

**CITY OF GRAND RAPIDS**  
**INCOME TAX DEPARTMENT**  
**INCOME TAX CLEARANCE APPLICATION**  
**ATTENTION APPLICANTS**

To protect the private information contained in this application for an Income Tax Clearance, the applicant is strongly urged to mail, deliver in person or fax the application directly to the City of Grand Rapids Income Tax Department at:

To deliver the application in person, visit our office located in City Hall at:

City of Grand Rapids Income Tax Department  
City Hall Third Floor  
300 Monroe Ave NW  
Grand Rapids, MI 49503

If mailing the application, you are strongly urged to use a delivery confirmation services such as USPS Certified mail with Return Receipt Service using the following address:

Income Tax Clearance Section  
City of Grand Rapids Income Tax Department  
PO Box 347  
Grand Rapids, MI 49501-0347

Applications can be faxed to the Income Tax Department at:

Fax number: (616) 456-4540

Questions! Call the Income Tax Department at:

(616) 456-3415

# CITY OF GRAND RAPIDS INCOME TAX DEPARTMENT

## GENERAL INFORMATION INCOME TAX CLEARANCE APPLICATION

### Why did I receive an Income Tax Clearance Application?

The day to day conduct of business by the City of Grand Rapids requires the City to enter into contracts for the procurement of goods and services as well as the regulation of business activity conducted within the City by individuals and businesses.

The requirement for an Income Tax Clearance usually arises in the context of a person or business entity seeking a government appointment, contract, grant, license, payment permit or sale of a business.

The Income Tax Clearance Application review process provides assurance that the City is doing business with individuals and businesses that are compliant with the City's Income Tax Ordinance.

If an applicant is not compliant, the Income Tax Department will identify the deficiencies and work with the applicant to bring them into compliance with the City's Income Tax Ordinance. Typical deficiencies include missing income tax return filings, failure to withhold income tax from employee compensation and unpaid income tax obligations.

An approved Income Tax Clearance states that the applicant has complied with all the provisions of the City Income Tax Ordinance.

Individuals or businesses cannot be awarded a City Commission appointment to a city board, committee or authority; contract for goods, services or professional services; Micro Local Business Enterprise Certification, Economic Development Department Incentive, city loan program, license, liquor license, permit, progress payment, registration and are not authorized to perform services in the City until they are in compliance with the City Income Tax Ordinance.

### Confidentiality of Information

The internal review conducted by the Grand Rapids Income Tax Department is strictly confidential as the applicant/taxpayer must disclose identifying information including their Social Security Number and date of birth.

The only information that can be shared outside of the Income Tax Department without the expressed consent of the taxpayer; to City Departments (Purchasing, Economic Development, City Clerk, etc.), City Commission or other city officials, is whether or not the applicant is compliant with the City's Income Tax Ordinance.

By law (MCLA 141.674), "Information gained by the administrator, city treasurer or any other city official, agent or employee as a result of a return, investigation, hearing or verification required or authorized by this ordinance is confidential, except for official purposes in connection with the administration of the ordinance and except in accordance with a proper judicial order."

### Charter and Statutory Authority

The authority for this review is based on the City's Charter and the Income Tax Ordinance. The City Charter Chapter 11 Sec. 1.516, states: "No bid shall be accepted from or contract awarded to any person who is in arrears to the City upon debt or contract, or who is defaulter, as security or otherwise

upon an obligation to the City, nor who shall in other respects be disqualified according to the provisions of this Code or the Grand Rapids City Charter.”

Effective July 1, 1967, the citizens of Grand Rapids approved the adoption of a local city income tax under the Uniform City Income Tax Ordinance set forth in Chapter 2 of Act 284 of the Public Acts of 1964, known as the “City Income Tax Act.” The City of Grand Rapids is one of twenty-two Michigan Cities authorized to levy a city income tax.

The Income Tax Ordinance requires every resident or part-year resident of Grand Rapids who has taxable income in a tax year, every nonresident who has taxable income derived from working or from sources inside the city limits to file an income tax return; and every employer regardless of whether or not they are located in the City, who is “doing business” in the City of Grand Rapids is required to withhold Grand Rapids income tax.

MCL 141.641 (1), states: “Every corporation doing business in the city and every other person having income taxable under this ordinance ..., shall make and file with the city an annual return for that year, on a form furnished or approved by the city, on or before the last day of the fourth month for the same calendar year, fiscal year, or other accounting period, that has been accepted by the internal revenue service for federal income tax purposes for the taxpayer...”

