



2008
CITY OF WALKER INCOME TAX

RESIDENT FORMS AND INSTRUCTIONS
Form W-1040R—Individual Return

For RESIDENTS of the City of Walker and INDIVIDUALS
who lived in Walker at ANY TIME during 2008

FILING DATE: Your return must be filed by April 30, 2009

REMITTANCE: Make remittance payable to: City Treasurer

MAILING ADDRESS: Mail your return and remittance, with W-2 forms to:

Walker City Income Tax
P.O. Box 153
Grand Rapids, MI 49501-0153



Telephone number: (616) 791-6880



Business hours:
Monday through Friday
8:00 a.m. to 5:00 p.m.



Website: www.ci.walker.mi.us

Estimated payment vouchers for 2009 are included in this booklet.
They will no longer be mailed separately.
See instructions to determine if you are required to file quarterly estimated payments.

GENERAL INFORMATION

WHO MUST FILE A RETURN

Every resident or part-year resident of Walker who had taxable income in 2008 of \$750 or more must file a return by April 30, 2009. See Taxable Income paragraph below. Married persons may file either a joint return or separate returns.

If you do not meet the requirements for filing a return but Walker tax was withheld or estimated tax was paid, you must file to receive a refund.

WHO MUST USE THIS FORM

Full-year resident - If you were a resident of Walker during all of 2008 and had taxable income, you must use this form (W-1040R). All taxable income while a resident of Walker must be reported on this form, regardless of the source of the income. (See Taxable Income paragraph)

Part-year resident who worked in Walker as both a resident and a nonresident - In addition to filing a resident form, individuals who had income subject to the Walker tax both as a resident and as a nonresident must fill out and attach a Schedule L. Schedule L will be furnished on request and is necessary to compute the tax on those items of income that are taxed differently to residents and nonresidents. Do not use Schedule L unless you had income subject to the Walker tax both as a resident and as a nonresident.

Indicate to the left of the dollar amount entered on line 7 that such amount has been transferred from Schedule L. Do not fill in lines 1 through 6 on the front of the form.

Part-year resident who did not work in Walker as a nonresident - Do not use Schedule L if you were a part-year resident of Walker and did not work in Walker during the part of the year that you lived outside of Walker. Report on this form only your taxable income while a resident, regardless of the source of the income. Show the period you were a resident and your former address in the spaces provided.

EXTENSION OF TIME TO FILE

The due date of this return may be extended for a period not to exceed six months. **When a city extension is granted, tentative tax must be paid by April 30, 2009.** Applications for extensions are available from the Walker City Income Tax Department.

Applying for a Federal extension does not satisfy the requirement to file a Walker extension.

TAXABLE INCOME

Walker residents are required to report the same kinds of taxable income on their city return as they report on their federal return, **with the following exceptions:**

- Gifts, inheritances and bequests are not taxable income.
- Pensions (including disability pensions), social security, annuities, IRA distributions after age 59 ½, and rollover of amounts from IRA's to ROTH IRA's are not taxable income.
- Proceeds of insurance (except that payments from a health and accident policy paid for by your employer are taxable to the same extent as provided by the Internal Revenue Code).
- Unemployment compensation and supplemental unemployment benefits are not taxable income.
- Interest from obligations of the United States, the states, or subordinate units of government of the states, and gains or losses on the sales of obligations of the United States are not taxable income.
- Military pay of members of the National Guard and the Armed Forces of the United States including Reserve pay is not taxable income. Attach a copy of your military W-2.
- Michigan State Lottery prizes won before January 1, 1988 are not taxable income. Michigan State Lottery prizes won after December 31, 1987 are taxable income.

DECLARATION OF ESTIMATED TAX

If you expect that your Walker income in 2009 not subject to withholding will be more than \$10,000 after deductions (\$100 in tax), you must file a Declaration of Estimated Tax (form W-1040ES) for 2009 by April 30, 2009 and pay at least one-fourth (1/4) of the estimated 2009 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 will result in the assessment of penalty and interest for the late payment of tax. To avoid penalty and interest charges, you must pay in through withholdings and/or quarterly estimated payments at least 70% of your current year or prior year liability, whichever is lower.

