L-1040 NONRESIDENT INSTRUCTIONS

DOCUMENTATION REQUIREMENTS

Copies of all Federal schedule(s) and other requested documentation supporting income, losses and deductions must be attached to your return.

Failure to attach schedules and documentation or attaching incomplete schedules and documentation will result in deductions being disallowed or delay the processing of your return.

LINE 1-EXEMPTIONS

All individuals filing a Lapeer 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.

An individual who is 65 years of age or older may claim one additional personal exemption. On a joint return, the taxpayer and/or the spouse, if they qualify, may claim an additional exemption for being 65 years of age or older.

Individuals who are legally blind may claim one additional personal exemption. On a joint return, the taxpayer and/or the spouse, if they qualify, may claim an additional exemption for being blind.

Individuals who are disabled (paraplegic, quadriplegic or hemiplegic, or who is totally or permanently disabled person) may claim one additional personal exemption. On a joint return, the taxpayer and/or the spouse, if they qualify, may claim an additional exemption for being disabled.

LINE 2 & LINE 3- GROSS INCOME FROM EMPLOYERS

Follow instruction (A) below if you performed all (100%) of your services in Lapeer. Use instruction (B) below if you performed part of your services in Lapeer. Use earnings from Box 1 of your W-2 not Box 18.

A. Nonresidents who worked 100% of their time in Lapeer: enter the full amount of wages recorded in box 1 on your W-2 statement.

B. Nonresidents who performed only part of their services in Lapeer: Compute the amount to be entered on Page 1 lines 2a-2d Column B, by using the WAGE ALLOCATION section on page 2, lines 27a-27f. Use a separate column for each employer. "Days or hours worked" on lines 27b and 27c, refers only to the actual number of days or hours you were on the job. You are not on the job when there is a holiday, when you are sick, or on vacation.

LINE 4 – INTEREST

Not taxable to nonresidents.

LINE 5 – DIVIDENDS

Not taxable to nonresidents.

LINE 6 – BUSINESS AND FARMING INCOME (Complete lines 28a – 28f, page 2)

If your schedule C business is operated entirely within the City of Lapeer, enter your Schedule C income/loss on line 28c. Enter your net operating loss carryover, if applicable, on line 28d. Enter you SEP, Simple or other self-employment retirement plan contribution (attach Federal From 1040 Schedule 1), if applicable, on line 28e. Subtract line 28d and 28e from 28c and enter on line 28f. The Federal rules concerning passive losses are applicable to losses deducted on this return.

A net operating loss (NOL) carryover may be deducted. Carryback losses are not allowed (Ord. Sec. 7(2)).

If you have business activity both in and outside of the City of Lapeer enter the Schedule C net income on line 28a, compute the Business Allocation Percentage, lines 29a through 29g, page 2 and enter the percentage on line 28b. Enter you SEP, Simple or other self-employment retirement plan contribution (attach Federal From 1040 Schedule 1), if applicable, on line 28e. Multiply line 28a by line 28b put on line 28c. Add lines 28c and subtract lines 28d and 28e. Enter the total on line 28f and on page 1, line 6.

If your schedule C business is operated entirely outside of the City of Lapeer, do not enter an amount on line 6.

If you have more than one Schedule C business in the City of Lapeer, attach worksheets following the guidelines above for each one.

LINE 7 – CAPITAL GAINS OR LOSSES

Enter on line 7 the gain/loss from the sale or exchange of real or tangible personal property located in the City of Lapeer.

The Lapeer Income Tax Ordinance follows the Internal Revenue Code in its treatment of capital gains.

A. All capital gains attributable to the time period after January 1, 1967, from the sale or exchange of real or tangible personal property located within the city are fully taxable on this return.

B. Gains on sales of obligations of the United States and subordinate units of government are not taxable.

C. Capital loss carryovers that originated in a year the taxpayer was not a resident of the City are not deductible.

Enter on line 7 net profit or loss from sale or exchange of real or tangible personal property located in Lapeer. **Attach a copy of Schedule D and/or Form 4797 from your Federal income tax return.**

LINE 8 – RENTAL REAL ESTATE, ROYALTIES, PARTNERSHIPS, ESTATES, TRUSTS, ETC.