### **What is an Income Tax Clearance?**

An Income Tax Clearance is an acknowledgement by the Grand Rapids Income Tax Department that a person's or business entity's income tax affairs are compliant with the City's Income Tax Ordinance on the date that the review is conducted by the Income Tax Department. In some instances, an Income Tax Clearance may be issued to a taxpayer who has tax arrears provided such arrears are covered by an instalment arrangement that has been approved by the Income Tax Administrator.

The scope of the compliance check by the Income Tax Department includes a review of the taxpayer's filing history as well as that of officers in a leadership position of the applicant/entity to determine if the taxpayer filed all required returns and paid their income tax.

### **Why is the City requiring me to file an application for an Income Tax Clearance?**

The requirement for an Income Tax Clearance applies to but is not limited to the following categories of business activity:

1. City Commission Appointment to City Board, Committee or Authority
2. Contract for Goods
3. Contract for Services
4. Contract for Professional Services
5. Sale of Business
6. Micro Local Business Enterprise Certification
7. Economic Development Department Incentive
8. City Loan Program
9. License
10. Liquor License
11. Permit
12. Progress Payment
13. Registration

### **For how long is an Income Tax Clearance valid?**

A tax clearance is valid for the period of the contract, license or permit. To renew an Income Tax Clearance, the applicant must submit a new application.

### **Application of the Income Tax Ordinance**

The Income Tax Ordinance requires:

- Every resident or part year resident of Grand Rapids who has taxable income in a tax year, every nonresident who has taxable income derived from working or from sources inside the city limits to file an income tax return.
- Every corporation doing business in the city, whether or not it has an office or place of business in the city and whether or not it has net profits, is required to file a return. Corporations cannot choose to file and be taxed as partnerships. However, nonprofit corporations who have applied for and received approval for exemptions from federal income tax, state and national banks, trust companies, insurance companies, building and loan institutions, savings and loan associations and credit unions are exempt from the city income tax. Subchapter "S" corporations doing business in the City of Grand Rapids must file as a "C" corporation for city income tax purposes.
- Every partnership that conducted business in the City of Grand Rapids, whether or not an office or place of business was maintained in the city is required to file an annual return. Syndicates, joint ventures, pools and like organizations must also file an annual return.
- Every employer regardless of whether or not they are located in the City, who is "doing business" in the City of Grand Rapids, is required to withhold Grand Rapids income tax. This applies even if you do not maintain a location in Grand Rapids.
- Nonprofit organizations that are exempt from income tax, such as charitable, religious and governmental organizations, must withhold income tax from compensation paid to their employees.
- If you are located outside Grand Rapids, are "Doing Business", and have employees who work in Grand Rapids, you must withhold Grand Rapids income tax for all employees working in Grand Rapids.
- If you assign a Grand Rapids resident employee to work temporarily outside the city, you must withhold Grand Rapids income tax from compensation paid to the employee.
- Every trust and estate, that has gross income from the operation of a business, the rental or sale of real and tangible personal property or income from a partnership located in or allocable to the City of Grand Rapids must file an income tax return and withhold income tax from employees.

### **Submission of the Income Tax Clearance Application Form**

To protect the private information contained in this application for an Income Tax Clearance, the applicant is strongly urged to mail, deliver in person or fax the application directly to the City of Grand Rapids Income Tax Department. Address information is located on the cover sheet.

### **Questions**

For additional information contact the City of Grand Rapids Income Tax Department at (616) 456-3415. Our office is located in City Hall, Third Floor, 300 Monroe Ave NW. Office hours are 8:00 a.m. - 4:00 p.m., Monday through Friday.

