INSTRUCTIONS FOR P-941 – EMPLOYERS RETURN OF INCOME TAX WITHHELD

A monthly payment of Pontiac income tax withheld is required for each month in which the amount withheld exceeds $100.00. Payment is due on or before the last day of the month following the month in which the taxes were withheld.

A quarterly payment is allowed when the amount withheld does not exceed $100.00 per month. Payment of taxes withheld on a quarterly basis is due on or before the last day of the month following the quarter in which the taxes were withheld.

The "tax withheld" line reflects the total tax withheld for the month or quarter.

The "adjustments line" is used to correct errors made on prior returns for the current calendar year. **DO NOT MAKE ADJUSTMENTS FOR UNDERCOLLECTIONS OR OVERCOLLECTIONS APPLICABLE TO A PRIOR YEAR. CONSULT THE INCOME TAX DIVISION BY CALLING (248) 758-3236.**

The "net tax withheld" line reflects the amount of current "tax withheld" as adjusted (if any) from the 'adjustments line".

The late payment penalty is calculated at 1% per month of the net tax withheld that has not been paid by the due date. If the payment is due April 30, and is paid any time during the month of May, a 1% penalty would apply. If the payment is paid anytime during June, a 2% penalty would apply, etc. The minimum penalty is $2.00.

The "interest due" is a daily figure as set by the State of Michigan from their Revenue Administrative Bulletin. For the period from January 1 – June 30, the annual rate is 9.1% which is a daily factor of 0.0002493. This rate is currently revised every six months by the State of Michigan, and can be found by searching the www.michigan.gov/treasury website, or contacting the City of Pontiac Income Tax Division by calling (248) 758-3236.

The "TOTAL DUE" box is the sum of the net tax withheld, late payment penalty, and interest due. Checks should be made payable to **TREASURER, CITY OF PONTIAC**, and mailed to the address on the P-941 form.

NOTE: This form must be filed. If you have not withheld during the period, you must nevertheless, file a return with the notation "NONE" in the TOTAL DUE box. Forms with no payments should be sent to City of Pontiac Withholding Payments, P.O. Box 530, Eaton Rapids, MI 48827-0530.

EMPLOYER ID # - Your Federal Employer Identification Number (FEIN) is used by the City of Pontiac, and is printed on your form P-941. If a new employer has not received a Federal Identification Number, the City will assign a temporary one. This will be in effect until the Federal number is assigned. A Federal Identification Number may be obtained from the Internal Revenue Service by filing form SS-4, or applying online at the IRS.GOV website. **IN NO CASE SHOULD AN EMPLOYER USE A NUMBER ASSIGNED TO A PRIOR OWNER**.

Correcting Preprinted Data – If your payment is for a different period than indicated, the FEIN is incorrect, or the address is incorrect, the necessary corrections should be made on the face of the form.

FINAL RETURN – If you do not expect to pay wages subject to tax in the future, you must file a "Final Return" and answer the applicable questions on the reverse side of Form P-941, complete W-2 or PW-2 forms Withholding Tax Statement and PW-3, Reconciliation of Income Tax Withheld, and mail them within 30 days to "City of Pontiac Withholding Payments, P.O. Box 530, Eaton Rapids, MI 48827-0530, with any withholdings due to the City of Pontiac.

Sale or Transfer of Business – If a business is sold or transferred, each employer must file a separate return. Neither employer should report wages paid by the other employer.

If a merger or consolidation occurs, the continuing corporation will file in the same manner as it does for Federal withholding.

INSTRUCTIONS FOR FORM PW-3

Who must file – every employer must file form PW-3 for the previous year, on or before the last day of February. (Please note that the remittance of fourth quarter or twelfth month tax withheld is due on or before January 31.)

Form PW-3 serves as the transmittal statement for Form PW-2 Copy A, or a Copy 1 of federal form W-2.

A PW-2 or W-2 must be submitted for each employee:

a. From whom Pontiac tax has been withheld during the year;
b. Who earned wages in Pontiac, or
c. Lived in Pontiac during the year, even though no income tax was withheld.

Information required

Form PW-2 or W-2 must set forth the employer's name, address, FEIN, and

1. Employee's name and address
2. Employee's Social Security Number
3. Total compensation paid during the year (Federal Box 1)
4. Amount of Pontiac Income Tax withheld

This information must be furnished to the City on a Copy A, or Copy 1 of approved W-2 or PW-2 forms, or electronically in MMREF format or other approved formats identified on the Pontiac Income Tax website http://www.pontiac.mi.us/departments/finance_incometax.html.

Reconciliation – The reconciliation on Form PW-3 applies only to City of Pontiac income taxes withheld. Line 1 must be supported by a detailed listing (such as an adding machine tape, or spreadsheet) indicating the amount of taxes as shown on W-2s or PW-2s. Line 3 must state the total amounts paid per the summary on the reverse side of form PW-3. Do not list payments for more than one calendar year. Each year is reconciled separately.

Filing – Form PW-3 **MUST BE FILED**. If line 1 (taxes withheld) is greater than line 3 (payments already made) payment of the difference must accompany Form PW-3 (Make checks payable to Treasurer, City of Pontiac). If line 3 is greater than line 1, attach an explanation, and request a refund for the overpayment. **DO NOT TAKE CREDIT ON ANY SUBSEQUENT YEAR'S P-941**. A refund will be issued after verification of the facts.

Mailing – mail the completed Form PW-3 with paper forms PW-2, W-2, or 3 ½" floppy disk or CD-ROM to: City of Pontiac Withholding Payments, P.O. Box 530, Eaton Rapids, MI 48827-0530. Postal rules require that this material be sent by First Class Mail. Large numbers of Form PW-2 or W-2 may be forwarded in more than one package. Packages should be numbered serially as part of a group (i.e. 1 of 5, 2 of 5, etc.) and clearly marked with the name of the employer account (FEIN) to which they belong.

Employers desiring further information may call (248) 758-3236.

RETAIN AS EMPLOYER'S
WORK SHEET TO RECORD
DETAILS ON P-941

JANUARY _____
FEBRUARY _____
MARCH _____
1ST QUARTER TOTAL $ _____
APRIL _____
MAY _____
JUNE _____
2ND QUARTER TOTAL $ _____
JULY _____
AUGUST _____
SEPTEMBER _____
3RD QUARTER TOTAL $ _____
OCTOBER _____
NOVEMBER _____
DECEMBER _____
4TH QUARTER TOTAL $ _____

YEARLY TOTAL $ _____