If at any time during the year your income increases to such a level that one hundred dollars tax or more will be due at the end of the year, a Declaration of Estimated Tax must be filed.

The Declaration of Estimated Tax Forms W-1040ES (quarterly estimated vouchers for 2009) are included in this booklet.

WHERE TO BEGIN

The table below will help you determine which schedules apply to you:

Schedule Name	Must Be Completed By:
Schedule 1—Exemptions	ALL FILERS
Schedule 2—Wage Detail	Filers who worked as employees—use information from W-2 form(s).
Schedule 3—Payments	ALL FILERS
Schedule 4—Other Income/Loss	Filers with income in addition to wages on their federal return.
Schedule 5—Deductions	Filers with IRA contributions, Federal from 2106 or 3903 expenses; filers with alimony deductions on their federal returns

LINE BY LINE INSTRUCTIONS

SCHEDULE 1—EXEMPTIONS

Lines 1-3

All individuals filing a Walker income tax return are allowed one personal exemption even if they are eligible to be claimed as a dependent on another filer's return. On a joint return both individuals are allowed one personal exemption.

If you are taking an exemption for your spouse, you must show their social security number and they must sign the return even if they do not have any Walker income.

Individuals who are 65 years of age or older may claim one additional personal exemption. On a joint return either one or both individuals if they qualify may claim one additional exemption for being 65 years of age or older.

Individuals who are legally blind may also claim an additional personal exemption. On a joint return either one or both individuals if they qualify may claim an additional exemption.

SCHEDULE 2—WAGE DETAIL

Columns A and B

All wages, salaries, sick pay, tips, bonuses, etc. earned by a resident of Walker while a resident of Walker are taxable regardless of where earned and must be included on Schedule 2.

Enter Walker income tax withheld by your employer in Column A as shown on your 2008 W-2 statements. The locality name on your W-2(s) must be Walker for you to receive credit for Walker income tax withholding. The City of Walker copy of your W-2(s) must be submitted with your return.

Enter total wages from box one of your W-2(s) in Column B.

SCHEDULE 3—PAYMENTS

Line 1—Tax withheld by your employer

Enter the amount of Walker tax withheld from Schedule 2, Column A, line 1a.

Line 2—Estimated payments, credit from a prior year, extension payments

If you made quarterly estimated payment(s), applied an overpayment from your 2007 Walker return to 2008 or made a payment with an extension, enter the total of all payments on line 2.

In addition, enter any Walker income tax paid on your behalf by a partnership of which you are a partner on line 2. Please indicate to the right of the amount that the payment was made by a partnership.

Line 3—Credit for tax paid to another city.

If you are a Walker resident subject to city income tax in another city, you may claim a credit against Walker income tax for the net amount paid to the other city. This credit may not exceed the tax that a nonresident of Walker would pay on the same income earned in Walker. Complete Worksheet 1 on page 2 of the form to determine the amount of credit to enter on line 3.

You must attach a copy of the 2008 city income tax return(s) that you filed with the other city(ies).

SCHEDULE 4—OTHER INCOME/LOSS

The federal rules concerning passive losses are applicable to losses deducted on this return.

Line 1—Interest income

Enter interest from your federal return on line 1a. Enter interest from obligations of the United States on line 1b. Subtract line 1b. from line 1a. and enter the result on line 1c.

Line 2—Dividend income

Enter dividends from your federal return on line 2a. Enter dividends from obligations of the United States on line 2b. Subtract line 2b. from line 2a. and enter the result on line 2c.

Line 3—Income/loss from business (for filers of Federal Schedule C)

Walker residents are taxed on the net profits from their operation of a business or profession regardless of where it is located.

