

Important Income Tax Information - Taxes Due April 30th

This ordinance is Chapter 2 of the City Income Tax Act, being Act 284 of the Public Acts of the State of Michigan of 1964, as amended through January 1, 1997, being the effective date of Act 478 of the Public Acts of the State of Michigan of 1996, and is known as the Michigan Uniform City Income Tax Ordinance.

Who Must File a Return?

For each taxable year, a return must be filed by any individual having Ionia taxable income even if no tax is due. A request for refund of overpaid tax must be made on a return. If a Declaration of Estimated Tax has been filed, the taxpayer must still file an annual return even if there is no change in the declared liability.

Each partner in a partnership is required to file an individual return unless the tax is paid by the partnership. The partnership must file a partnership return. All corporations including subchapter S corporations must file a corporate return.

Married Persons-Separate or Joint Return

A husband and wife may file a joint or separate return. The total Ionia Taxable Income of both spouses must be included on a joint return, each spouse must be included in the heading, and both must sign the return. A spouse cannot be claimed as a dependent on a separate return and dependents can be claimed only by the spouse who would be entitled to claim such dependents under the Federal Internal Revenue Code.

Exemptions \$700.00 is allowed for each exemption. Additional exemptions are allowed for paraplegic, quadriplegic, hemiplegics, totally disabled, blind, deaf, and 65 years of age or older. Disabled status is verified with the State of Michigan.

Deceased Tax Payer A final return must be filed for any person who dies during the year and who is required to file as discussed under "WHO MUST FILE A RETURN". The executor, administrator or survivor must file the final return and any other return due for the decedent. Please mark at the top of the return "FINAL RETURN". A joint return may be filed by the surviving spouse and the executor or administrator. The return must be signed by the surviving spouse and the executor or administrator. If an executor or administrator has not been appointed the surviving spouse may file a joint return. The spouse must sign the return and add the notation "Surviving Spouse". If a refund is due, and the claimant is not a surviving spouse, Federal Form 1310 must be filed with the return.

Due Dates and Instructions Returns are due on or before April 30 or within four months after the end of the fiscal year accepted by the Internal Revenue Service. Seventy percent (70%) of the taxpayer's 2005 tax due must be paid by January 31, 2006. When an extension for filing a tax return is required, a City of Ionia Extension Request Form must be filed by the due date of the return (attach a copy of your federal extension). This is an automatic extension for no longer than six months. If tax will be due, payment of the tax due must be submitted with the extension request.

Declaration of Estimated Tax Every resident or non-resident who expects to have taxable income from which Ionia city income tax will not be withheld, must file a Declaration of Estimated Income Tax if that income will be at least \$10,000 for residents or \$20,000 for non-residents. You must file a Declaration of Estimated Income Tax (Form I-1040ES) for your 2005 tax year by April 30, 2005 and pay at least one-fourth (1/4) of the estimated tax with your declaration. The three remaining payments are due at the end of June, September, and January. Failure to file a Declaration of Estimated Tax and make the required payments on time, will result in assessment of penalty and interest. 70% of your 2004 tax or 70% of your 2005 City of Ionia tax must be paid in estimated payments to avoid penalties and interest for failure to pay the tax on time. The balance of the amount owed is due with the return. Please call (616) 527-TAXS for more specific information. The Declaration of Estimated Tax Form (I-1040ES) is available from the City Income

Tax Office.

Make a Donation of your refund. A donation can be made to any of the following programs by checking the box next to the program you wish to donate to and indicating an amount.

Youth Recreation Program A donation to this program is used to offer scholarships to Ionia youth who cannot afford the fees to participate in our programs. Make your donation by putting a check in the box next to the Youth Recreation of your I-1040 and enter an amount.

Historic Ionia Theatre after school program – A donation to the theatre is used for an After School Project that is run by volunteers and is open to any student. Supplies are purchased with these funds.

Ionia Community Library- A donation to the library goes to the Children’s book fund which provides new books, Audio books on CDs and picture book kits, videos and DVDs that are geared to the youth of the community.