**CITY OF GRAND RAPIDS -- INCOME TAX DEPARTMENT**

**GRR-ITCA**

**INCOME TAX CLEARANCE APPLICATION**

**GRR-ITCA-1**

PLEASE PRINT OR TYPE CLEARLY

**PART I APPLICANT IDENTIFICATION AND TAX IDENTIFICATION NUMBER(S)** Complete All Applicable Boxes

1. Complete Applicant Name (include, if applicable, Corp., Inc., LLC, etc.)		4. Federal Employer Identification No. or Social Security No.:	
2. DBA/Title/Trade Name		5. Date of Birth (mm/dd/yyyy):	6. Driver's License No.:
3. Business Telephone Number:		7. Contact Email Address:	
<b>LEGAL ADDRESS</b>	8. Enter street number and name (include apartment or suite number after street name)		
	9. Enter Address Line 2:		
	10. City	11. State	12. Zip Code
<b>MAILING ADDRESS</b>	13. Enter street number and name (include apartment or suite number after street name)		
	14. Enter Address Line 2:		
	15. City	16. State	17. Zip Code
<b>PHYSICAL ADDRESS OF PROJECT OR ACTIVITY IN CITY</b>	18. Enter street number and name (include apartment or suite number after street name)		
	19. Enter Address Line 2:		
	20. City	21. State	22. Zip Code

**PART II REASON FOR REQUESTING AN INCOME TAX CLEARANCE** Mark All Applicable Boxes

<input type="checkbox"/>	1. City Commission Appointment to City Board, Committee or Authority
<input type="checkbox"/>	2. Contract for Goods
<input type="checkbox"/>	3. Contract for Services
<input type="checkbox"/>	4. Contract for Professional Services
<input type="checkbox"/>	5. Sale of Business
<input type="checkbox"/>	6. Micro Local Business Enterprise Certification
<input type="checkbox"/>	7. Economic Development Department Incentive
<input type="checkbox"/>	8. City Loan Program
<input type="checkbox"/>	9. License
<input type="checkbox"/>	10. Liquor License
<input type="checkbox"/>	11. Permit
<input type="checkbox"/>	12. Progress Payment
<input type="checkbox"/>	13. Registration
<input type="checkbox"/>	14. Other. Specify Type on Line 15.
<input type="checkbox"/>	15. Type:

**PART III FEDERAL RETURN FILING INFORMATION**

1. Type of income tax return filed or projected to be filed with the IRS:

<input type="checkbox"/>	1a. Form 1040	<input type="checkbox"/>	1b. Form 1041	<input type="checkbox"/>	1c. Form 1065	<input type="checkbox"/>	1d. Form 1120	
<input type="checkbox"/>	1e. Form 1120S	<input type="checkbox"/>	1f. Form 990	<input type="checkbox"/>				1g. Other, Specify in #1h:

2. Does your tax year end in December 31?  2a. Yes  2b. No

3. If no, provide the fiscal year end month and day in (mm/dd) format. (mm/dd):

**PART IV GENERAL INFORMATION** Mark All Applicable Boxes

1. Date business started or is projected to start in the City of Grand Rapids (mm/dd/yyyy):

2. Do you make sales in the City of Grand Rapids?  2a. Yes  2b. No

3. Do you maintain or expect to maintain an office in the City of Grand Rapids?  3a. Yes  3b. No

4. Do you have or project to have employees in the City of Grand Rapids?  4a. Yes  4b. No

5. If employees will be hired at a future date, provide projected date. (mm/dd/yyyy):

**PART V AUTHORIZED CONTACT PERSON** (If contact person is same as the applicant, no need to complete Part VII)

1. Name:	Authorized Contact Person is:		
2. Title:	<input type="checkbox"/>	10. Tax Matters Partner (TMP)	<input type="checkbox"/>
3. Firm:	<input type="checkbox"/>	11. Attorney with POA	<input type="checkbox"/>
4. Addr. 1:	<input type="checkbox"/>	12. CPA with POA	<input type="checkbox"/>
5. Addr. 2:	<input type="checkbox"/>	13. Other with POA. Specify Type On line 14.	<input type="checkbox"/>
6. City/Town/Post Office:	<input type="checkbox"/>	14.	<input type="checkbox"/>
7. State:	8. Zip Code:	15. Email Address:	
9. Telephone Number:			

