

P-1065 CITY OF PONTIAC INCOME TAX - 20 PARTNERSHIP RETURN

EXTENDED FILING NO. _____
Do not write in this space

For the year January 1 - December 31, 20____ or other taxable year beginning 20____ ending 20____

| | | | | | |
|---|---------------------------|-------------|---|--|--|
| PLEASE TYPE OR PRINT | Name of Partnership _____ | | | Date Business Commenced _____ | |
| | Number and street _____ | | | Number of Employees on December 31, 20____ | |
| | City or town _____ | State _____ | Postal Zip Code _____ | Number of Partners _____ | |
| | | | Federal employer identification number ➔ _____ | | |

| NAME AND HOME ADDRESS OF EACH PARTNER | SOCIAL SECURITY NUMBER | PONTIAC RESIDENT | |
|---------------------------------------|------------------------|------------------|----|
| | | YES | NO |
| (a) _____ | | | |
| (b) _____ | | | |
| (c) _____ | | | |
| (d) _____ | | | |
| (e) _____ | | | |

| INCOME | | | | | |
|---|--|---|---|--|---|
| COL. 1 TOTAL INCOME (FROM P. 3, SCH. 1, COL. 10) (SEE NOTES 1 AND 2 BELOW) | DEDUCTIONS | | COL. 4 TAXABLE INCOME (COL. 1 LESS COLS. 2 AND 3) | COL. 5 TOTAL TAX (MULTIPLY COL. 4 BY 1%) (SEE INSTRUCTIONS) | COL. 6 CREDITS (SEE INSTRUCTIONS) |
| | COL. 2 DIVIDEND EXCLUSION OTHER DEDUCTIONS (EXPLAIN IN STATEMENT) | COL. 3 EXEMPTIONS (SEE NOTE 1 BELOW AND INSTRUCTIONS) | | | |
| 1. (a) \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 2. (b) _____ | | | | | |
| 3. (c) _____ | | | | | |
| 4. (d) _____ | | | | | |
| 5. (e) _____ | | | | | |
| 6. Totals | | | | ● | |

| PAYMENTS AND CREDITS | | | Do not write in this space | | |
|--|------|---------------|----------------------------|--|--|
| | File | Subj. to Inv. | Items | | |
| 7. a. Tax paid with tentative return \$ _____ | | | | | |
| b. Payments and credits on 20____ Declaration of Estimated Pontiac Income Tax ● _____ | | | | | |
| c. Other Credits - explain in attached statement _____ | | | | | |
| | | | AUDIT RESULT | | |
| 8. Total - add lines 7a, b, and c. (This total must agree with the total of Col. 6 above) ● \$ _____ | | | N. C. | | |

| TAX DUE OR REFUND | | CORR. TAX |
|---|--|-----------|
| 9. If your tax (total of Col. 5) is larger than your payments (line 8), enter BALANCE DUE ● \$ _____ -PAY IN FULL WITH THIS RETURN TO "TREASURER, CITY OF PONTIAC" -AND MAIL TO CITY TREASURER, INCOME TAX DIVISION, 47450 WOODWARD AVE., PONTIAC, MICHIGAN 48342 | | AGENT |
| 10. If your payments (line 8) are larger than your tax (total of Col. 5) enter OVERPAYMENT ● \$ _____ | | APPROVAL |
| 11. Amount on line 10 is to be. (A) <input type="checkbox"/> Credited on 20____ estimated tax (B) <input type="checkbox"/> Refunded | | |

NOTE 1 - A partner who has other income in addition to the partnership income must file an individual return and show on such return the amounts entered above in columns 1, 2, 3 and 6. A partner who is claiming his exemption as a member of another partnership is NOT to claim his exemption in this partnership return in Column 3.

NOTE 2 - The Partnership may pay tax for partners only if it pays for ALL partners subject to the tax. Check here if the partnership elects to pay the tax on behalf of all partners. If this return is an information return, check here

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.

