

EMPLOYER'S ANNUAL RECONCILIATION OF INCOME TAX WITHHELD

1. EMPLOYER	2. FEDERAL EMPLOYER IDENTIFICATION NUMBER
	DUE ON OR BEFORE 03/01/2010

SUMMARY OF WITHHOLDING TAX PAID		
MONTH/QUARTER	TAX WITHHELD	WITHHOLDING TAX PAID
January		
February		
March		
FIRST QUARTER TOTAL		
April		
May		
June		
SECOND QUARTER TOTAL		
July		
August		
September		
THIRD QUARTER TOTAL		
October		
November		
December		
FOURTH QUARTER TOTAL		
	TOTAL WITHHOLDING TAX PAID	3.

NUMBER OF W-2 FORMS ATTACHED	4.
TOTAL TAX WITHHELD PER W-2(S)	5.
BALANCE DUE	6.
OVERPAYMENT – ATTACH EXPLANATION *	7.

* Submit a letter to request a refund. Include a detailed explanation on the cause of the overpayment.

8. SIGNATURE	9. NAME AND TITLE (PLEASE PRINT)	10. TELEPHONE NUMBER	11. DATE
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INSTRUCTIONS FOR EMPLOYER'S ANNUAL RECONCILIATION OF INCOME TAX WITHHELD

- Check identification information in Box 1 and Box 2. If incorrect, make corrections and file Notice of Change or Discontinuance, Form GR-6-IT.
- Enter tax withheld and tax payment information in the Summary of Withholding Tax Paid section.
- Enter the total withholding tax paid in Box 3.
- Enter the number of W-2 forms attached in Box 4.
- Enter the amount of tax withheld per the W-2 forms attached in Box 5. **Attach an adding machine tape totaling the W-2 forms or include copies of the computer generated summary W-2 forms.**
- If the withholding tax paid (Box 3) is less than the tax withheld per the W-2 forms (Box 5), enter the balance due in Box 6. The balance due must be paid in full with this GRW-3 form. Make remittance payable to: Grand Rapids City Treasurer.
- If the withholding tax paid (Box 3) is greater than the tax withheld per the W-2 forms (Box 5), enter the overpayment in Box 7. To receive a refund of any overpayment, submit a letter explaining the overpayment and requesting a refund.
- If the withholding tax paid (Box 3) equals the tax withheld per the W-2 forms (Box 5), enter a zero (0) in Boxes 6 and 7.
- Sign the return in Box 8; print your name and title in Box 9; enter telephone number in Box 10; and enter date signed in Box 11.
- Attach the required copies of the W-2 forms and payment for any balance due to the completed GRW-3 form and mail to: **GRAND RAPIDS INCOME TAX DEPARTMENT, PO BOX 347, GRAND RAPIDS, MI 49501-0347.**

City of Grand Rapids

Income Tax Department

INSTRUCTIONS FOR FORM GR-501, EMPLOYER'S MONTHLY DEPOSIT OF INCOME TAX WITHHELD, AND FORM GR-941, EMPLOYER'S QUARTERLY RETURN OF INCOME TAX WITHHELD

A. MONTHLY DEPOSITS AND QUARTERLY RETURNS

1. Monthly deposits of Grand Rapids income tax withheld are required for each month in which the amount withheld exceeds \$100.00. Monthly deposits are made using Form GR-501. Remittance in full payable to the Grand Rapids City Treasurer is required. Monthly deposits are due on the last day of the month following the month withheld. Example: The monthly deposit, Form GR-501, for May is due June 30.
2. Quarterly returns of Grand Rapids income tax withheld are filed using Form GR-941. Remittance payable to Grand Rapids City Treasurer is required. Quarterly returns and payments are due on the last day of the month following the end of the quarter. The quarterly return, Form GR-941, for the first quarter is due April 30.
3. Mail monthly deposits, Form GR-501, and quarterly returns, Form GR-941, to the Grand Rapids Income Tax Department, P.O. Box 347, Grand Rapids, MI 49501-0347.
4. A monthly deposit is not required if less than \$100 is withheld during a month.
5. A quarterly return, Form GR-941, is required even though no tax was withheld during a quarter. Under such circumstances, a quarterly return, form GR-941, must be filed showing zero tax withheld.
6. If the payment of wages has been temporarily discontinued for any reason, such as the seasonal nature of the business, the employer must continue to file returns.

B. INITIAL RETURNS

1. Registration via phone accepted at (616) 456-3415. Withholding forms and an employer's registration packet will be mailed immediately.
2. If you cannot wait for forms to timely file your first return, include a letter with your withholding tax payment providing the following information: Name of Business Owner(s), Type of Ownership, Federal Employer Identification Number (FEIN), d.b.a., address, mailing address and period covered.
3. If you have applied for, but not yet received, an FEIN, write "FEIN Pending" in place of the FEIN. A temporary number will be assigned. Notify the Income Tax Department as soon as you receive your FEIN.
4. If a business is sold or transferred at any point during a reporting period, both the old and new employer must file returns for the period. Neither employer should report tax withheld by the other; both employers should use their own FEIN numbers. Also see instructions for Final Returns.