Enter your Schedule C income/loss on line 3a. Enter your KEOGH deduction, if applicable, on line 3b. Subtract line 3b. from 3a. and enter the result on line 3c. **You must attach a copy of Federal Schedule C.** If you

CITY OF WALKER RESIDENT INDIVIDUAL INCOME TAX RETURN

W-1040R

Due April 30, 2009

2008

Use the WALKER Mailing label Otherwise Please print	Your first name & initial	Last name	Your Social Security Number--REQUIRED			
	If joint, spouse's first name & initial	Last name	[]	[]	[]	[]
	Home address (Number and street or rural route)		Spouse's Social Security Number			
SEE INSTRUCTIONS	City, town or post office	State	Zip code	Day phone	Evening phone	

<input type="checkbox"/> Part Year Resident from ___/___/___ to ___/___/___	<input type="checkbox"/> Taxpayer only	If married, is spouse filing a separate return? <input type="checkbox"/> Yes <input type="checkbox"/> No
Former Address: _____	<input type="checkbox"/> Spouse only	
	<input type="checkbox"/> Both	

Schedule 1 Exemption Amount					
Check boxes that apply:	Regular	65 or over	Blind	1. Number of boxes checked	1.
Yourself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Number of dependent children and/or other dependents for which you claimed an exemption on your federal return	2.
Spouse	<input type="checkbox"/> **	<input type="checkbox"/>	<input type="checkbox"/>	3. Total number of exemptions--add lines 1 and 2	3.
**If this box is checked, you must enter spouse's social security number above and spouse must sign return				Multiply number of exemptions in line 3 by \$750 and enter on line 5 of return summary below.	

Schedule 2 Wage Detail		ATTACH WALKER COPY OF FORM(S) W-2	Column A Walker tax withheld	Column B Total wages from Box 1 of W-2
Employer's name	Street address of actual work location(s)		.00	.00
			.00	.00
			.00	.00
			.00	.00
Totals		1a.	.00	1b. .00

Schedule 3 Payments			
1. Tax withheld by your employer from line 1a. of Schedule 2	1.	.00	Attach copy of other return
2. 2008 estimated payments, credit from 2007 W-1040R, payment with extension	2.	.00	
3. Credit for tax paid to another city--from Page 2, Worksheet 1	3.	.00	
4. Total payments--enter here and on line 8 of return summary below	4.	.00	

Return Summary	1. Total wages, salaries and tips from Schedule 2, line 1b.	1.	.00	
	2. Other income/loss from Page 2, Schedule 4, line 11	2.	.00	
	3. Deductions from Page 2, Schedule 5, Line 5 (Enter as negative amount)	3.	.00	
	4. Combine lines 1, 2 and 3. This is your total Walker income	4.	.00	
Exemptions	5. Multiply number of exemptions from Schedule 1, line 3 by \$750 and enter here	5.	.00	
Taxable Income	6. Subtract line 5 from line 4. This is your taxable income	6.	.00	
Tax	7. Multiply line 6 by one percent (.01) This is your Walker tax	7.	.00	Tax >>>
Payments	8. Total of Walker payments from Schedule 3, line 4	8.	.00	Payments >>>
Tax Due	9. If tax (line 7) is larger than payments (line 8) you owe tax ENTER TAX DUE AND MAKE CHECK PAYABLE TO WALKER CITY TREASURER	9.	.00	Pay with Return >>>
Overpayment	10. If payments (line 8) are larger than tax (line 7) ENTER OVERPAYMENT	10.	.00	Overpayment >>>
Credit to 2009	11. Amount of overpayment to be held and applied to your 2009 estimated tax	11.	.00	Credit to 2009 >>>
Donation	12. Overpayment donated to Education Foundation--See page 2	12.	.00	Donation >>>
Refund Check	13. Amount of overpayment to be MAILED TO YOU	13.	.00	Refund >>>
Refund to be Deposited	14. Amount of overpayment to be refunded via direct deposit to the following bank account: a. Routing number [][][][][][][][][][] b. Type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings c. Account number []	14.	.00	

I have read this return. Under the penalties of perjury, I declare that to the best of my knowledge and belief the return is true, correct and accurately lists all amounts and sources of Walker income I received during the tax year. If prepared by a person other than the taxpayer, his/her declaration is based on all information of which he/she has any knowledge.

