WHO MUST FILE: ALL PERSONS HAVING $750 OR MORE OF CITY TOTAL INCOME (LINE 15) MUST FILE A RETURN.

EXEMPTION CREDIT: $750 FOR EACH EXEMPTION. INDIVIDUALS 65 OR OLDER AND/OR LEGALLY BLIND WILL BE ALLOWED AN ADDITIONAL EXEMPTION. IF CHILDREN ARE CLAIMED ON PARENTS' RETURN THEY MAY ALSO TAKE A $750 EXEMPTION CREDIT.

RATE: CITY RESIDENTS ARE TAXED AT 1.50% (.015) NON-RESIDENTS ARE TAXED AT .75% (.0075)

FILING DATE: YOUR RETURN MUST BE POST-MARKED BY April 30, 2019. INTEREST AND PENALTIES, AS PROVIDED BY LAW ($2.00 MINIMUM), WILL BE ASSESSED ON ALL LATE PAYMENTS.

PAYMENT: IF THE TAX DUE IS ONE DOLLAR ($1.00) OR MORE, IT MUST BE PAID WITH YOUR RETURN. YOU MAY AUTHORIZE PAYMENT BY ELECTRONIC FUNDS WITHDRAWAL OR MAKE CHECK OR MONEY ORDER PAYABLE TO: TREASURER, CITY OF SAGINAW. MAIL YOUR RETURN AND PAYMENT WITH EARNINGS STATEMENT(S) SHOWING SAGINAW TAX WITHHELD (FORM W-2).

ESTIMATED TAX PAYMENT: REQUIRED BY LAW TO PAY QUARTERLY ESTIMATES IF YOUR TAX RETURN PAYMENT IS OVER $100 DUE TO INSUFFICIENT TAX WITHHELD OR NO WITHHOLDING. SEE LAST PAGE INSTRUCTIONS TO AVOID UNDERPAYMENT PENALTY.

ATTACH SCHEDULES: REFUNDS WILL NOT BE ISSUED WITHOUT COPIES OF FEDERAL SCHEDULES TO SUPPORT ALL FIGURES ON LINES 4 – 11 AND 16 – 21.

RENAISSANCE ZONE: IF ELIGIBLE FOR 2018 RENAISSANCE ZONE TAX EXEMPTION, ATTACH ORIGINAL QUALIFYING CERTIFICATE TO THE RETURN. SOME RENAISSANCE ZONES ARE REDUCED OR HAVE EXPIRED, PLEASE SEE CERTIFICATE.

FIREWORKS DONATION: PLEASE CONTRIBUTE ONE DOLLAR ($1.00) OR MORE.

MAIL PAYMENTS, REFUNDS & ZERO RETURNS TO: INCOME TAX OFFICE
1315 S. WASHINGTON AVE
SAGINAW MI 48601

FOR ASSISTANCE OR PAYMENT BY CREDIT/ DEBIT CARD: INFORMATION MAY BE OBTAINED IN 3 WAYS.

1. VISIT OUR WEBSITE AT WWW.SAGINAW-MI.COM
2. VISIT US AT THE INCOME TAX OFFICE IN CITY HALL, ROOM 105.
3. PHONE US AT (989) 759-1650.
INSTRUCTIONS FOR PAGE 1 – 2018 S-1040

WHO MUST FILE
The City of Saginaw Individual Income Tax Return, Form S-1040, is to be filed by every individual who has $750 or more total income on Line 15, Page 1 of the S-1040. The filing of a declaration of estimated tax does not excuse a taxpayer from filing an annual return even though there is no change in the declared tax liability nor additional amount due. Estates and trusts, partnerships and corporations shall file on forms provided for their specific use. Filing must be made on City of Saginaw forms. Other cities’ forms are not acceptable. The fact that a taxpayer is not required to file a federal income tax return does not relieve them from filing a City of Saginaw tax return.

COMPLETING YOUR RETURN

• First complete the name and address, and be certain that your social security number has been entered correctly.

• If taxpayer or spouse is deceased attach a copy of the death certificate.*

• Show residency status for 2018. If you were a resident only part of 2018 use S-1040TC in this booklet or see instructions for Partial Residency Tax Table on Page 4.

• Enter income from the Federal return in Column I.

• Enter amounts of income NOT subject to Saginaw income tax under the “Not subject to tax” column and identify in schedules on Page 2. Subtract the “Not subject to tax” column from “federal return” column and enter difference in “Income subject to tax” column. If there are no exclusions, use “income subject to tax” column only. ALL FIGURES MUST BE ROUNDED TO THE NEAREST DOLLAR. Support figures with schedules.