C. FINAL RETURNS – NOTICE OF CHANGE OR DISCONTINUANCE

1. If no wages are to be paid in the future, complete and file a Notice of Change or Discontinuance.
2. If the business has been sold or transferred, provide the name of the new owner(s), the date transferred and their FEIN. Also, provide the name, address and telephone number of the person who will have custody of the books and records of the discontinued business.
3. When discontinuing a business, the Employer's Annual Reconciliation of Income Tax Withheld, Form GRW-3, and a W-2 form for each employee must be filed. These forms are due by the end of the month following the end of the quarter of discontinuance.

D. ALL EMPLOYERS

1. Pre-printed forms should be used in filing returns. If you do not have forms for filing, contact the Income Tax Department at (616) 456-3415 so forms can be mailed to you prior to the due date.
2. Verify the name, address and FEIN on the monthly deposit and quarterly return forms (GR-501 and GR-941). If an error is noted, the necessary corrections should be made on the form, and a Notice of Change or Discontinuance should be completed and filed.
3. Form GR-941 provides a space for adjustments to correct mistakes made on prior returns from the current calendar year. When an adjustment is reported it must be accompanied by a statement explaining the adjustment. **DO NOT TAKE CREDIT FOR A PRIOR YEAR'S OVERPAYMENT!** You must file a claim for refund of any prior year's overpayment.
4. Calculate and remit penalty and interest on all delinquent tax payments and delinquent returns. A sample Penalty and Interest Worksheet, including penalty and interest rates and instructions, is reproduced on the back cover of this booklet. Attach a copy of the penalty and interest worksheet to all delinquent returns and remit the penalty and interest with the tax withheld.

CITY OF GRAND RAPIDS INCOME TAX DEPARTMENT

PENALTY AND INTEREST WORKSHEET FOR DELINQUENT WITHHOLDING TAX RETURNS

RETURN PERIOD					
DUE DATE					
TAX DUE					
INTEREST					
PENALTY					
MINIMUM P & I					
TOTAL DUE					

Attach a copy of completed worksheet to each delinquent return.

INTEREST CALCULATION INSTRUCTIONS:

Interest is due from the due date of a return until the tax is paid.

Interest Rates:

For period 7/01/2007 through 12/31/2007 the interest rate is 9.25% or .0002534 per day.

For period 1/01/08 through 6/30/08 the interest rate is 9.2% per year or .0002514 per day.

For period 7/1/08 through 12/31/08 the interest rate is 7.9% per year or .0002151 per day.

For period 1/1/2009 through 6/30/2009 the interest rate is 6.0% per year or 0.0001644 per day.

Interest rates are set by the Michigan Department of Treasury. The interest rate changes every six months. For the current interest rate or rates for past periods, visit the Michigan Department of Treasury web site at http://www.michigan.gov/treasury/0,1607,7-121-44402_44415---,00.html and look for the most recent Revenue Administrative Bulletin on Interest Rates.

Interest Computation: For Interest Rate Period:

7/1/2007 to 12/31/2007: Number of days after due date: _____ times 0.0002534 times tax due = \$ _____
 1/1/2008 to 6/30/2008: Number of days after due date: _____ times 0.0002514 times tax due = \$ _____
 7/1/2008 to 12/31/2008: Number of days after due date: _____ times 0.0002151 times tax due = \$ _____
 1/1/2009 to 6/30/2009: Number of days after due date: _____ times 0.0001644 times tax due = \$ _____

Total interest. Add the interest calculated on the lines above and enter on the INTEREST line of the worksheet. Total Interest \$ _____

PENALTY CALCULATION INSTRUCTIONS:

Penalty is due upon failure to file a return or failure to timely pay tax due.

Penalty Rate: One percent (1%) of the tax due per month (or portion thereof) per return.

A penalty of one percent of the tax due is applied on the first day after the due date of the return.

An additional penalty of one percent of the tax due is added on the first day of each subsequent month.

Maximum penalty is 25% of the tax due per return.

Penalty Computation:

Number of months delinquent times 1% (.01) times the tax due = \$ _____

Enter the penalty calculated on the PENALTY line of the worksheet.

MINIMUM PENALTY AND INTEREST CALCULATION:

The minimum amount of penalty and interest combined is \$2.00 per return.

Calculation of minimum penalty and interest:

If total penalty and interest is greater than \$2.00 minimum does not apply.

If total penalty and interest is less than \$2.00, enter \$2.00 on the MINIMUM P & I line of the worksheet.