PLEASE SIGN HERE	Your signature	Spouse's signature if joint return	Paid preparer's signature	
	Date	Your occupation	Date	Spouse's occupation
			Address	

YOU MUST ATTACH A COPY OF PAGE ONE OF YOUR 2008 FEDERAL 1040
Mail return to: Income Tax Dept., PO Box 153, Grand Rapids, MI 49501-0153

Schedule 4 Other Income/Loss								
PART YEAR RESIDENTS INCLUDE ONLY INCOME/LOSS ATTRIBUTABLE TO PERIOD OF RESIDENCY								
1. Interest income from Federal return	1a.	.00	U.S. interest	1b.	.00	1c.	.00	
2. Dividend income from Federal return	2a.	.00	U.S. dividends	2b.	.00	2c.	.00	
3. Income/loss from business--Federal Schedule C	3a.	.00	Keogh deduction	3b.	.00	3c.	.00	
4. Income/loss from rents/royalties--Federal Schedule E, page 1							4.	.00
5. Income/loss from partnerships--Federal Schedule E, page 2							5.	.00
6. Income/loss from sale or exchange of property (Capital gains)--Federal Schedule D							6.	.00
7. Distributions from Subchapter S corporations--Federal Schedule K-1							7.	.00
8. Income from estates/trusts--Federal Schedule E, page 2							8.	.00
9. Premature distributions from profit sharing plans, pension plans and/or IRAs							9.	.00
10. Other income (alimony received, gambling winnings, taxable scholarships, etc.)							10.	.00
11. Total--combine lines 1c. through 10--enter here and on page 1, line 2 of return summary							11.	.00

Schedule 5 Deductions		
PART YEAR RESIDENTS ALLOCATE DEDUCTIONS FOR PERIOD OF RESIDENCY		
1. IRA deduction--attach page 1 of Federal 1040 (No deduction is allowed for contributions to a ROTH IRA)	1.	.00
2. Employee business expenses--attach Federal 2106 or list	2.	.00
3. Moving expenses--attach Federal 3903 or list	3.	.00
4. Alimony paid--attach page 1 of Federal 1040	4.	.00
5. Total--add lines 1 through 4--enter here and on page 1, line 3 of return summary	5.	.00

Worksheet 1 Credit for Tax Paid to Another City		
1. Total income after deductions (before exemptions) from 2008 non-resident city return	1.	.00
2. Less: exemption amount from <u>Walker</u> return--page 1, line 5	2.	.00
3. Subtract line 2 from line 1	3.	.00
4. Rate	4.	.005
5. Multiply line 4 by line 3--enter here and on page 1, schedule 3, line 3	5.	.00

(Credit is limited to actual tax liability from other city's return)

Part year residents: Include income on line 1 of this worksheet only to the extent that it is taxable by Walker as a resident and taxable by another city that imposes an income tax as a non-resident

Note: You must complete a separate Worksheet 1 for each city in which you filed a non-resident return

YOU MUST ATTACH A COPY OF PAGE ONE OF THE OTHER CITY'S RETURN

Summary of Required Attachments	
<u>All Filers:</u>	<u>If Applicable:</u>
◆ All form W-2's	◆ Federal Form 2106
◆ Page 1 of Federal Form 1040	◆ Federal Form 3903
	◆ Federal Schedule C
<u>Filers Taking a Credit for Tax Paid to Another City:</u>	◆ Federal Schedule D, Form 4797, and Form 6252
◆ Copy of page one of the other city(ies) return	◆ Federal Schedule E including Federal Schedule K-1 for all S corporations shown on Schedule E, if any
	◆ Copies of all forms 1099-R for taxpayers under age 65

Contribution to Education Foundation
You may contribute your overpayment from Page 1, line 10 to one of the Education Foundations listed by checking the appropriate box. If you check a box, the full amount of your overpayment will be sent to the Education Foundation you have chosen. Skip lines 11 and 13.
<input type="checkbox"/> Comstock Park Education Foundation
<input type="checkbox"/> The Grandville Education Foundation
<input type="checkbox"/> Kenowa Hills Education Foundation