SIGN HERE _____
(Signature of partner or member) (Date)

SIGN HERE _____
(Signature of preparer other than partner or member) (Date)

INCOME FROM PARTNERSHIP - SCHEDULE C

For the year January 1 - December 31, 20 20 or other taxable year beginning 20 ending 20

Name as shown on page 1 of Form P-1065

A. Business Name _____ B. Nature of Business _____

C. Business Location _____
 Number and street or rural route City or post office State Postal Zip Code

D. Telephone No. _____ Name of person in charge of records _____

| | | |
|--|----------|----------|
| 1. Gross receipts \$ _____, less allowances, rebates and returns \$ _____ | | \$ _____ |
| 2. Inventory at beginning of year (if different than last year's closing inventory attach explanation) | \$ _____ | |
| 3. Merchandise purchased \$ _____, less any items withdrawn from business for personal use \$ _____ | | |
| 4. Cost of labor (do not include amounts paid to partners) | | |
| 5. Material and supplies | | |
| 6. Other costs (explain in attached statement) | | |
| 7. Total of lines 2 through 6 | | |
| 8. Inventory at end of year | | |
| 9. Cost of goods sold (line 7 less line 8) | | |
| 10. Gross profit (subtract line 9 from line 1) | | |
| 11. Miscellaneous income (do not include any items included on lines 22 through 27) | | |
| 12. TOTAL INCOME (lines 10 and 11) | | |

OTHER BUSINESS DEDUCTIONS

| | | |
|---|----------|--|
| 13. Salaries and wages not included on line 4 (exclude any paid to partners) | \$ _____ | |
| 14. Payments to partners - salaries and interest - enter here and on P. 3, Sch. I, Col. 2 | | |
| 15. Rent on business property | | |
| 16. *Losses of business property (attach statement listing items and location) | | |
| 17. Depreciation (See Instructions) | | |
| 18. Taxes | | |
| 19. Other business expenses (attach statement) | | |
| 20. Total of lines 13 through 19 | | |
| 21. ORDINARY INCOME FROM BUSINESS - line 12 less line 20 (enter here and on line 1 of Schedule A below) | | |

**OTHER PARTNERSHIP INCOME OR LOSS
 (taxable or non-taxable depending on residency of partners)**

| | | |
|--|--|--|
| 22. Dividends \$ _____, Interest \$ _____, (enter total of dividends and interest) | | |
| 23. Income (or loss) from other partnerships and other income | | |
| *24. Net gain (or loss) from sale or exchange of property other than capital assets (See Note) | | |
| *25. Net short term gain (or loss) from sale or exchange of capital assets (See Note) | | |
| *26. Net long term gain (or loss) from sale or exchange of capital assets (See Note) | | |
| *27. Net gain or loss from sales or exchange of property under Section 1231 | | |
| 28. Rents \$ _____ Royalties \$ _____ (enter total of rents and royalties) | | |
| 29. Total partnership income to account for (add lines 21 through 28) | | |

*NOTE: the amounts on lines 24, 25, 26 and 27 should agree with the amounts reported on Schedule D of your Federal partnership form 1065.

THE FOLLOWING SCHEDULES, A, B, E, F AND G ARE TO BE USED TO COMPUTE THE TAXABLE PORTION OF THE INCOME OF THE PARTNERSHIP AS SHOWN ON LINE 29 ABOVE

ORDINARY INCOME FROM BUSINESS - SCHEDULE A

| | |
|--|----------|
| 1. Ordinary income from business (from line 21 of Schedule C above) | \$ _____ |
| 2. Add City of Pontiac and Federal income tax if included in line 20 of Schedule C above | |
| 3. Add interest and other costs included in line 20 of Schedule C which were incurred in connection with the production of tax exempt income or partner's personal expenses which were charged to the business | |
| 4. Total adjusted ordinary income from business for the year (add lines 1 through 3). Enter here and on P. 3, Schedule I, Col. 1 | |

INCOME FROM DIVIDENDS AND INTEREST - SCHEDULE B

| | |
|--|----------|
| 1. Total interest and dividends from line 22, page 2 | \$ _____ |
| 2. Less: Exempt interest on obligations from any U. S. Governmental unit or its subordinate units included in line 1 | _____ |
| 3. Net interest and dividends - line 1 less line 2 | _____ |
| 4. Portion of line 3 applicable to non-resident partners | _____ |
| 5. Balance taxable to residents - line 3 less line 4. Enter here and in Col. 6 of Schedule I below | _____ |

