

City of Springfield
Income Tax Department
601 Avenue A
Springfield, MI 49015-1499



2004
CORPORATE RETURN
FORM SF-1120

FILING DATE:

This return is due on or before APRIL 30, 2005 or within FOUR MONTHS after the end of your fiscal year as accepted by the Federal Government. (The same accounting period used for the Federal return must be used for the City of Springfield return.)

The election provided in the Federal Internal Revenue Code for a qualifying "DOMESTIC INTERNATIONAL SALES CORPORATION" is not available in the City of Springfield Income Tax Ordinance.

The City of Springfield Income Tax Ordinance exempts FINANCIAL INSTITUTIONS and INSURANCE COMPANIES from taxation.

REMITTANCE:

Make your remittance payable to: CITY TREASURER (no payment is necessary if less than \$1.00) If the total tax due exceeds \$250.00, see requirement for DECLARATION AND PAYMENT OF ESTIMATED TAX (page 2).

AMENDED RETURN:

An amended City of Springfield return is required if a determination is made by the Internal Revenue Service that affects the taxpayer's City of Springfield tax liability. *The amended return is due within 90 days from the date of the IRS final determination.*

MAIL WITH PAYMENT TO:

SPRINGFIELD INCOME TAX DEPARTMENT
601 AVENUE A
SPRINGFIELD, MICHIGAN 49015-1499

EXTENSION OF TIME:

An extension of time beyond the due date may be granted for a period not to exceed six months. The completed application must be filed and payment of the estimated tentative tax must be paid by the original due date. Applications for extensions (Form SF-4868) are available from the City Income Tax Department and on our web site. A copy of the Federal Application Form will be accepted in lieu of the City's form. If the return is filed after the extended due date, penalty and interest for late filing will apply from the original due date.

EFFECTIVE DATE OF TAX:

The City of Springfield Income Tax became effective January 1, 1989. Corporations are required to pay tax on that part of their NET INCOME attributable to business activity conducted in the City of Springfield, commencing with the first year (calendar or fiscal) ending after January 1, 1989.

PARTIAL BUSINESS ACTIVITY IN THE CITY - ALLOCATION OF NET INCOME:

When the entire net income is not derived exclusively from the City of Springfield, the BUSINESS ALLOCATION PERCENTAGE METHOD shall be used to determine that portion of the net income taxable by the City of Springfield. (complete Schedule D)

CORPORATIONS REQUIRED TO FILE:

Every corporation who conducts business activity in the City of Springfield is required to file ANNUALLY a City of Springfield Corporation Return, Form SF-1120. This includes any corporation, whether or not "a place of business" is established in the City of Springfield, but has income derived from City of Springfield sources.

Corporations having an "IRS EXEMPTION FROM TAXATION", but have income from operations not related to the purpose for which the exemption was given, must pay tax on the unrelated income.

The taxpayer may petition the Administrator for approval to use a separate, or alternate accounting method. Generally, a corporation that is unitary in nature (i.e. has central management, purchasing, advertising, etc.) cannot use separate accounting.

A "TAX-OPTION CORPORATION" must file a City of Springfield Corporation Return and pay tax on their net income.

For additional forms - Visit our Web site at www.springfieldmich.com
We accept payment with Visa, MasterCard or Debit Card

INSTRUCTIONS FOR COMPLETING THE SF-1120 CORPORATION RETURN:

SCHEDULE C:

Most items on the City of Springfield Corporation Return, Form SF-1120 are self explanatory. The following is further explanation for lines: 1, 2, 4, 7 and 8.

Line 1 Enter amount from line 28 of your Federal 1120 tax return, or line 24 of your Federal 1120 A tax return, or line 23 of Schedule K of the Federal 1120S tax return, or line 30 of SCHEDULE C, 'PROFIT (OR LOSS) FROM BUSINESS' located on page 2 of the Springfield 1120 tax form.
With any of the above, ATTACH A COPY OF YOUR FEDERAL TAX RETURN.

Note: Corporations using the SEPARATE ACCOUNTING METHOD are required to complete Schedule C and enter amount from line 30.

Line 2 Enter amount from Schedule E, column 1, line 5; 'ITEMS NOT DEDUCTIBLE UNDER THE CITY OF SPRINGFIELD INCOME TAX ORDINANCE'.