Third Party Designee
Do you want to allow another person to discuss this return with the Income Tax Department? <input type="checkbox"/> Yes--Complete the following: <input type="checkbox"/> No
Designee's Name: _____ Phone No. () _____

**CITY OF WALKER
DECLARATION OF ESTIMATED TAX
PAYMENT VOUCHER**

**W-1040ES
VOUCHER 1**

2009

Calendar Year - Due April 30, 2009
Fiscal Year - See Instructions for due date

SOCIAL SECURITY NUMBER (Complete SSN required to apply payment correctly to your account)		SPOUSE'S SOCIAL SECURITY NUMBER	
FIRST NAME AND INITIAL (If joint return, also give spouse's name and initial)	LAST NAME	DECLARATION OF ESTIMATED TAX	\$ _____ .00
ADDRESS		AMOUNT THIS PAYMENT	\$ _____ .00
CITY, STATE, ZIP		SIGNATURE _____	

**MAKE CHECKS PAYABLE TO: WALKER CITY TREASURER
MAIL TO: CITY OF WALKER INCOME TAX, P.O. BOX 153, GRAND RAPIDS, MI 49501-0153**

**CITY OF WALKER
DECLARATION OF ESTIMATED TAX
PAYMENT VOUCHER**

**W-1040ES
VOUCHER 2**

2009

Calendar Year - Due June 30, 2009
Fiscal Year - See Instructions for due date

SOCIAL SECURITY NUMBER (Complete SSN required to apply payment correctly to your account)		SPOUSE'S SOCIAL SECURITY NUMBER	
FIRST NAME AND INITIAL (If joint return, also give spouse's name and initial)	LAST NAME	DECLARATION OF ESTIMATED TAX	\$ _____ .00
ADDRESS		AMOUNT THIS PAYMENT	\$ _____ .00
CITY, STATE, ZIP		SIGNATURE _____	

**MAKE CHECKS PAYABLE TO: WALKER CITY TREASURER
MAIL TO: CITY OF WALKER INCOME TAX, P.O. BOX 153, GRAND RAPIDS, MI 49501-0153**

Cut on dotted lines before mailing

INSTRUCTIONS FOR WALKER DECLARATION OF ESTIMATED INCOME TAX - 2009

WHO MUST MAKE A DECLARATION

Every resident or non-resident who expects taxable income from which Walker income tax will not be withheld must file a Declaration of Estimated Income Tax. A Declaration is not required if the estimated tax on line 6 is One Hundred (\$100.00) or less. A husband and wife may file a joint Declaration.

WHEN AND WHERE TO FILE A DECLARATION

File the Declaration for 2009 on or before April 30, 2009 with the Walker Income Tax Department, P.O. Box 153, Grand Rapids, MI 49501-0153. The estimated tax may be paid in full with the Declaration or in four (4) equal installments on or before April 30, June 30, September 30 and January 31.

INCOME SUBJECT TO WALKER INCOME TAX

Residents - All salaries, wages, bonuses, commissions and other compensation, net profits from a business or profession, net rental income, capital gains less capital losses, dividends, interest from estates and trusts, premature pension/IRA distributions and other income.

Non-residents - Salaries, wages, bonuses, commissions and other compensation for services rendered or work performed in Walker, net rental income from property in Walker, net profits from a business, profession or other activity to the extent that it is from work done, services rendered, or activity conducted in Walker, capital gains less capital losses from the sale of real or tangible personal property located in Walker, and premature pension/IRA distributions related to Walker employment.

HOW TO FILE

Your annual return for the preceding year may be used as the basis for computing your declaration of estimated income tax for the current year. You may use the same figures used for estimating your federal income tax adjusted to exclude any income or deductions not taxable or permissible under the Walker Income Tax Ordinance.

WITHHOLDING TAX CREDITS AND OTHER CREDITS

Withholding Tax Credit - If your employer withholds Walker tax from your wages, you may subtract from your estimate of Walker Income Tax the amount of tax expected to be withheld by your employer from your wages.

