check the proper box on Line 19 to indicate whether you wish the overpayment as a refund or as a credit on your 2004 estimated tax. Refunds will be made as quickly as possible, but please allow 90 days before making any inquiry. Refunds of less than one dollar (\$1.00) will not be made or credited. Tax due of less than one dollar (\$1.00) need not be paid.

DECLARATION AND PAYMENT OF ESTIMATED TAX

1. **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 F1120-ES), if the estimated tax on Line 3 is Two Hundred Fifty Dollars (\$250.00) or more.
2. **WHEN AND WHERE TO FILE AND PAY:**
 - A. **Declarations for Calendar Year.** The Declaration for a calendar year must be filed on or before April 30, June 30, September 30, and January 31.
 - B. **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 1, your Declaration will be due on the last day of the fourth, sixth, ninth, and thirteenth months after the beginning of each fiscal year or period.
 - C. **Filing and Payment.** The Declaration should be filed with the Treasurer, City of Flint, P.O. Box 99, Flint, Michigan 48501. The first installment payment must accompany the Declaration. However, the estimated tax may be paid in full with the Declaration.

ASSISTANCE

If you have questions not answered in these instructions, or if you need assistance in preparing your return call **(810)766-7015**. Questions by mail should be directed to:

**Income Tax Administrator
City of Flint, Income Tax Office
1101 S. Saginaw Street
Flint, MI 48502
www.cityofflint.com**

F1120

City Of Flint Income Tax - 2004 Corporation Return

or other taxable year beginning _____ 2004 ending _____, 20 _____

CIT LTR# _____ Do not write in this space
 CHG LTR _____ Rec. _____

THIS IS NOT A FEDERAL RETURN

Name _____

Number and Street _____

City or Town _____ State _____ Zip Code _____

Date _____

Where incorporated _____ Incorporated _____

Principal business activity _____

Main address in Flint _____

Location of Flint records _____

Person in charge of records _____

Telephone number _____

Federal Employer Identification Number _____ →

TAXABLE INCOME AND TAX COMPUTATION

1. Taxable income before net operating loss deduction and special deduction (per U.S. Corporation Income Tax Return Form 1120, Line 28 or Form 1120S, Schedule K, Line 23 -attach copy of Page 1, 2, 3, and 4 of U.S. Corporation Income Tax Return)	\$ _____
2. Enter gain or loss from sale or exchange of property included in Line 1	_____
3. Result after excluding Line 2 from Line 1	\$ _____
4. Enter items not deductible under Flint Income Tax Ordinance (from P.2, Schedule E, Col. 1, Line 4)	_____
5. Total - add Lines 3 and 4	\$ _____
6. Enter items not taxable under Flint Income Tax Ordinance (from P.2, schedule E, Col.2, Line 10)	_____
7. Total - Line 5 less Line 6	\$ _____
8. Amount on Line 2 above (after excluding any capital loss carry-over) applicable to taxable period (see instructions)	_____
9. Total income - add Lines 7 and 8 (2)	\$ _____
10. Allocation percentage from P.2 Schedule D, Line 5 - if all business was conducted in Flint enter 100% on Line 10 and DO NOT fill in Schedule D on Page 2 (3)	_____ %
11. Total - multiply Line 9 by % on Line 10 (5)	\$ _____
12. Less: Applicable portion of net operating loss carry-over and/or capital loss carry-over (see in instructions) (6)	_____
13. Total income subject to tax-Line 11 less Line 12 (7)	_____
14. CITY OF FLINT TAX - multiply Line 13 by 1% Do not Round (8)	\$ _____

PAYMENTS AND CREDITS

15. a. Credit from prior year	\$ _____
b. Payments made on 2004 Declaration of Estimated Flint Income Tax	\$ _____
c. Tax paid with tentative return or payments made with extension	\$ _____
16. Total	\$ _____ Do Not Round (9)

