

2010

**City of Saginaw Income Tax
Fiduciary Return**

S-1041

For the Calendar Year 2010 or other taxable period beginning _____, 2010, ending _____, 20_____

THIS IS NOT A FEDERAL RETURN

Please Print or Type	Name of Estate or Trust	Employer Identification Number of Estate or Trust
	Name, Address and Title of Fiduciary	For Audit Use Only

INCOME - Net profit (or loss) from business located in Saginaw

1. Total net profit (or loss) for period (from Federal Form 1041)	\$
2. Add City of Saginaw income tax deducted from income	
3. Total allocable income (Line 1 + Line 2)	
4. Allocation percentage from Schedule A below	
5. Allocated income (Line 3 x Line 4)	
6. Net Income (or loss) from rental property located in Saginaw (Federal Form 1041)	
7. Net Income (or loss) from sale or exchange of property in Saginaw from July 1, 1965 (Federal Form 1041)	
8. Other Saginaw Income	
9. Total Saginaw Income (Lines 5 + 6 + 7 + 8)	
10. Less amount of Saginaw income on Line 9 applicable to beneficiaries who are residents of Saginaw per following computation (Resident beneficiaries' share of distributable net income received by the estate or trust) + (Total distributable net income received) x (Amount on Line 9 less any portion of Line 9 not included in distributable net income) = Amount to enter on Line 10 above.	
11. Amount subject to tax (Line 9 - Line 10)	
12. TAX (Line 11 x .75%)	\$
13. Payments on Declaration of Estimated Saginaw Income Tax	
14. Refund or (Payment) Due	

Make Check Payable to Treasurer, City of Saginaw: Mail to Income Tax Office, P.O. Box 5081, Saginaw, MI 48605-5081

Schedule A -Business Allocation Formula


	I Located Everywhere	II Located in Saginaw	III Percentage (II ÷ I)
1. Average net book value of real and tangible property, including inventories	\$	\$	
a. Gross rentals of real property, multiplied by 8			
b. TOTAL (Lines 1 + 1a)			
2. Total wages, salaries and other compensation of all employees			%
3. Gross receipts from sales made or services rendered			%
4. Total percentages (Column III, Lines 1b + 2 + 3)			%
5. Average percentage (one-third of Line 4). Enter here & on Line 4, Income Section			%

See instructions when a factor does not exist in the taxpayer's operation

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

a. Numerator	c. Percentage (a ÷ b) %	Enter here and on Line 4, Income Section above
b. Denominator	d. Date of Administrator's approval letter	

I declare I have examined this return (including all schedules and accompanying statements) and to the best of my knowledge and belief, it is true, correct and complete. If prepared by a person other than the taxpayer, his/her declaration is based on all information of which he/she has any knowledge.

SIGN HERE		Signature of Fiduciary or Officer Representing Fiduciary	Date
		Signature of Preparer other than Fiduciary	Address

Resident Beneficiaries

1. Name of each resident beneficiary	2. Address	3. Social Security Number
a		
b		
c		
d		

Schedule B - Resident Beneficiaries' Shares of Exclusions

4. Exclusion for Capital Gains and Losses for period prior to July 1, 1965 (enter on Line 5, Form S-1040)	5. Exclusion for Interest from Government obligations	6. Exclusion for Rentals	7. Exclusion of Business Income	8. Total Miscellaneous Estate and Trust Income Exclusion (Add Cols. 5, 6 and 7. Enter on Line 3, Schd. E, Form S-1040)
a \$	\$	\$	\$	\$
b				
c				
d				
Totals \$	\$	\$	\$	\$

NOTE: Fiduciary shall report amounts in Columns 4 and 8 to each resident beneficiary

Instructions for Form S-1041 - Fiduciary Return

GENERAL

Every trust and estate, which had gross income from sources listed under "Taxable Income", must make and file a form S-1041, City of Saginaw Income Tax Fiduciary Return, whether a tax is due or not. For the purposes of this tax, an estate or trust shall be treated as a non-resident individual and a tax rate of three-fourths of one percent shall apply on the earnings listed under "Taxable Income".