Line 4 Enter the amount from Schedule E, column 2, line 11; 'ITEMS NOT TAXABLE AND DEDUCTABLE UNDER THE CITY OF SPRINGFIELD INCOME TAX ORDINANCE'.

Line 7 Multiply line 5 by PERCENTAGE from line 6 and enter amount on line 7. (If all business activity was conducted in the City of Springfield, enter 100% and do not complete Schedule D.)

Line 8 Enter the NET CAPITAL LESS CARRYOVER and NET OPERATING LOSS CARRYOVER applicable to the City of Springfield.

Note: No deduction will be allowed for CAPITAL LOSSES and NET OPERATING LOSSES sustained prior to January 1, 1989, the effective date of the Springfield Income Tax. (CAPITAL LOSSES and CAPITAL LOSS CARRYOVERS are DEDUCTIBLE only to the extent of CAPITAL GAINS.)

ALLOCATION OF CAPITAL AND NET OPERATING LOSS CARRYOVERS:

If all business activity was not conducted in the City of Springfield, determine the deductible portion of the loss by using the BUSINESS ALLOCATION PERCENTAGE. (Use percentage from Schedule D, line 5.)

DECLARATION AND PAYMENT OF ESTIMATED TAX REQUIREMENT:

Each corporation subject to the City of Springfield Income Tax must file a DECLARATION OF ESTIMATED INCOME TAX (Form SF-1120 ES) if the estimated tax for the calendar or fiscal year exceeds \$250.00. Forms and additional information can be obtained from the City of Springfield Income Tax Department.

ASSISTANCE:

If you have any questions or need assistance, call 269-965-8324 or stop by the City of Springfield Income Tax Department, 601 Avenue A, Springfield, Michigan 49015-1499.

Line 15 DEPRECIATION - use the same basis and method as used for Federal Income Tax Reporting.

Line 16 CONTRIBUTIONS - are deductible to the same extent and under the same limitations as under the Federal Internal Revenue Code.

Line 25 and 26 DIVIDENDS AND INTEREST - Taxpayers allocating on any basis other than separate accounting shall include all INTEREST, DIVIDENDS and OTHER NON-OPERATING INCOME when computing the total income subject to the allocation percentage.

Taxpayers using separate accounting shall include in income subject to tax a proportionate share of DIVIDENDS, INTEREST and OTHER NON-OPERATING INCOME of the total corporation, using a direct allocation if the income is received by the divisions subject to the City of Springfield Income Tax or apportioning it on the same basis as general administrative and overhead costs are apportioned to the City of Springfield activity.

Line 27 RENTS AND ROYALTIES - Follow the same instructions as given above for dividends and interest.

Line 28 GAIN OR LOSS FROM SALE OR EXCHANGE OF PROPERTY Enter on line 28 of Schedule C the total amount of gain or loss from the sale or exchange of property. (Only that amount of gain or loss occurring after January 1, 1989 to the date of disposition.)

To adjust the gain or loss already inclusive in line 1 of the SF-1120 return, an adjustment is made on Schedule E (Not on Schedule C). Only that portion of the gain or loss applicable to the holding period after January 1, 1989 should be considered. Use one of the following two methods to compute the amount of gain or loss occurring after January 1, 1989: (Enter this amount on Schedule E)

1 . Determine the difference between the FAIR MARKET VALUE January 1, 1989 (December 31, 1988 closing price for traded securities) or the ACTUAL COST (If acquired after January 1, 1989) and the NET PROCEEDS from the sale or exchange.

OR

2 . Take the gain or loss for the entire holding period; as computed for Federal income tax purposes, then compute the taxable portion using a ratio based on the number of months the property was held after January 1, 1989 versus the entire number of months the property was held.

INSTRUCTIONS CONTINUED ON PAGE 5.



2004
INCOME TAX CORPORATE RETURN
FORM SF-1120

CHECK APPROPRIATE BOX

Calendar year selection box

CALENDAR YEAR

OR

Fiscal year ending selection box

FISCAL YEAR ENDING:

M/D/YY

Employer information section including federal ID number, name, address, and telephone number.