TAX DUE OR REFUND

17. If Line 14 is larger than Line 16 enter AMOUNT YOU OWE and PAY IN FULL WITH THIS RETURN (11)	\$ _____
Write Federal ID No. on remittance and make payable to: "Treasurer, City of Flint," mail to: P.O. BOX 99, Flint MI 48501	
18. If Line 16 is larger than Line 14 enter amount Overpaid, mail to : P.O. Box 1800, Flint, MI 48501-1800 (12)	\$ _____
19. Amount of Line 18 is to be: (check one box only) A <input type="checkbox"/> Credited on 2005 estimated tax B <input type="checkbox"/> Refunded to you	

A. Check applicable boxes: Initial Flint Return Final Flint Return

B. Name and Address of resident agent in Michigan _____

C. Is this a consolidated return? Yes No If yes, list names and addresses of included corporations in an attached statement showing percent of voting stock owned in each corporation.

D. Number of Flint locations included in this return. [] Number of locations everywhere []
List Flint location addresses. _____

E. Was your federal tax liability for any other year changed by either a review by the Federal Government of the filing of an amended federal return?
 Yes No If yes, attach an explanation if an amended Flint return was not filed

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)	_____ (Phone Number)
_____ (Date)	_____ (Signature of Preparer)	_____ (Address)	

SCHEDULE D - BUSINESS ALLOCATION FORMULA

	Column 1 Located Everywhere	Column 2 Located in Flint	Column 3 Percentage (Column 2 Divided by Column 1)
1. a. Average net book value of real and tangible personal property	\$	\$	
b. Gross annual rent paid for real property only, multiplied by 8			
c. TOTALS (Add Lines 1a. and 1b.)			%
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 from Column 3, Lines 1c., 2 and 3 (A percentage must be computed for each line)			%
5. Business Allocation Percentage (One-third of Line 4) Enter here and on Page 1, Line 10			%
In determining the business allocation 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, in such cases, the sum of the remaining percentages shall be divided by the number of factors actually used.			
In the case of a taxpayer authorized by the income Tax Administrator to use a special formula, attach an explanation and use the lines provided below:			
a. Numerator		c. Percentage (a. divided by b.) Enter here and on Page 1, line 10	
b. Denominator		d. Date of Administrator's approval letter	

SCHEDULE E - ADJUSTMENTS

Schedule E is used to adjust the income reported on Page 1, Line 1, to give effect to the requirements of the City of Flint Tax Ordinance. The period of time used to compute items for Schedule E must be the same as the period of time used to report income on Page 1, Line 1. Schedule E entries are allowed only to the extent directly related to net income as shown on Page 1

Period: From To

Column 1 Add Items Not Deductible	
1. All expenses (including interest) incurred in connection with derivation of income not subject to a Flint income tax	\$
2. Flint income tax paid or incurred	
3. Other (submit schedule)	
4. Total Additions (Add lines 1 through 3) Enter here and on Page 1, Line 4	\$

Column 2 Deduct - Items Not Taxable and Allowable Deductions	
5. Interest from U.S. obligations and from United States government units	\$
6. Dividends received deduction	
7. Dividend gross up of Foreign taxes	
8. Foreign tax deduction	
9. Other (submit Schedule)	
10. Total Deductions (Add Lines 5 through 9) Enter here and on Page 1, Line 6	\$

SCHEDULE F - SUBCHAPTER S CORPORATION INCOME

Schedule F is used by Subchapter S corporations to reconcile the amount reported on line 1, page 1, F-1120, with Federal forms 1120S and Schedule K of Federal 1120S

ATTACH FEDERAL FORM 1120S AND SCHEDULE K OF FEDERAL 1120S.

1. Ordinary income (loss) from trade or business (per Federal 1120S)	\$
2. Income (loss) per Schedule K, Federal 1120S, lines 2 through 6	
3. Total income (loss) (Add lines 1 and 2)	
4. Deductions per Schedule K, Federal 1120S	
5. Taxable income before net operating loss deduction and special deductions (Subtract line 4 from line 3)	
ENTER HERE AND ON PAGE 1, LINE 1, F-1120	\$