• Multiply $750 by the number of allowed exemptions, which includes an extra exemption for an individual 65 or older, and/or legally blind. Individuals claimed on parents’ return may claim themselves.

• Multiply Line 25 by proper tax rate for tax liability.

• Be sure Saginaw tax withheld as shown on attached Forms W-2 agrees with credit taken on Line 27.

• Credit for payments on 2018 Declaration of Estimated Tax should be actual amounts paid to the City of Saginaw.

• Take credit on Line 29 for tax paid to another city, limited to .0075 Saginaw’s non-resident rate. Attach a copy of that city’s return.

• Add Lines (27-29) and enter on Line 30.

• If your tax credits (Line 30) are less than your tax liability (Line 26), show amount you owe (Line 31) and PAY.

• Electronic Funds Withdrawal. Must check box marked Pay Tax Due – Electronic funds withdrawal. Write routing numbers in box a and account numbers in box b. Check only 1 box for account type.

• If Line 30 is more than Line 26, show overpayment on Line 32.

• Enter the amount of refund you would like applied to 2019

• Subtract amount applied to 2019 tax return. Subtract $1.00 or more if you would like to donate to the fireworks. This is your refund. Allow at least 45 days for refund check.

• Direct Deposit of Refund. Must check box marked Refund – Direct Deposit. Complete Box a and b. Check only 1 box for account type.

• The taxpayer and spouse (if a joint return) MUST SIGN THE RETURN. Please print name and phone number of tax preparer.

DOCUMENTATION REQUIREMENTS
Copies of all federal schedules and other documentation supporting income, losses and deductions must be attached to your return. Failure to attach federal schedules and documentation or attaching incomplete schedules and documentation will delay the processing of your return and may result in deductions being disallowed.

MARRIED PERSONS – JOINT OR SEPARATE RETURNS

Married persons may file either a joint return or separate return. If a joint return is filed, all income of both husband and wife must be included and both must sign it, and both names must be listed in the heading, such as “John A. and Mary B. Doe”.

If separate returns are filed, neither spouse can claim the other as a dependent on their separate return. However, you can claim the exemption for your spouse only if your spouse had no taxable income and was not the dependent of another taxpayer. Children and other dependents can only be claimed by the spouse who claims such dependents under the Federal Internal Revenue Code. If one spouse has a different tax status than the other, each spouse must file a separate return based on each one’s residency for 2018.

THE ONLY ALLOWABLE DEDUCTIONS ARE:

A. EMPLOYEE BUSINESS EXPENSES

Employee business expenses allowable under the Saginaw Income Tax Ordinance differ from the I.R.S. allowance:

1. Expenses of travel, meals and lodging while away from home for services as an employee.

2. Expenses as an outside salesperson, who works away from employer’s place of business (does not include driver-salesperson whose duty is service and delivery).

3. Expenses of transportation (BUT NOT TRANSPORTATION TO AND FROM WORK).

4. Expenses reimbursed under an expense account, if the reimbursement has been included in gross earnings.

IMPORTANT: Business expenses on line 4 of Form 2106 are not an allowable deduction on the Saginaw return unless the taxpayer qualifies as an outside salesperson.

B. SELF-EMPLOYMENT RETIREMENT and I.R.A. PLANS.

C. MOVING EXPENSE Deduction is suspended except for certain active duty Armed Forces members who have a permanent change of station and move from their last post of duty to their home within the City of Saginaw. Attach federal Form 3903, if qualified.

D. ALIMONY to the extent includable in the former spouses adjusted gross income under the Federal Internal Revenue.

IMPORTANT: B thru D above is limited to the amount taken on your federal return and in proportion to taxable income under the Saginaw Income Tax Ordinance. A copy of the federal schedule(s) supporting such deductions must be attached.

EXEMPT INCOME

The following income is not taxable to either a resident or non-resident and should be excluded by both:

• Gifts, bequests, and non-profit bingo winnings.

• Qualified proceeds from insurance, annuities, pensions, retirement plans and social security.

• Welfare relief, unemployment compensation/benefits, workers’ compensation and sub pay.

• Interest from Federal, State and City Obligations (US Bonds, Municipal Bonds and Treasury Bills).

• Amounts paid to any employee as reimbursement for expenses necessarily and actually incurred by him/her in the actual performance of his/her services and deductible as such by the employer.

• Compensation received for service in the armed forces of the United States, including the reserves.