TAXABLE INCOME COMPUTATION

Line items for taxable income computation from 1 to 10, including instructions for each line.

PAYMENTS AND CREDITS

Line items 11A-11C for payments and credits, and line 12 for total payments and credits.

TAX DUE OR REFUND

Line items 13-15 for tax due or refund calculations and payment methods.

CONSOLIDATIONS

Questions A and B regarding consolidated returns.

LOCATIONS

Questions about total number of business locations everywhere and Springfield locations included.

LAST FEDERAL AUDIT

Question about whether a City of Springfield amended return was filed for each year.

Signature and date lines for officer and preparer.

Make payable to: CITY TREASURER. Mail to: CITY OF SPRINGFIELD, INCOME TAX DEPARTMENT, 601 AVENUE A, SPRINGFIELD, MICHIGAN 49015-1499

For additional forms visit our web site at www.springfieldmich.com

APPLIES TO SPRINGFIELD LOCATION ONLY

SCHEDULE C - PROFIT (OR LOSS) FROM BUSINESS

ATTACH A COMPLETE COPY OF YOUR FEDERAL 1120 OR 1120S.

BUSINESS DEDUCTIONS

1 Gross Receipts 1 \$ _____ 2 Less returns and allowances 2 _____ 3 Net Receipts 3 _____ <p align="center">COST OF GOODS SOLD</p> 4 Inventory at beginning of period 4 _____ 5 Merchandise bought for manufacture or sale 5 _____ 6 Salaries and wages 6 _____ 7 Other costs (attach statement) 7 _____ 8 Total - Lines 4 thru 7 8 _____ 9 Less inventory at end of period 9 _____ 10 Cost of goods sold 10 _____ 11 Gross Profit - Line 3 less Line 10 11 _____ 25 Dividend income 25 _____ 26 Interest income 26 _____ 27 Income from rents and royalties 27 _____ 28 Gain or loss from sale or exchange of property (see instructions) 28 _____ 29 Other income 29 _____ 30 Total income (add Lines 24 thru 29) Enter here and on page 1 Line 1 30 _____	12 Compensation of officers 12 \$ _____ 13 Salaries and wages-not deducted elsewhere 13 _____ 14 Rents 14 _____ 15 Depreciation 15 _____ 16 Contributions 16 _____ 17 Taxes (attach statement) 17 _____ 18 Interest 18 _____ 19 Repairs 19 _____ 20 Bad Debts 20 _____ 21 Other (attach statement) 21 _____ 22 Other (attach statement) 22 _____ 23 Total - Lines 12 thru 22 23 _____ 24 Net Profit or Loss - Line 11 less Line 23 24 _____	12 \$ _____ 13 _____ 14 _____ 15 _____ 16 _____ 17 _____ 18 _____ 19 _____ 20 _____ 21 _____ 22 _____ 23 _____ 24 _____ 25 _____ 26 _____ 27 _____ 28 _____ 29 _____ 30 _____
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SCHEDULE D - BUSINESS ALLOCATION PERCENTAGE

To compute the percentage for column III, divide column II by column I.

	COLUMN I Located Everywhere	COLUMN II Located in Springfield	COLUMN III Percentage
1A Average net book value of REAL AND TANGIBLE PERSONAL PROPERTY	\$ _____	\$ _____	
1B Gross annual rent paid for REAL PROPERTY only, multiplied by 8	_____	_____	
1C TOTAL - ADD Lines 1A and 1B	_____	_____	%
2 Total WAGES, SALARIES, COMMISSIONS and OTHER COMPENSATION of all employees	_____	_____	%
3 GROSS RECEIPTS from sales made or services rendered	_____	_____	%
4 ADD together the percentages in COLUMN III			%
5 BUSINESS ALLOCATION PERCENTAGE - DIVIDE total from line 4 by the number*three (3), enter here and on PAGE 1, LINE 6			%

* When computing the Business Allocation Percentage, a factor should only be excluded from the computation when such a factor does not apply to the taxpayer's business operation. The sum of percentages in column III should be divided by the number of factors actually used.