Income Tax Paid by Partnership - If you are a member of a partnership which elects to file a return and pay the tax on behalf of its partners, you may subtract from your estimate of Walker Income Tax the amount of income tax expected to be paid by the partnership for your distributive share of net profits.

INCOME TAX PAID TO ANOTHER MUNICIPALITY - If you are a resident of Walker and pay income tax to another municipality on income earned outside of Walker you may subtract from your estimate of Walker Income Tax the amount of income tax expected to be paid to the other municipality. The credit may not exceed the amount of tax assessable under the Walker Income Tax Ordinance on the same income.

PENALTIES AND INTEREST

If the total amount of tax withheld or paid by Declaration is less than seventy percent (70%) of the final tax due, interest and penalties will be charged. The filing of a declaration of estimated tax does not excuse the taxpayer from filing an annual return even though there is no change in the declared tax liability.

**CITY OF WALKER
DECLARATION OF ESTIMATED TAX
PAYMENT VOUCHER**

**W-1040ES
VOUCHER 3**

2009

Calendar Year - Due September 30, 2009

Fiscal Year - See Instructions for due date

SOCIAL SECURITY NUMBER (Complete SSN required to apply payment correctly to your account)		SPOUSE'S SOCIAL SECURITY NUMBER	
FIRST NAME AND INITIAL (If joint return, also give spouse's name and initial)	LAST NAME	DECLARATION OF ESTIMATED TAX	\$ <u> .00</u>
ADDRESS		AMOUNT THIS PAYMENT	\$ <u> .00</u>
CITY, STATE, ZIP		SIGNATURE _____	

MAKE CHECKS PAYABLE TO: WALKER CITY TREASURER

MAIL TO: CITY OF WALKER INCOME TAX, P.O. BOX 153, GRAND RAPIDS, MI 49501-0153

**CITY OF WALKER
DECLARATION OF ESTIMATED TAX
PAYMENT VOUCHER**

**W-1040ES
VOUCHER 4**

2009

Calendar Year - Due January 31, 2010

Fiscal Year - See Instructions for due date

SOCIAL SECURITY NUMBER (Complete SSN required to apply payment correctly to your account)		SPOUSE'S SOCIAL SECURITY NUMBER	
FIRST NAME AND INITIAL (If joint return, also give spouse's name and initial)	LAST NAME	DECLARATION OF ESTIMATED TAX	\$ <u> .00</u>
ADDRESS		AMOUNT THIS PAYMENT	\$ <u> .00</u>
CITY, STATE, ZIP		SIGNATURE _____	

MAKE CHECKS PAYABLE TO: WALKER CITY TREASURER

MAIL TO: CITY OF WALKER INCOME TAX, P.O. BOX 153, GRAND RAPIDS, MI 49501-0153

Cut on dotted lines before mailing

DECLARATION OF ESTIMATED TAX WORKSHEET (Keep For Your Records - Do Not File)

1. TOTAL WALKER INCOME EXPECTED IN 2009 _____ \$ _____
2. EXEMPTIONS (\$750.00 for each exemption) _____ \$ _____
3. ESTIMATED WALKER TAXABLE INCOME (Line 1 less Line 2) _____ \$ _____
4. ESTIMATED WALKER INCOME TAX (Non-resident individuals enter 1/2% of Line 3, resident individuals enter 1% of Line 3) _____ \$ _____
5. (a) AMOUNT OF WALKER INCOME TAX WITHHELD _____ \$ _____
- (b) OVERPAYMENT FROM PREVIOUS YEAR _____ \$ _____
- (c) OTHER CREDITS _____ \$ _____
- TOTAL (Add lines 5 (a), (b), (c) and enter here) _____ \$ _____
6. ESTIMATED TAX (Line 4 less Line 5) _____ \$ _____
7. AMOUNT TO BE PAID, ENTER HERE AND ON DECLARATION - VOUCHER #1 _____ \$ _____

RECORD OF ESTIMATED TAX PAYMENTS

VOUCHER NO.	DATE	AMOUNT PAID THIS QUARTER	TOTAL PAID TO DATE
1			
2			
3			
4			
TOTAL			

have deducted a KEOGH contribution on line 3b. **you must attach a copy of page one of your Federal Form 1040.**

A net operating loss carryover may be deducted if the loss was incurred after January 1, 1988. Attach a schedule showing the calculation of any net operating loss carryover deducted from line 3c. You may not deduct a carryback loss.

