

INCOME TAX DIVISION REVIEW ITEMS TO DISCUSS WITH PREPARERS

Missing documentation

- Missing W2s

- Schedule B, C, D, E, 2106

 - C – for accuracy and business vs hobby , location, employees

 - D – gains and losses need to be properly related to Pontiac

 - E – Rentals actually in Pontiac, SubChapter S Corps not allowed.

 - 2106 – complete review, also needs to be for actual taxpayer, not spouse

- Federal Form 1040 for IRA and Alimony

 - IRA – deductibility, not Roth or Non-Deductible IRA

 - Alimony – compliance with ordinance formula

Allocations

- Locations

- Day calculations

Review returns for programming errors

- Withholding flows correctly

- Wage allocation formulas

- Allowable Capital Gains and Losses

- Allowable Business gains and losses

- Occupations – helpful in determining appropriateness of 2106 form

W2s – Use of Box 1 required

- Addition of spouse income just to be excluded – not necessary

- Sick pay – third party

Transition pay / buyouts

SubChapter S Corporations do not flow through to Pontiac 1040. If in Pontiac, or doing business in Pontiac, need to be filed on P-1120 corporation return.

Taxpayer Estimates – Individuals required if more than \$100 payment

Part year Resident – calculations not right

- Schedule L only for income both as resident and non-resident

1099-Rs – age sensitive and codes in box 7 sensitive

Moving Expenses not allowed when moving away from Pontiac area.

Employee Business Expenses – Ordinance language – denial of box 4

Divorce formula clarification

Common Form

Payments sent to wrong address