



2007
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 2007

FILING DATE: Your return must be filed by April 30, 2008

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 2008 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 2007 of \$750 or more must file a return by April 30, 2008. 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 2007 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, 2008.** 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 2008 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 2008 by April 30, 2008 and pay at least one-fourth (1/4) of the estimated 2008 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 2008) 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 2007 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 2006 Walker return to 2007 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 2007 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

