

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.

**Line 2** - Enter in Column 1 the local compensation paid to all employees during the year and in Column 2 show the amount of compensation paid to employees for work done or for services performed within the City of Flint during the year.

**Line 3** - Enter in Column 1 the total gross revenue from all sales or services rendered during the year and in Column 2 show the amount of revenue derived from sales made or services rendered in the City of Flint during the year. If there is no regularly maintained sales force outside of the city, this allocation factor must be 100% for businesses with no other business activity outside the City.

#### **SCHEDULE E - INSTRUCTIONS**

**Line 5** - The City of Flint Income Tax Ordinance provides for the specific exclusion of interest from obligations of the United States, the states or subordinate units of government of the state, from taxable income.

**Line 6** - If you reported dividend income, enter on this line the amount of the dividend-received deduction allowed by the Federal Internal Revenue Code for dividends received.

**Lines 7 & 8** - Taxpayers may deduct income, war profits and excess profits taxes imposed by foreign countries or possessions of the United States, allocable to income included in taxable net income, any part of which would be allowable as a deduction in determining Federal taxable income under the applicable provisions of the Federal Internal Revenue Code. If a foreign tax credit, rather than a foreign tax deduction was taken on your Federal return, enter on line 7 the portion of the foreign tax credit which was grossed up and included in your Flint return as dividends received and enter on line 8 the "foreign taxes paid or accrued" portion of the foreign tax credit claimed on your Federal return, not in excess of the Federal limitations thereon. The balance of your foreign tax credit is not deductible.

#### **SCHEDULE F - INSTRUCTIONS**

S corporations must file as C corporations. Schedule F is used to reconcile the amount reported on line 1, Page 1 of Form F-1120 with Federal Form 1120S and Schedule K.

**Separate Accounting** - The Income Tax Ordinance, Section 19 reads as follows:

"The taxpayer may petition for and the administrator may grant approval of, or the administrator may require the separate accounting method. If such method is petitioned for, the administrator may require a statement, explaining the manner in which the apportionment will be made, in sufficient detail to determine whether the net profits attributable to the city will be apportioned with reasonable accuracy."

Generally a corporation that is unitary in nature, has central management, purchasing, warehousing, advertising, etc. cannot use separate accounting. Taxpayers allocation on any

basis other than separate accounting shall include all interest, dividends, and other non-operation income to arrive at the total income subject to the allocation percentage. Taxpayers using separate accounting shall include in income subject to tax a proportionate share of dividends, interest, and other non-operation income of the total corporation, using a direct allocation if the income is received by the divisions subject to the Flint tax, or apportioning it on the same basis as general administrative and overhead costs are apportioned to Flint activity.

#### **COMPUTATION AND PAYMENT OF TAX**

After computing your Flint Income Tax and deducting your credits, if there is any tax due it must be paid when filing this return. Make check or money order payable to TREASURER, CITY OF FLINT. If your payments and credits exceed the tax, show the amount of such overpayment on Line 18 and check the proper box on Line 19 to indicate whether you wish the overpayment as a refund or as a credit on your 2001 estimated tax. Refunds will be made as quickly as possible, but please allow 90 days before making any inquiry. Refunds of less than one dollar (\$1.00) will not be made or credited. Tax due of less than one dollar (\$1.00) need not be paid.

#### **DECLARATION AND PAYMENT OF ESTIMATED TAX**

1. **WHO MUST FILE.** Every Corporation subject to the tax on all or part of its net profits must file a Declaration of Estimated Income Tax (Form F1120-ES), if the estimated tax on Line 3 is Two Hundred Fifty Dollars (\$250.00) or more.
2. **WHEN AND WHERE TO FILE AND PAY:**
  - A. **Declarations for Calendar Year.** The Declaration for a calendar year must be filed on or before April 30, June 30, September 30, and January 31.
  - B. **Declaration for Fiscal Year.** The Declaration for a year, or period differing from the calendar year must be filed within four (4) months after the beginning of each fiscal year or period. For example, if your fiscal year begins on April 1, your Declaration will be due on the last day of the sixth, ninth, and thirteenth months after the beginning of each fiscal year or period.
  - C. **Filing and Payment.** The Declaration should be filed with the Treasurer, City of Flint, P.O. Box 99, Flint, Michigan 48501. The first installment payment must accompany the Declaration. However, the estimated tax may be paid in full with the Declaration.

#### **ASSISTANCE**

If you have questions not answered in these instructions, or if you need assistance in preparing your return call (810)766-7015. Questions by mail should be directed to:

**Income Tax Administrator  
City of Flint, Income Tax Office  
1101 S. Saginaw Street  
Flint, MI 48502**