• Subchapter S corporation ordinary business income(loss).

• State and City Refunds.
RESIDENT

Line 1-Wages, Salaries, Tips, Bonuses, Sick Pay, Buyouts etc.
The front page of the Federal Return must be attached to all returns in order to verify income. A resident is taxed on ALL earnings, including salary, bonus, separation and incentive payments, tips, commissions and other compensation for services rendered.

REGARDLESS WHERE EARNED. EXAMPLE: Taxpayer lives in the City of Saginaw but works in Alpena and receives his paycheck from the home office in New York City, 100% of his compensation is taxable. Attach all Form W-2s.

Line 2-Interest and Dividends
Interest and Dividends are taxable the same as the Federal return except margin interest and interest on U.S. Bonds, Treasury Bills and Notes is excluded on Schedule B. The amount from Federal 1040, Line 8a, U.S. Agency Bonds are taxable.

Line 4-Business Income (Attach Federal Schedule C)
All self-employment income is taxable. Job Credits and additional depreciation due to Investment Credit adjustment are deducted from Federal taxable income.

Line 5 & 6-Sale or Exchange of Property (Attach Schedule D)
Long and short term capital gains and losses are to be reported in the same manner as the Federal return except margin interest and interest on U.S. Bonds, Treasury Bills and Notes is excluded on Schedule B. The amount from Federal 1040, Line 8a, U.S. Agency Bonds are taxable.

Line 8-Pension Distributions (Attach 1099R)
Enter amounts from Federal 1040, Line 16b or Federal 1040A, Line 12b. Pensions are not taxable unless early distributions.

Line 9-Individual Retirement Account
Individual Retirement Account distributions received after reaching 59 ½ and conversions to Roth IRA are not taxable unless early distributions.

Line 10-Subchapter S Corporation Distributions.
Actual distributions of Subchapter earnings (dividends) are taxable the same as the Federal, except margin interest is deducted on Schedule B.

Line 14-Miscellaneous (Attach Support)
Enter amount from Federal Form 1040 Page 1, Line 21.
Included in this line would be jury duty, stock savings plans, ESOP payout, all gambling winnings and other miscellaneous income.

Line 16-22-DEDUCTIONS
See “Instructions for Page 1” for allowable Adjustments. Enter total “Adjustments to Income” from Federal Form 1040. Must attach Form 2106 for employee business expense; Form 3903 for moving expenses and federal Form 1040, Schedule 1 for all other adjustments. (IRA, SEP, Alimony, etc.).

Line 26-Tax
Residents are taxed on 100% of their earnings at 1.50%.
Partial year residents are taxed on:
- 100% of earnings while a resident at 1.50%
- 100% of city earnings while a non-resident at .75%
- Partial Residency Tax Rate Table-use only if total income for all year (12 months) was in the City of Saginaw

If your tax situation does not fit any of the above use S-1040TC included in this instruction booklet.

NON-RESIDENT

Line 1-Wages, Salaries, Tips, etc.
A non-resident is taxed only on earnings received for work done or services performed in the City of Saginaw. Compensation paid to a non-resident for work performed outside the City of Saginaw should be excluded, based on the percentage of time worked in and out of Saginaw (Use Page 2, Employer). Severance, vacation, holiday pay or sick time and bonus payments are taxable on the same ratio as normal earnings. The percentage of compensation may also be computed on the basis of hours, dollars of commissions, etc. Attach Forms W-2, showing Saginaw tax withheld.

If non-resident couple files jointly, one of who works in the city and the other outside the city, the compensation of the spouse working outside shall be excluded.

Line 2-Interest and Dividends. NOT TAXABLE to non-residents.

Line 4-Business Income (Attach Federal Schedule C)
If the business activity is not entirely within the City of Saginaw, attach a note to explain computation or you may obtain Schedule S-1040BC by downloading the form from www.saginaw-mi.com.

In determining the average percentage, a factor shall be excluded from the computation only when such factor does not exist anywhere and, in such cases, the sum of the percentages shall be divided by the number of factors actually used.

Line 5 & 6-Sale or Exchange of Property (Attach Schedule D)
Report only those gains and losses arising from property located in the City of Saginaw. See instructions under “Resident” for method of prorating gains/losses and report transactions in Schedule D.

An estate or trust will pay the tax for a non-resident beneficiary and such income is not taxable on the Saginaw return.

Line 7-Individual Retirement Account.
Individual Retirement Account distributions are NOT taxable. However, the portion a premature IRA distribution, in relation to city income, (Form 1099-R, Box 7, Code 1) is taxable to a nonresident.