Complete Applicant Name (include, if applicable, Corp., Inc., LLC, etc.)	Federal Tax ID No. (FEIN)	<b>GRR-ITCA-2</b>
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<b>PART VI TYPE OF ENTITY REQUESTING AN INCOME TAX CLEARANCE</b>		Mark All Applicable Boxes
<input type="checkbox"/> 1. Individual/Sole Proprietorship (Identify owner in Part VII below)	<input type="checkbox"/> 10. Foreign (Non-Michigan) Corporation (Identify all corporation officers in Part VII below)	
<input type="checkbox"/> 2. General Partnership (Identify all partners in Part VII below)	<input type="checkbox"/> 11. Foreign Subchapter S Corporation	
<input type="checkbox"/> 3. Limited Partnership (LP) (Identify general partners in Part VII below)	<input type="checkbox"/> 11. Nonprofit Corporation (Identify all corporation officers in Part VII below)	
<input type="checkbox"/> 4. Professional Limited Liability Partnership (LLP) (Identify all General Partners in Part VII below)	<input type="checkbox"/> 12. Government	
<input type="checkbox"/> 5. Limited Liability Company (LLC) (Identify all members in Part VII below)	<input type="checkbox"/> 13. Estate (Identify estate administrator or personal representative in Part VII below)	
<input type="checkbox"/> 6. Professional Limited Liability Company (PLLC) (Identify all members in Part VII below)	<input type="checkbox"/> 14. Trust (Identify trustee in Part VII below)	
<input type="checkbox"/> 7. Michigan Corporation (Identify all corporation officers in Part VII below)	<input type="checkbox"/> 15. Other (explain)	
<input type="checkbox"/> 8. Michigan Subchapter S Corporation	For Payroll Processors and Related Businesses	
<input type="checkbox"/> 9. Michigan Professional Corporation	<input type="checkbox"/> 16. Payroll Service Provider (PSP)	
	<input type="checkbox"/> 17. Reporting Agent (per IRC Form 8655)	
	<input type="checkbox"/> 18. IRC Section 3504 Agent	
	<input type="checkbox"/> 19. Professional Employer Organization (PEO)	

<b>PART VII IDENTIFICATION OF EACH OWNER, PARTNER, MEMBER OR CORPORATE OFFICER.</b>			
Attach GRR-ITCA-3 or similar schedule if needed.			
1a. Name (last, first middle, suffix)			1g. Home Telephone Number
1b. Business Title			1h. Date of Birth
1c. Residence Address (street number and name including apartment number after street name)			1i. Social Security Number
1d. City	1e. State	1f. Zip Code	1j. Drivers License Number/ ST ID Number
2a. Name (last, first middle, suffix)			2g. Home Telephone Number
2b. Business Title			2h. Date of Birth
2c. Residence Address (street number and name including apartment number after street name)			2i. Social Security Number
2d. City	2e. State	2f. Zip Code	2j. Drivers License Number/ ST ID Number

<b>PART VIII RELEASE OF INFORMATION</b>
I have applied for an Income Tax Clearance for the purpose indicated in Part II and authorize the Income Tax Department to release information to the city department responsible for administration of the requested purpose that the applicant is "Compliant" or "Non-compliant" with the Grand Rapids Income Tax Ordinance.

<b>PART IX DISCLOSURE AND SIGNATURE AREA</b>	
I declare that I have prepared this application and to the best of my knowledge and belief, it is true, correct and complete. If signed by a person other than the applicant, a Form GR-2848, Power of Attorney must be attached to this application.	
1. Signature of the designated (owner, member or officer ) responsible for income tax matters with the city.	3. Title
2. Type or print name of person signing above	4. Date

Information collected on this form is confidential pursuant to MCL 141.674(1), Michigan Uniform City Income Tax Ordinance; Sec.74. (1) Information gained by the administrator, city treasurer or any other city official, agent or employee as a result of a return, investigation, hearing or verification required or authorized by this ordinance is confidential, except for official purposes in connection with the administration of the ordinance and except in accordance with a proper judicial order.

Complete Applicant Name (include, if applicable, Corp., Inc., LLC, etc.)	Federal Tax ID No. (FEIN)	<b>GRR-ITCA-3</b>
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**PART VII - CONTINUATION OF LISTING OF EACH OWNER, PARTNER, MEMBER OR CORPORATE OFFICER**

