



City of Battle Creek, Income Tax Department

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ARE YOU REQUIRED TO PAY ESTIMATED TAX?

1. Do you expect to owe \$100.00 (\$250.00 for Corporations) or more for the current year after subtracting income tax withholdings and credits from your total tax? (Do not subtract any estimated tax payments)
If you answered yes, go to the next question.

2. Do you expect your income tax withholdings and credits to be at least 70% of the tax shown on your current year tax return?
If you answered yes, you are not required to make estimated tax payments.
If you answered no, go to the next question.

3. Do you expect your income tax withholdings and credits to be at least 70% of the tax shown on your prior year tax return?
If you answered yes, you are not required to make estimated tax payments.
If you answered no, you are required to make estimated tax payments.

WHO MUST PAY ESTIMATED TAX QUARTERLY:

INDIVIDUALS AND UNINCORPORATED BUSINESS:

If you are a resident or non-resident and expect taxable income from which City of Battle Creek income tax will not be withheld by an employer, you must file and pay estimated tax. If you estimate your tax to be \$100.00 or less, you do not have to pay estimated tax. A married couple may file a joint estimated tax.

CORPORATIONS:

Every corporation subject to the City of Battle Creek income tax must file estimated tax on all or part of its net income if the estimated tax is \$250.00 or more. Fiscal Year payers due 30 days after Fiscal Year.

PARTNERSHIPS:

A partnership whose partners are subject to the City of Battle Creek income tax on all or part to the distributive share of net profits, may file estimated tax with the City and the partners will not be required to file as individuals unless they have other income in which the Battle Creek income tax is expected to exceed \$100.00.

PENALTY AND INTEREST:

If the total amount of tax paid by January 31st is less than 70% of last year or this year's total tax, penalty and interest will be charged.

NOTE: The payment of estimated tax does not excuse the taxpayer from filing an annual tax return.

FILING AND PAYMENTS

Vouchers may be obtained from the Income Tax Department or visit our web page (address above). the estimated tax may be paid in full with the first voucher or paid in four (4) equal installments. **Penalty and interest will be assessed if payment is not received on time.**

Due dates: 1st Quarter Due by April 30th
2nd Quarter Due by June 30
3rd Quarter Due by September 30
4th Quarter Due by January 31

HOW TO CALCULATE YOUR ESTIMATED INCOME TAX:

INDIVIDUALS OR UNINCORPORATED BUSINESSES:

Estimate the total amount of your expected gross income. Subtract allowed exemptions & deductions. multiply the remainder by 1% (.01) for residents and ½% (.005) for non-residents.

CORPORATIONS:

Net income times 1% (.01).

PARTNERSHIPS:

The liability for a RESIDENT PARTNER is 1% (.01) of their entire distributive share of net profits regardless of where the activity of the partnership is conducted. NON-RESIDENT PARTNER tax rate is ½% (.005).

ESTIMATED TAX PAYMENT WORKSHEET

- 1. Gross annual income expected **OR** 1. _____
Enter 70% of your prior year tax Battle Creek tax liability on line 5 and skip lines 2, 3 & 4
 - 2. Allowable subtractions 2. _____
 - 3. Exemptions (number of exemptions you will be claiming x \$750.00) 3. _____
 - 4. Adjusted income subject to Battle Creek tax (line 1 less lines 2 & 3) 4. _____
 - 5. Estimated income tax 1% (.01) for residents or ½% (.005) for non-residents 5. _____
 - 6(a). Amount of Battle Creek income tax expected to be withheld 6(a). _____
 - (b). Overpayment credited to this year 6(b). _____
 - (c). Credit for a tax liability paid to another MICHIGAN municipality or by a partnership 6(c). _____
 - (d). Total (add lines 6 (a), (b) and (c)) 6(d). _____
 - 7. Annual estimated tax (line 5 less line 6(d)) 7. _____
- Note: If line 7 is \$100.00 or less (\$250.00 for Corporation) estimated tax payments are not required**
- 8. Amount to be paid quarterly (Divide the amount of line 7 by the number 4) 8. _____

RECORD OF ESTIMATED TAX PAYMENTS

VOUCHERS	DUE BY	DATE PAID	CHECK NUMBER	AMOUNT PAID THIS QUARTER	TOTAL PAID TO DATE
1st Quarter	4/30				
2nd Quarter	6/30				
3rd Quarter	9/30				
4th Quarter	1/31				
			TOTAL		