Line 8-Pension Distributions
Qualified Pension plans are not taxable. Qualified Retirement Plan Distributions are not taxable. However, premature distributions (those received prior to qualifying for retirement) are taxable.

Line 9-Individual Retirement Account.
Rent on units outside the City of Saginaw and partnerships located outside the City of Saginaw are excluded. Indicate name, location and Federal ID on Schedule E. Losses on passive income are the same as Federal Form 1040. However losses on passive income of Sub Chapter “S” Corporation are not deductible.

Line 10-Subchapter S Corporation Distributions.
This is NOT TAXABLE to nonresidents.

Line 14-Miscellaneous (Attach Support)
See instructions under “Resident”. Sick pay is taxable in proportion to taxable wages. Any miscellaneous income for services performed outside the City of Saginaw should be excluded.

Gambling winnings are not taxable.

Line 16-22-DEDUCTIONS
See instructions under “Resident”. If your earnings from Line 1 above have been prorated through use of the percentage shown on Line 1 (d) of Schedule A, use the same percentage to prorate these adjustments. However, if another method was used to prorate earnings use this same method to prorate your adjustments.

Line 26 - Tax
Non-residents are taxed on 100% of city earnings at .75%.
Partial year residents are taxed on:
- 100% of earnings while a resident at 1.50%.
- 100% of city earnings while a non-resident at .75%.
- Partial Residency Tax Rate Table-use only if total income for all year (12 months) was in the City of Saginaw.

If your tax situation does not fit any of the above use S-1040TC included in this instruction booklet.
PARTIES AND CREDITS
Line 27-Total Tax Withheld by Employers
Enter total Saginaw Tax withheld as shown on City or Local copy of Forms W-2 which are attached. Be sure that totals of the ATTACHED copies agree with Line 27. W-2 must be legible.

Line 28-Payments on 2018 Declaration of Estimated Tax
Take credit for all payments made for 2018 estimated tax forms including the last payment due in January 2019.

Line 29-Other Credits
A Saginaw resident who earns income from another taxing municipality shall be allowed a credit against Saginaw income tax for the amount paid to the other taxing city with a limit of .0075. Attach a copy of that city income tax return as proof of payment. Enter tax paid on your behalf by a partnership of which you are a partner, or payments made on a tentative return.

TAX DUE OR REFUND
Line 31-Amount You Owe
If Line 26 is larger than Line 30, subtract Line 30 from Line 26, the difference is the amount that you owe to the City of Saginaw. Partial payments will be accepted after the return is filed and proper arrangements are made. Make check or money order payable to Treasurer, City of Saginaw and mail to: Income Tax Office, 1315 S Washington Ave, Saginaw, MI 48601. To pay by Credit/Debit card please visit WWW.SAGINAW-MI.COM

Note: If your payment is over $100.00, you may be required to file a Form S-1040ES. See estimated tax instructions.

Line 32-This is the Amount You Overpaid
If Line 30 is larger than Line 26, subtract line 26 from line 30. The difference is the amount you overpaid.

Line 33 – The Amount to Apply to Next Year’s Tax Return
Indicate the amount of your refund you would like credited to 2019.

Line 34 – Please donate at least $1.00 to the Saginaw Fireworks.

Line 35 - This is Your Refund
Subtract Line 33 and 34 from line 32, the difference is your refund amount. Refunds may be directly deposited or issued by a refund check. Refunds of less than one dollar ($1.00) will not be made. Refunds will be made as quickly as possible. Please wait until after June 15, 2019 before making inquiry.

DECLARATION OF ESTIMATED TAX
If you expect that your Saginaw Income in 2019, not subject to withholding, will be more than $6,667 for a resident or $13,333 for a non-resident (after deduction of exemption credits) on which the tax will be over $100.00, you must file a Declaration of Estimated Tax for 2019 by April 30, 2019 and pay at least one-fourth (25%) of the estimated 2019 tax with your Declaration.

Pay the balance in three (3) equal installments to be paid on June 30, September 30, 2019 and January 31, 2020. You may amend your estimate at the time of making a quarterly payment. Declaration of Estimated Tax forms may be obtained at the Income Tax Office or on-line at www.saginaw-mi.com.

No estimate is required if 70% of current or prior year’s tax is paid prior to filing with withholding or credit. PENALTIES AND INTEREST WILL BE CHARGED IF YOU ARE UNDERPAID.