SCHEDULE E

Schedule E is used to adjust the amount reported on page 1, Line 1, to give effect to the requirements of the City of Springfield Income Tax Ordinance. The time period used to compute items for Schedule E must be the same as the time period used to report income on page 1, Line 1. Schedule E adjustments are allowed only to the extent directly related to the NET INCOME as shown on page 1, Line 1.

PERIOD FROM: _____ TO: _____
M/D/YY M/D/YY

COLUMN 1 ADD - Items Not Deductible		COLUMN 2 DEDUCT - Items Not Taxable and Allowed Deductions
1 Adjustments to income relating to prior periods (see instructions)	\$ _____	6 Interest from U.S. obligations and from United States governmental units
2 All expenses (including interest) incurred in connection with derivation of income not subject to Springfield income tax.	_____	7 Dividends-Received-Deduction (exclude dividends in Line 6 above)
3 Springfield income tax paid or accrued.	_____	8 Dividend gross up foreign taxes
4 Other (submit schedule)	_____	9 Foreign tax deduction
	_____	10 Other (submit schedule)

5 ADD - Lines 1, 2, 3 and 4 (enter on page 3, line 2)	\$ _____	11 TOTAL DEDUCTIONS - ADD Lines 6, 7, 8, 9 and 10 (enter on page 3, line 4)
		\$ _____

**INSTRUCTIONS FOR COMPLETING THE
SF-1120 CORPORATION RETURN: (CON'T)**

SCHEDULE D:

Line 1A Enter in Column I the average net book value of all real and tangible personal property owned by the business regardless of location, and in Column II show the average net book value of real and tangible personal property owned and located in the City of Springfield.

The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the end of the year then dividing the sum by two. If this method will not properly reflect the average net book value, another method will be considered by the Administrator if requested in writing.

Line 1B Enter in Column I the gross annual rent multiplied by eight (8) for all rented real property regardless of location. In Column II show the gross annual rent multiplied by eight (8) for rented real property located in the City of Springfield.

Line 2 Enter in Column I total compensation paid to all employees during the year. In Column II show compensation paid to all employees for work or services performed within the City of Springfield.

Line 3 Enter in Column I the total gross receipts from all sales or services rendered during the year. In Column II show the amount of gross receipts derived from sales made or services rendered in the City of Springfield during the year.

SCHEDULE E - COLUMN I:

Use Schedule E, Column 1 to adjust the amount reported on line 1 of form SF-1120, to ADD back into TAXABLE INCOME those items deductible per the Federal Government but NOT applicable to the City of Springfield.

Line 1 is used to adjust income for the NON-DEDUCTIBLE portion of LOSSES from the sale or exchange of property acquired prior to January 1, 1989. (Effective date of City of Springfield Income Tax.) Refer to instructions for Schedule C - Line 28, "GAIN (OR LOSS) FROM SALE OR EXCHANGE OF PROPERTY", if the LOSS reported in Line 1 of SF-1120 has not been adjusted to reflect only that portion deductible based on the effective date of the City of Springfield Income Tax.

SCHEDULE E - COLUMN 2:

Use Schedule E, Column 2 to DEDUCT those items not taxable under the City of Income Tax Ordinance.

Line 7 If you reported dividend income, enter on this line the amount of the "DIVIDEND-RECEIVED-DEDUCTION" allowed by the Federal Internal Revenue Code.

Lines 9 and 10

Taxpayers may deduct INCOME, WAR PROFITS and EXCESS PROFITS TAXES imposed by foreign countries or possessions of the U.S., allocable to income included in taxable net income, any part of which would be allowed as a deduction in determining Federal taxable income under the applicable provisions of the Federal Internal Revenue Code.

If a FOREIGN TAX CREDIT, rather than a FOREIGN TAX DEDUCTION was taken on your Federal return, enter on line 9 the portion of the foreign tax credit which was grossed up and included in your City of Springfield return as dividends received and enter on line 10 the "FOREIGN TAXES PAID OR ACCRUED" portion of the foreign tax credit claimed on your Federal return, not to exceed the Federal limitations thereon. The balance of your foreign tax credit is NOT DEDUCTIBLE.

Total income must be apportioned if the corporation had activity both inside and outside the City of Springfield and permission to use separate accounting or an alternate method has not been granted. Complete Schedule D to support the apportionment.