Line 4—Income/loss from rents/royalties (for filers of Federal Schedule E, page one)

Enter all rent and royalty income included on your Federal Schedule E, page one and received while a resident of Walker. **Attach a copy of Federal Schedule E, page one.**

Line 5—Income/loss from partnerships (for filers of Federal Schedule E, page two)

Enter your share of the partnership income/loss on line 5 of Schedule 4 as reported on Federal Schedule E, page two. Your share of qualifying dividends, gains, etc. are treated as belonging to you as an individual and should be reported on the appropriate Federal and Walker schedules.

Attach a copy of Federal Schedule E, page two.

If you are claiming a loss from a partnership located outside of Walker, **a copy of your Federal Schedule K-1 must be attached.**

Line 6—Income/loss from sale or exchange of property (for filers of Federal Schedule D, Form 4797 and/or Form 6252)

Enter on line 6 the gain/loss from the sale or exchange of real or tangible personal property regardless of where located. The Walker Income Tax Ordinance follows the Internal Revenue Code in its treatment of capital gains, with two exceptions:

Gains on the sales of obligations of the United States are not taxable on this return.

Gain or loss on property purchased prior to January 1, 1988 must be determined by one of the following methods:

- The basis may be the adjusted fair market value of the property on January 1, 1988 (December 31, 1987 closing price for traded securities), or
- Divide the number of months the property has been held since January 1, 1988 by the total number of months the property was held, and apply this fraction to the total gain or loss as reported on your federal income tax return.

Attach Federal Schedule D. Also attach Form 4797 and Form 6252 if applicable.

Line 7—Distributions from Subchapter S corporations.

Enter on line 7 cash or property distributions from S corporations from line 16, code D of Federal Schedule K-1. The Walker City Income Tax Ordinance does not recognize Subchapter S status. Distributions from an S corporation are taxable as if paid by a regular corporation as dividends.

If you are a shareholder in a corporation that has elected to file under Subchapter S of the Internal Revenue Code, you are not required to report any distributed income from Federal Schedule K-1 lines 1 through 11, nor may you deduct your share of any loss or other deductions distributed by the corporation.

Attach copies of Federal Schedule K-1 for all S corporations listed on page two of your Federal Schedule E regardless of whether or not the S corporation made distributions.

Line 8—Income from estates and/or trusts.

Enter on line 8 all income from estates and/or trusts reported on your Federal Schedule E, page two. Income from an estate or trust is taxable to a Walker resident regardless of the location of the estate or trust, or the location of property it may own.

Attach a copy of Federal Schedule E, page two.

Line 9—Distributions from profit sharing plans, premature IRA distributions.

Enter on line 9 all early pension and profit sharing withdrawals and/or distributions subject to the 10% federal penalty. Also report on line 9 premature IRA distributions subject to the 10% federal penalty.

Line 10—Other income.

Enter on line 10 all other income reported on your federal return and not specifically exempted by the Walker City Income Tax Ordinance. Examples of the types of income reported on line 10 are gambling winnings, alimony received and miscellaneous income.

SCHEDULE 5—DEDUCTIONS

Part-year residents must allocate deductions the same way they allocate income. The only deductions allowed by the Income Tax Ordinance are:

Line 1—IRA deduction

The rules governing IRA deductions on this return are the same as under the Internal Revenue Code.

Contributions to ROTH IRA's are not deductible.

Attach page 1 of Federal Form 1040.

A KEOGH retirement plan deduction must be entered on line 1b. of Schedule 4.

Line 2—Employee business expenses

The employee business expenses listed below are not subject to the same reductions and limitations required under the Internal Revenue Code.