Report your rental real estate and royalty income (or loss) from activities in Lapeer. **Attach copies of Federal Schedule E, Federal Form 8582 and 1065 K-1.**

Partnerships engaged in business activity in the city are required to file Lapeer partnership returns (L-1065). Report only your share of the partnership income (or loss) on line 8. A partner is not allowed to apportion income distributed by a partnership. All apportionment of distributed income must be made on the Lapeer partnership return (L-1065). Your shares of qualifying dividends, gains, etc., are treated as belonging to you as an individual.

Do not include on this return any gains, losses or other deductions from a Subchapter S corporation. All corporations taxable under the Lapeer Income Tax Ordinance must file a corporate Lapeer income tax return.

When an estate or trust has taxable income in the city, the estate or trust must file an L-1041 Lapeer Fiduciary return and pay tax on distributions to nonresidents and on undistributed taxable income.

LINE 9 – OTHER INCOME

Page 2, lines 31a through 31e report premature distributions (before age 59 1/2) from an IRA when a deduction has been taken on a current or previous year's Lapeer income tax return and/or premature distributions from a pension plan. If you have completed WAGE ALLOCATION SCHEDULE on Line 27. apply the percentage to your total distribution and enter the taxable portion of the distribution line 31, Other Income. **Attach a copy of each Form 1099-R.**

Add the amounts reported on page 2, lines 31a through 31e. Enter the total on page 2, line 31f and on page 1, line 9.

LINE 10 – TOTAL INCOME

Add lines 3 through 9 and enter on line 10

DEDUCTIONS:

IMPORTANT: The following deductions (Line 11 through Line 14) are limited by the extent they apply to income earned in the City of Lapeer.

The only deductions allowed by the Lapeer Income Tax Ordinance are as follows:

LINE 11 – INDIVIDUAL RETIREMENT ACCOUNT PLAN DEDUCTIONS

Contributions to an Individual Retirement Account Plan are deductible to the same extent deductible under the Internal Revenue Code. ROTH IRA contributions are not deductible. If your earned income on which the Federal IRA deduction is based is earned both in and out of Lapeer, you must apportion your IRA deduction regardless of whether the income is from a single employer or multiple employers. **Attach Federal Form 1040 Schedule 1.** A SEP retirement plan deduction must be entered on line 28e of Business and Farming Income.

LINE 12 – EMPLOYEE BUSINESS EXPENSES DEDUCTION

Employee business expenses are allowed only when incurred in the performance of service for your employer and only to the extent not paid or reimbursed by the employer and only to the extent they apply to income earned in Lapeer. Meal expenses are not subject to the reductions and limitations of the Internal Revenue Code. Under the

Lapeer Income Tax Ordinance meals must be incurred while away from home overnight on business to be deductible.
BUSINESS EXPENSES ARE LIMITED TO THE FOLLOWING:
A. Expenses of transportation (but not transportation to and from work).
B. Expenses of travel, meals and lodging while away from home overnight on business for an employer.
C. Expenses incurred as an "outside salesperson" away from the employer's place of business. This does not include driver-salesperson whose primary duty is service and delivery.
D. 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 Lapeer return unless the taxpayer qualifies as an outside salesperson.
Attach a copy of Federal Form 2106 or a detailed list of your employee business expenses.

LINE 13 – MOVING EXPENSE DEDUCTION

Moving expenses for certain Armed Forces members only moving **into** the City of Lapeer area are deductible to the same extent deductible under the Internal Revenue Code. **Attach a copy of federal Form 3903 or a list of moving expenses including the distance in miles from where you moved.**

LINE 14 – ALIMONY PAID DEDUCTION

Alimony, separate maintenance payments and principal sums payable in installments (to the extent includable in the spouse's or former spouse's adjusted gross income under the Federal Internal Revenue Code) and deducted on your 2025 Federal return are deductible. CHILD SUPPORT IS NOT DEDUCTIBLE. **Attach a copy of Federal Form 1040 Schedule 1.** These amounts are subject to adjustment before they may be deducted on this return.
The alimony adjustment is computed as follows:

Lapeer Income (line 16, page 1)
(Without alimony deduction) ____ X Alimony Paid
Federal Adjusted Gross Income
(Without alimony deduction)

LINE 15 – TOTAL DEDUCTIONS

Add lines 11 through 14 and enter on line 15

LINE 16 THROUGH 19 – COMPUTING TAX

Subtract the total amount of deductions on line 15 from line 10 and enter the remainder on line 16. Subtract the total amount for personal exemptions on line 17 from line 16, and enter the remainder on line 18. Multiply line 18 by ½% (.005) for nonresidents to determine the City of Lapeer income tax, and enter the tax amount on line 19.

LINE 20 THROUGH 23 – PAYMENTS/CREDITS

On line 20 enter the amount of Lapeer Tax withheld as shown on your 2025 W-2 statements(s) from line 3a. **The City copy of your 2025 W-2 clearly showing the locality as Lapeer (MILPR) and the amount of tax withheld in box 19 must be submitted with your return before credit can be allowed for Lapeer tax withheld.**
On line 21 enter the total of the following: 2025 City of Lapeer Estimated Tax paid (see General Instructions-Estimated Tax Payments for Year 2026), the tax paid with an extension and the prior year credit forward.
On line 22 enter any City of Lapeer income tax paid on your behalf by a partnership. Clearly indicate to the left of the credit that it was paid by a partnership.
Add lines 20 through 22 and enter on line 23.

LINE 24 THROUGH 26 – TAX DUE OR REFUND

After computing the Lapeer income tax and deducting payments and credits, if the balance due is one dollar ($1.00) or more, it must be entered on line 24 and paid when filing this return. Make check or money order payable to CITY OF LAPEER, and mail with this return to: LAPEER INCOME TAX DEPARTMENT, 576 LIBERTY PARK, LAPEER MI, 48446.

PAYMENT OPTIONS

PAY BY CHECK OR MONEY ORDER. Make the check or money order payable to the City of Lapeer, place the check or money order in front of page 1 of the tax form and mail the return with the payment to: Lapeer Income Tax Dept, 576 Liberty Park, Lapeer MI 48446. Do not send cash for your tax payment. **The tax is due at the time of filing the return.**

PAY BY ELECTRONIC WITHDRAWAL FROM CHECKING OR SAVINGS Check box 27a. TAX DUE-DIRECT WITHDRAWAL. Complete 27c. Electronic fund withdrawal effective date. Enter Routing Number (must be 9 digits) on 27e. and account number on 27f. Check Account type box on 27d. See the diagram below for location of Routing and Acct #'s. IF THE DIRECT WITHDRAWAL IS REJECTED A BILL WILL BE SENT FOR PAYMENT WITH A $25.00 NONSUFFICIENT FUNDS FEE AND PENALTY AND INTEREST IF APPLICABLE. The tax is due at the time of filing the return. Direct withdrawal payments will be processed as soon as possible after receipt of the payment voucher.

PAY WITH CREDIT/DEBIT CARD

Go to the Make a Payment link at www.ci.lapeer.mi.us

The service provider charges
a nominal fee for this service

REFUND OPTIONS

CHECK. If your total payments and credits on line 23 exceed the Lapeer tax on line 19, you have overpaid your tax. If you want your overpayment refunded and MAILED to you, enter the overpayment on line 25.

DIRECT DEPOSIT OF REFUND
If you want your overpayment refunded via Direct Deposit enter the overpayment on line 25 and check box 27b. REFUND-DIRECT DEPOSIT then complete the routing number, account number and type of account in line 27d, e, and f.
THE CITY IS NOT RESPONSIBLE FOR A LOST REFUND IF YOU ENTER THE WRONG ACCOUNT INFORMATION.
IF THE DIRECT DEPOSIT IS REJECTED, A CHECK WILL BE SENT INSTEAD.

CREDIT FORWARD TO NEXT YEAR ESTIMATED TAX if you want your overpayment held by the City and credited to next year's estimated tax, enter the overpayment on line 26.

THIRD PARY DESIGNEE

If you want to allow a friend, family member or any other person you choose to discuss your 2025 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 signature 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.