L-1040 RESIDENT 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 a 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

All wages, salaries, tips, sick pay, bonuses, deferred compensation, severance pay and other compensation earned **while a resident of Lapeer are taxable regardless of where earned** and must be included in Column B, lines 2a through 2d. **Use earnings from Box 1 of your W-2 NOT Box 18.** Enter Lapeer income tax withheld by your employer in Column A, on line(s) 2a through 2d.

Add columns A & B, lines 2a through 2d for wages and tax withheld, enter total on lines 3a and 3b. **ATTACH W-2'S TO YOUR RETURN.**

LINE 4 – INTEREST

Enter interest from your Federal return minus interest from obligations of the United States and subordinate units of government. Interest received while a resident of Lapeer is taxable regardless of where earned.

LINE 5 – DIVIDENDS

Enter dividends from your Federal return minus dividends from obligations of the United States and subordinate units of government. Dividends received while a resident of Lapeer are taxable regardless of where earned.

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

On page 2, line 28a; enter your Federal Schedule C net profit (or loss). Lapeer residents are taxed on the net profits from their operation of a business, a profession or farm, regardless of where it is located. **Attach a complete copy of Federal Schedule C and/or Federal Schedule F.**

Enter on line 28d the applicable portion of your net operating loss carryover. A net operating loss (NOL) carryover may be deducted. Carryback losses are not allowed (Ord. Sec. 7(2)). Attach a schedule showing the calculation of any net operating loss carryover deducted from line 28d.

A SEP, SIMPLE or other qualified self-employment retirement plan deduction must be entered 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.

LINE 7 – CAPITAL GAINS OR LOSSES

The Lapeer Income Tax Ordinance follows the Internal Revenue Code regarding capital gains. All capital gains received while a resident of Lapeer are taxable regardless of where the property is located, with the following exceptions:

A. Gains on sales of obligations of the United States and subordinate units of government.

B. The portion of any gains attributable to the time period before January 1, 1967 on any sales or exchanges of property purchased prior to that date.

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

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

--On Page 2, line 30a enter all rental real estate and royalty income (or loss) included on your Federal Form 1040 Schedule 1 line 17 and received while a resident of Lapeer. **Attach copies of Federal Schedule E page 1 and Federal Form 8582.**

--Page 2, line 30b report your share of the partnership, trust, estate, etc. income (or loss) received while a resident of Lapeer. Enter only your share of ordinary income. Your share of interest, dividends, gains or losses, etc., are treated as belonging to you as an individual and should be reported accordingly. **Attach copies of Federal Schedule E page 2, Federal Form K-1 (1065) and Federal Form 8582.**

Income from an estate or trust is taxable to a Lapeer resident and must be included in the amount reported on page 1, line 8 regardless of the location of the estate or trust, or the location of property it may own.

--Page 2, line 30c report all Subchapter S corporation distributions received while a resident of Lapeer from line 16, code D of Federal Schedule K-1. **Attach copies of Federal Schedule K-1 (Form 1120S).**

Do not include gains, losses or other deductions from a Subchapter S corporation on this return. Subchapter S Corporation gains are not taxable and losses are not deductible by a resident. All corporations taxable under the City Income Tax Ordinance must file a Lapeer Corporation income tax return.

--Add the amounts reported on page 2, lines 30a through 30c. Enter the total on page 2, line 30d and page 1, line 8.

LINE 9 – OTHER INCOME

Page 2, lines 31a through 31e are used to report other income including alimony received, lottery winnings, premature pension plan distributions (prior to qualifying for retirement) including distributions that are received from qualified trusts upon termination of employment and receive treatment as gains under the Federal Internal Revenue Code, any other income reported on Federal Form 1099-R, and premature Individual Retirement Account (IRA) distributions (Before age 59 ½) **excluding ROTH IRA conversions** included in Federal adjusted gross income. Normal distributions and pensions are not taxable. Attach a separate schedule if more than five items are reported. **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 3b through 9 and enter on line 10

DEDUCTIONS:

IMPORTANT: The following deductions are limited to the amount claimed on your Federal Form 1040 Schedule 1, except meals. The deductions are limited by the extent they apply to income taxable under the Lapeer Income Tax Ordinance. Part-year residents must allocate deductions the same way they allocate income.

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

LINE 11 – INDIVIDUAL RETIREMENT ACCOUNT, KEOGH, SEP, OR SIMPLE RETIREMENT PLAN DEDUCTIONS

Contributions to an Individual Retirement Account plan are deductible to the same extent deductible under the Internal Revenue Code. **Attach Federal Form 1040 Schedule 1.** ROTH IRA contributions are not deductible.

LINE 12 – EMPLOYEE BUSINESS EXPENSES DEDUCTION

Employee business expenses are an allowable deduction only when incurred in the performance of service for an employer and only to the extent not reimbursed by the employer. 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 deliver).
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 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

Enter alimony deducted on your 2025 Federal Form Schedule 1. CHILD SUPPORT IS NOT DEDUCTIBLE. **Attach a copy of Federal Form 1040 Schedule 1.**

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 1% (.01) for residents and 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 2024 W-2 from line 3a. **The City copy of your 2025 W-2 clearly showing the locality as Lapeer (LPR) 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.
A Lapeer resident that pays city income tax in another city may claim a credit for the net amount paid to the other city on income that is taxable by both cities. Enter on line 22 the credit for income taxes paid to the other city. This credit may not exceed the tax that a nonresident of Lapeer would pay on the same income earned in Lapeer. Report only the amount you actually paid to another city, not the amount withheld. **You must attach a copy of the city income tax return you filed with the other city to receive this credit.**
Also enter on line 22 all City of Lapeer income tax paid in 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, 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 For direct electronic withdrawal, check box 27a TAX DUE-DIRECT WITHDRAWAL and complete lines 27 c, d, e and f. Withdrawal date must be no later than the due date of the return. If no date is entered, the default withdrawal date will be the date processed. 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 2025 Lapeer City Income Tax Return.

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, 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.