These expenses are, however, allowed only to the extent not paid or reimbursed by your employer and only when incurred in the performance of service for your employer.

The only deductions allowed by the City of Walker Income Tax Ordinance are as follows:

- Expenses of travel, meals and lodging while away from home
- Expenses as an outside salesperson who works away from his employer's place of business (does not include driver/salesperson whose primary duty is service and delivery).
- Expenses of transportation (but not transportation to and from work).
- Expenses reimbursed under an expense account or other arrangement with your employer, if the reimbursement has been included in reported gross earnings.

IMPORTANT: Business expenses claimed on Line 4 of Federal Form 2106 are not an allowable deduction on the Walker return unless the taxpayer qualifies as an outside salesperson.

You must attach a copy of your Federal 2106 or a list of your employee business expenses.

Line 3—Moving expenses

Moving expenses into the City of Walker that qualify under the Internal Revenue Code as a deduction from federal gross income may be deducted on your Walker return.

You must attach a copy of Federal Form 3903 or a list of your moving expenses, including the distance in miles from where you moved.

Line 4—Alimony deduction (**CHILD SUPPORT IS NOT DEDUCTIBLE**)

Enter alimony deducted on your 2008 federal return.

You must attach a copy of page one of your Federal Form 1040.

COMPLETING YOUR RETURN

After completing schedules 1 through 5 as applicable (see **Where to Begin**), transfer the results of schedules 1 through 5 to lines 1, 2, 3, 5 and 8 on the front of the form.

Follow the instructions on the front of the form for lines 4, 6 and 7.

Line 9—Tax due

If after computing your Walker Income tax and deducting your payments and credits, the balance due is one dollar (\$1.00) or more, it must be entered on Line 9.

Make check or money order payable to CITY TREASURER and mail with this return to: WALKER CITY INCOME TAX DEPARTMENT, P.O. BOX 153, GRAND RAPIDS, MI 49501-0153.

Line 10—Overpayment

If your total payments and credits on line 8 are more than Walker Tax on line 7, you have overpaid your tax for 2008.

- If you want your overpayment to be HELD and applied to your 2009 estimated tax, enter the overpayment on line 11.
- If you want your overpayment to be DONATED to the Education Foundation of your choice, enter the overpayment on line 12. Select the Education Foundation on page 2.
- If you want your overpayment MAILED to you, enter the overpayment on line 13.
- If you want your overpayment REFUNDED VIA DIRECT DEPOSIT, enter the overpayment on line 14 and complete the routing number, type of account and account number boxes provided.

Refunds or credits of less than one dollar (\$1.00) cannot be made.

THIRD PARTY DESIGNEE

If you want to allow a friend, family member or any other person you choose to discuss your 2008 tax return with the Income Tax Department, give the Department any information missing from your return, receive copies of notices and/or respond to notices about math errors, offsets and return preparation, check the "Yes" box in the designated area. Enter the designee's name and phone number. To designate the preparer who signed your return, enter "Preparer" in the space for designee's name.

ASSISTANCE

If you have questions not answered in these instructions or if you need assistance in preparing your return, call (616) 791-6880.

We would be happy to prepare your Walker Income Tax Return free of charge. Please contact the Walker Income Tax Department at 791-6880 for an appointment.

Questions by mail should be directed to: Walker City Income Tax Department, P.O. Box 153, Grand Rapids, MI 49501-0153.

NOTICE

These instructions are an interpretation of the Walker City Income Tax Ordinance. If any discrepancy exists between the instructions and the Ordinance, the Ordinance prevails.

WALKER INCOME TAX DEPT.
4243 Remembrance Road, NW
Walker, MI 49534

PLEASE REMEMBER TO:

- ✓ Sign your return. If a joint return, both spouses must sign even if only one had income subject to Walker income tax.
- ✓ Attach a copy of page one of your Federal Form 1040.
- ✓ Attach copies of Form(s) W-2. If you are claiming a credit for Walker withholding, the locality name on your W-2 must be Walker.
- ✓ Attach Federal Schedules and other city returns as needed. See Summary of Required Attachments on page 2 of form W-1040R.