SALE OR EXCHANGE OF PROPERTY - SCHEDULE E

| | COL. 1 TOTAL | COL. 2 Amount occurring after Jan. 1, 1968 |
|---|-----------------|--|
| 1. NON-RESIDENT PARTNERS ONLY - Gain or loss applicable to non-resident partners from TANGIBLE property that was located in Pontiac | _____ | _____ |
| 2. Enter the amount of line 1 above occurring after Jan. 1, 1968 in last column and in Col. 7 (a) of Sch. I below | _____ | _____ |
| 3. RESIDENT PARTNERS ONLY - Gain or loss from all TANGIBLE and INTANGIBLE property applicable to resident partners | _____ | _____ |
| 4. Enter the amount of line 3 above occurring after Jan. 1, 1968 in last column and in Col. 7 (b) of Sch. I below | _____ | _____ |
| 5. Amount of gain or loss arising from intangible property and tangible property located out of Pontiac applicable to non-resident partners | _____ | _____ |
| 6. Total of lines 1, 3 and 5. This total must agree with the sum of lines 24, 25, 26 and 27 on page 2 | _____ | _____ |

INCOME (OR LOSS) FROM RENTS OR ROYALTIES - SCHEDULE F

| | COL. 1 GROSS INCOME | COL. 2 EXPENSES | COL. 3 NET INCOME |
|---|------------------------|--------------------|----------------------|
| 1. Income or loss from rents from TANGIBLE property located in Pontiac. Enter total of Col. 3 in Col. 8 (b) of Schedule I below | \$ _____ | \$ _____ | \$ _____ |
| 2. Income or loss from rents and royalties from all other property other than shown on line 1 of this Schedule | _____ | _____ | _____ |
| 3. Portion of line 2, Column 3 income applicable to non-resident partners | _____ | _____ | _____ |
| 4. Balance taxable to residents - line 2 less line 3. Enter here and in Col. 8(a) of Schedule I below | _____ | _____ | _____ |
| Total of lines 1 and 2 from Col. 3 should agree with total of line 28 on page 2. | _____ | _____ | _____ |

INCOME FROM OTHER PARTNERSHIPS, ETC. - SCHEDULE G

| | COL. 1 INCOME | COL. 2 EXPENSES | COL. 3 NET INCOME |
|--|------------------|--------------------|----------------------|
| 1. Amount taxable to residents. Enter here and on Sch. I, Col. 9(a). (See instructions) | \$ _____ | \$ _____ | \$ _____ |
| 2. Amount taxable to BOTH residents and non-residents. Enter here and on Sch. I, Col. 9(b). (See instructions) | _____ | _____ | _____ |
| 3. Amounts of income not taxable to non-residents | _____ | _____ | _____ |
| 4. Total of lines 1, 2 and 3 of Col. 3. This amount should agree with total of line 23 on page 2 | _____ | _____ | _____ |

**SCHEDULE I
SUMMARY OF SCHEDULES A, B, E, F AND G**

| COL. 1 INCOME FROM BUSINESS OPERATIONS (FROM P. 2, SCH. A, LINE 4) | | COL. 2 PAYMENT TO PARTNERS- SALARIES AND INTEREST (FROM P. 2, SCH. C, LINE 14) | | COL. 3 INCOME SUBJECT TO ALLOCATION (ADD COL. 1 AND 2) | | COL. 4 ALLOCATION % FROM P. 4, SCH. D, APPLY ONLY TO NON-RESIDENTS (ENTER 100% FOR RESIDENTS) | | COL. 5 ALLOCATED INCOME (COL. 3 X % IN COL. 4) | | COL. 6 INCOME TO RESIDENTS DIVIDENDS AND INTEREST (FROM LINE 5 OF SCH. B ABOVE) | |
|--|--|--|--|---|--|--|-------|--|----------|---|----------|
| (a) \$ _____ | \$ _____ | \$ _____ | \$ _____ | _____ | _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| (b) _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| (c) _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| (d) _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| (e) _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Totals | | | | | | % | | | | | |
| COL. 7 INCOME FROM SALE OF PROPERTY (FROM SCH. E, ABOVE) | | COL. 8 INCOME FROM RENTS AND ROYALTIES (FROM SCH. F, COL. 3 ABOVE) | | COL. 9 INCOME FROM OTHER PARTNERSHIPS, ETC. (FROM SCH. G, COL. 3 ABOVE) | | COL. 10 TOTAL INCOME (ADD COLS. 5, 6, 7, 8 AND 9 FOR EACH PARTNER) (ENTER HERE AND ON P. 1, COL.1) | | | | | |
| (a) TAXABLE TO NON- RESIDENTS (FROM COL. 2, LINE 2 OF SCH. E) | (b) TAXABLE TO RESIDENTS (FROM COL. 2, LINE 4 OF SCH. E) | (a) TAXABLE TO RESIDENTS (FROM LINE 4 OF SCH. F) | (b) TAXABLE TO BOTH RESIDENTS AND NON- RESIDENTS (FROM LINE 1 OF SCH. F) | (a) TAXABLE TO RESIDENTS (FROM LINE 1 OF SCH. G) | (b) TAXABLE TO BOTH RESIDENTS AND NON- RESIDENTS (FROM LINE 2 OF SCH. G) | | | | | | |
| (a) \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | | | | | |
| (b) _____ | _____ | _____ | _____ | _____ | _____ | _____ | | | | | |
| (c) _____ | _____ | _____ | _____ | _____ | _____ | _____ | | | | | |
| (d) _____ | _____ | _____ | _____ | _____ | _____ | _____ | | | | | |
| (e) _____ | _____ | _____ | _____ | _____ | _____ | _____ | | | | | |
| Totals | | | | | | | | | | | |