3a. Name (last, first middle, suffix)			3g. Home Telephone Number
3b. Business Title			3h. Date of Birth
3c. Residence Address (street number and name including apartment number after street name)			3i. Social Security Number
3d. City	3e. State	34f. Zip Code	3j. Drivers License Number/ ST ID Number
4a. Name (last, first middle, suffix)			4g. Home Telephone Number
4b. Business Title			4h. Date of Birth
4c. Residence Address (street number and name including apartment number after street name)			4i. Social Security Number
4d. City	4e. State	4f. Zip Code	4j. Drivers License Number/ ST ID Number
5a. Name (last, first middle, suffix)			5g. Home Telephone Number
5b. Business Title			5h. Date of Birth
5c. Residence Address (street number and name including apartment number after street name)			5i. Social Security Number
5d. City	5e. State	5f. Zip Code	5j. Drivers License Number/ ST ID Number
6a. Name (last, first middle, suffix)			6g. Home Telephone Number
6b. Business Title			6h. Date of Birth
6c. Residence Address (street number and name including apartment number after street name)			6i. Social Security Number
6d. City	6e. State	6f. Zip Code	6j. Drivers License Number/ ST ID Number
7a. Name (last, first middle, suffix)			7g. Home Telephone Number
7b. Business Title			7h. Date of Birth
7c. Residence Address (street number and name including apartment number after street name)			7i. Social Security Number
7d. City	7e. State	7f. Zip Code	7j. Drivers License Number/ ST ID Number
8a. Name (last, first middle, suffix)			8g. Home Telephone Number
8b. Business Title			8h. Date of Birth
8c. Residence Address (street number and name including apartment number after street name)			8i. Social Security Number
8d. City	8e. State	8f. Zip Code	8j. Drivers License Number/ ST ID Number

**Power of Attorney Authorization**

Issued under Authority of the Uniform City Income Tax Ordinance (MCL 141.601 et seq.) Filing is voluntary.

Complete this form if you wish to appoint someone to represent you to the Income Tax Department on income tax matters, or if you wish to revoke or change your current power of attorney authorization. Consult the city's website for instructions for completing this form.

Revised: 09/29/2015

PART 1: TAXPAYER INFORMATION			
Taxpayer's (first name, initial, last name or business name)		Taxpayer SSN/FEIN	
If joint return spouse's first name, initial, last name		Spouse SSN	
Current address (number and street) Apt./Ste. no.		If a business, enter DBA, trade or assumed name	
Address line 2		Telephone number	Fax number
City, town or post office	State	Zip code	E-mail address
Foreign country name, province/county, postal code			

PART 2: REPRESENTATIVE INFORMATION AND AUTHORIZATION DATES			
Representative's name		Contact's name (if applicable)	Contact's name (if applicable)
Firm name		E-mail address	E-mail address
Address (number and street) Apt./Ste. no.		Telephone number	Telephone number
Address line 2		Fax number	Fax number
City, town or post office	State	Zip code	Beginning authorization date (MM/DD/YY)
			Ending authorization date (MM/DD/YY)*

PART 3: TYPE OF AUTHORIZATION		
<input type="checkbox"/> <b>GENERAL AUTHORIZATION</b> Authorizes my representative to: (1) inspect or receive confidential information; (2) represent me and make oral or written presentations of fact and argument; (3) sign returns; (4) enter into agreements; (5) receive mail including forms, billings and payment notices. This authorization applies to all tax matters for all tax years or periods.		
<input type="checkbox"/> <b>LIMITED AUTHORIZATION</b> Select the type of authorization by checking the appropriate boxes.		
	All Tax Matters	Only as Specified Below
1. Inspect or receive confidential information _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Represent me and make oral or written presentations of fact and argument _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Sign returns _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Enter into agreements _____	<input type="checkbox"/>	<input type="checkbox"/>
5. Receive mail (includes forms, billings and payment notices) _____	<input type="checkbox"/>	<input type="checkbox"/>
Type of Income Tax	Tax Form or Assessment Number	Tax Year(s) or Period(s)

PART 4: CHANGE IN POWER OF ATTORNEY REPRESENTATION OR REVOCATION
<input type="checkbox"/> <b>CHANGE IN POWER OF ATTORNEY REPRESENTATION:</b> This form replaces all earlier powers of attorney, except those attached, on file for the same tax matters and years or periods covered by this Power of Attorney.
<input type="checkbox"/> <b>REVOKE PREVIOUS AUTHORIZATION:</b> I revoke all Powers of Attorney submitted and will represent myself in all tax matters. Attach copies of all Powers of Attorney that remain in effect concurrent with this new authorization.

PART 5: TAXPAYER SIGNATURE(S)		
If signed by a corporate officer, partner or fiduciary on behalf of the taxpayer, I certify that I have the authority to execute this Power of Attorney.		
Signature	Name or title typed or printed	Date
Spouse's signature	Name or title typed or printed	Date

\* If no Ending Authorization date is provided, the above-named representative will be authorized to represent you until you notify the Income Tax Department in writing that this Power of Attorney is revoked.