"Income from estates" means "Income" as defined in Sec. 643(b) of the Federal Internal Revenue Code, properly paid, credited or distributed but not in excess of the resident individual's share of the distributable net income of the estate, decreased by the amount of depreciation or depletion allowed the resident individual as a deduction under Sec. 642 of the Federal Internal Revenue Code. The exceptions hereinafter set forth with respect to trusts are also applicable to income from estates. "Income from trust" means the amount of "Income" as defined in Section 643(b) of the Federal Internal Revenue Code, distributed or required to be distributed under Sec. 652(a) or 662(a) (1) of the Federal Internal Revenue Code, decreased by the amount of depreciation or depletion allowed the resident individual as a deduction by Sec. 642 of the Federal Internal Revenue Code.

TAXABLE INCOME

The only types of income taxable to an estate or trust are the following:

- (1) That portion of the net profits from the operation of a business or enterprise operated by the estate or trust that is attributable to business activity conducted in Saginaw whether or not such business or enterprise is located in Saginaw. For example, a business located out of Saginaw that conducts business in Saginaw would be taxed on the portion of its net profits properly allocable to such Saginaw business activities.
 - (2) Net profits from rentals from real and tangible personal property located in Saginaw.
 - (3) Net profits on the sale or exchange of real and tangible personal property located in Saginaw.
 - (4) Income from partnerships.
- Other income, such as dividends and interest, are not taxable to trusts and estates. However resident beneficiaries must report their distributive shares on Form S-1040.

INSTRUCTIONS FOR FILING ON PAGE 1 OF FORM S-1041

Line 1 - The total net profit (or loss) is to be computed from Page 1 of the Federal Income Tax Form 1041 by using those lines applicable to any business operation.

Lines 4 and 5 - Before completing these lines, fill out Schedule A - Business Allocation Formula.

Line 10 - Saginaw resident beneficiaries will report their portion of distributable net income on their individual returns and should receive this information from the Fiduciary. Therefore, this line, which is the resident's share of the Saginaw income, should be subtracted from Line 9 to arrive at the amount of Saginaw income taxable to the trust or estate.

INSTRUCTIONS FOR BUSINESS ALLOCATION FORMULA - SCHEDULE A

The Business Allocation Percentage Formula is to be used by estates or trusts with business activity both inside and outside the City of Saginaw, who because they do not maintain sufficient records to accurately reflect the net profits from operations conducted with the City of Saginaw, or for other reasons, are not using the separate accounting method.

Line 1 - Enter in Column I the average net book value of all real and tangible personal property including inventories owned by the business, regardless of location; and in Column II, show the net book value of the real and tangible personal property including inventories located in the City of Saginaw. The average net book value of real and tangible personal property including inventories may be determined by adding the net book values at January 1, of the current year and the net book values at the end of the year and dividing the sum thus obtained by 2. Any other method which will accurately reflect the average net book value for the current year will also be permitted.

Line 1a - Enter in column I the gross rentals for the current year multiplied by 8 for all rented property regardless of location. In Column II show the gross rentals for the current year multiplied by 8 for all rented property located inside the City of Saginaw. Gross rentals refer only to real 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 property for the year.

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 inside the City of Saginaw during the current year.

Line 3 - Enter in Column I the total gross receipts from all sales or services rendered during the current year and in Column II show the amount of receipts derived from sales made or services rendered inside the City of Saginaw during the current year.

RESIDENT BENEFICIARIES' SHARES OF INCOME AND CREDITS SCHEDULE B

The information for this schedule is to be taken from the comparable Columns of Schedule C, Form 1041 U.S. Fiduciary Income Tax Return. However only that information which applies to residents of the City of Saginaw is to be shown herein. Fiduciaries shall report amounts in Columns 4 and 8 to each resident beneficiary who will show these amounts as exclusions on the Individual Return S-1040.

TAX DUE. Make check or money order payable to Treasurer, City of Saginaw and mail with this return to Income Tax Office, P.O. Box 5081, Saginaw, MI 48605-5081.

REFUND. Mail return to Income Tax Office, 1315 S. Washington, Saginaw MI 48601

DECLARATION OF ESTIMATED TAX

Trust and estates are not required to file a Declaration of Estimated Income tax. However, if you elected to make estimate payments, you may claim these payments on Line 13 of Page 1.

ASSISTANCE

If you have any questions not answered in these instructions, or if you need assistance in preparing your return, call (989) 759-1650 or visit the Income Tax Office in Fiscal Services, City Hall, Room 105, 1315 S. Washington Avenue, Saginaw, Michigan.