CHARGES FOR LATE PAYMENTS
All tax payments, remaining unpaid after they are due, are liable to a penalty of 1% per month, not to exceed a total penalty of 25%, and bear interest at the rate of 1% above the prime rate on an annual basis. The minimum combined charge for interest and penalty shall be $2.00.

AMENDED RETURNS-An amended return shall be filed when it is necessary to report additional income, pay additional tax due or claim a refund, or within 90 days from final determination of a Federal tax liability which also affects city income tax liability. Use S-1040 form and mark “AMENDED” in left upper corner.

Provide reason for amendment with appropriate Federal schedules.

PARTIAL RESIDENCY TAX RATE TABLE

IMPORTANT: DO NOT USE TABLE BELOW UNLESS TOTAL INCOME FOR ALL YEAR (FROM JANUARY 1ST TO DECEMBER 31ST) WAS IN THE CITY OF SAGINAW.

<table>
<thead>
<tr>
<th>NUMBER OF MONTHS YOU WERE A RESIDENT</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>½ Month</td>
<td>0.7812</td>
</tr>
<tr>
<td>1 Month</td>
<td>0.8125</td>
</tr>
<tr>
<td>1 ½ Month</td>
<td>0.8438</td>
</tr>
<tr>
<td>2 Month</td>
<td>0.8750</td>
</tr>
<tr>
<td>2 ½ Month</td>
<td>0.9062</td>
</tr>
<tr>
<td>3 Month</td>
<td>0.9375</td>
</tr>
<tr>
<td>3 ½ Month</td>
<td>0.9687</td>
</tr>
<tr>
<td>4 Month</td>
<td>1.0000</td>
</tr>
<tr>
<td>4 ½ Month</td>
<td>1.0313</td>
</tr>
<tr>
<td>5 Month</td>
<td>1.0625</td>
</tr>
<tr>
<td>5 ½ Month</td>
<td>1.0937</td>
</tr>
<tr>
<td>6 Month</td>
<td>1.1250</td>
</tr>
<tr>
<td>6 ½ Month</td>
<td>1.1562</td>
</tr>
<tr>
<td>7 Month</td>
<td>1.1875</td>
</tr>
<tr>
<td>7 ½ Month</td>
<td>1.2188</td>
</tr>
<tr>
<td>8 Month</td>
<td>1.2500</td>
</tr>
<tr>
<td>8 ½ Month</td>
<td>1.2812</td>
</tr>
<tr>
<td>9 Month</td>
<td>1.3125</td>
</tr>
<tr>
<td>9 ½ Month</td>
<td>1.3437</td>
</tr>
<tr>
<td>10 Month</td>
<td>1.3750</td>
</tr>
<tr>
<td>10 ½ Month</td>
<td>1.4063</td>
</tr>
<tr>
<td>11 Month</td>
<td>1.4375</td>
</tr>
<tr>
<td>11 ½ Month</td>
<td>1.4687</td>
</tr>
<tr>
<td>12 Month</td>
<td>1.5000</td>
</tr>
</tbody>
</table>

Example: The taxable income was $20,000 for the year.

Taxpayer’s total income for all year (12 months) was in the city.

The taxpayer lived in the city as follows:
1) January 1 to April 10 (3 ½ months)
.9687 X 1% X $20,000 or .009687 X $20,000 = $193.74 tax due

2) January 1 to October 25 (10 months)
1.3750 X 1% X $20,000 or .013750 X $20,000 = $275.00 tax due

3) August 17 to December 31 (4 ½ months)
1.0313 X 1% X $20,000 or .010313 X $20,000 = $206.26 tax due

4) May 2 to September 28 (5 months)
1.0625 X 1% X $20,000 or .010625 X $20,000 = $212.50 tax due

Taxpayer who was a resident part of the year and lived outside and worked outside the city the balance of the year, shall use the rate of 1.50% on the earnings as a resident only.

Taxpayer, moving into or out of the city during the year, but total income for all year (12 months) was in the city must use the table above. One to 15 days is to be considered one-half (1/2) month and 16 to 31 days is to be considered a full month. Determine length of residency in the city to the half month and locate tax rate factor in the table. Multiply by taxable income to determine tax due.

ASSISTANCE

If you have any questions or if you need assistance in preparing your return you may contact us 3 ways:
1. Visit our website at www.saginaw-mi.com
2. Phone us at (989) 759-1650
3. Visit us at the Income Tax Office, City Hall, Room 105

WE WILL NOT PREPARE YOUR TAX RETURN.