BUSINESS ALLOCATION FORMULA - SCHEDULE D

| | LOCATED EVERYWHERE I | LOCATED IN PONTIAC II | PERCENTAGE II / I |
|--|-------------------------|--------------------------|----------------------|
| 1. Average net book value of real and tangible personal property | \$ _____ | \$ _____ | |
| a. Gross annual rentals multiplied by 8 | | | % |
| b. TOTAL (Add lines 1 and 1a) | | | % |
| 2. Total wages, salaries, commissions and other compensation of all employees (exclude partners) | | | % |
| 3. Gross receipts from sales made or services rendered | | | % |
| 4. Total Percentages - add the three percentages computed for lines 1b, 2 and 3 which you entered in the last column (you must compute a percentage for each of lines 1b, 2 and 3) _____ | | | % |
| 5. Average percentage (one-third of line 4) - enter here and on P. 3, Sch. I, Col 4 (see note below) _____ | | | % |

NOTE: In determining the average 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 and, in such cases, the sum of the percentages on line 4 shall be divided by the number of factors actually used.

In the case of a taxpayer authorized by the Administrator to use one of the special formulae, use the lines provided below.

- a. Numerator _____
- b. Denominator _____
- c. Percentage (a / b) _____ % enter here and on P. 3, Sch. I, Col. 4
- d. Date of Administrative approval letter _____

INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA — SCHEDULE D

The business allocation percentage formula is to be used by NON-RESIDENT owners of partnerships with business activity both inside and outside the City of Pontiac, and that have one or more out-of-city locations, but do not maintain separate accounting records for each location that show with reasonable accuracy the portion of net profits attributable to each location.

A partnership located in Pontiac, without a regularly maintained and established out-of-city location SHOULD NOT use the business allocation formula. Sales and shipments to out-of-city destinations, when no out-of-city location is regularly maintained and established, does not entitle apportionment of a part of the net profit as being earned as a result of work done, services rendered, or other business activity conducted outside the city.

Solicitation of orders by telephone or by catalogs or other mailed matter from a location within the City for shipment to an out-of-city destination, does not constitute out-of-city activity. Also, the solicitation of orders by an out-of-city independent contractor does not constitute out-of-city activity for a local partnership.

Line 1. Enter in column I 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 Pontiac. The average net book value of real and

tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the 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 1a. Enter in column I the gross annual rentals multiplied by 8 for all rented property regardless of location. In column II show the gross annual rentals multiplied by 8 for all rented property located in the City of Pontiac. Gross annual rentals refer to both real and *tangible personal 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 or possession of such real and *tangible personal property*.

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

Line 3. Enter in column I the total gross receipts from all sales or services rendered during the year and in column II show the amount of gross receipts from sales made or services rendered in the City of Pontiac during the year.

INSTRUCTIONS FOR SCHEDULE C, INCOME FROM PARTNERSHIP

The "Income Tax Ordinance of the City of Pontiac" imposes a 1% tax on income earned on and after JAN. 1, 1968.

Resident individuals are subject to the tax regardless of the location from which taxable income was derived. Non-resident individuals are subject to the tax on income earned in the City of Pontiac and on the net profits from businesses, professions or other activities conducted in the City of Pontiac.

This schedule is used to indicate all of the income of the partnership which may be subject to the Pontiac income tax. Line 29 of the Schedule,

therefore, will show the total partnership income to account for. Schedules A, B, E, F and G will then be filled out to compute the taxable portion of the income shown on line 29 of Schedule C. These taxable amounts are then compiled in the Summary Schedule I on page 3.

The amounts for each partner shown in Schedule I are to be transferred to the income section on Page 1, Column 1. If the partnership elects to pay the tax, deductions and exemptions are then deducted to arrive at the net taxable amount for each partner.