

# FREQUENTLY ASKED QUESTIONS

## Income Tax for Residents and Non-Residents

**Who must file** a City of Port Huron income tax return?

- City of Port Huron residents with a taxable gross income of more than \$600.00.
- Non-Residents with a taxable gross income of more than \$600 earned in the City of Port Huron (i.e. your employer is in the City of Port Huron or you are doing business in the City of Port Huron).

**When is the due date** for the City of Port Huron income tax return?

- April 30<sup>th</sup>

**What is the tax rate** for the City of Port Huron?

- Residents 1%
- Non-Residents .05%

**What is considered taxable income?**

- Taxable income for **Residents** includes the following, regardless of location earned:
  - Wages, tips, commission, bonuses, vacation, and sick pay
  - Interest income
  - Dividend income
  - Business income
  - Rental income
  - Capital gains
  - Lottery winnings
  - Early distributions from an IRA and retirement plans
  - Supplemental income
- Taxable income for **Non-Residents** includes the following:
  - Wages, tips, commission, bonuses, vacation, and sick pay related to work performed or income earned in the City of Port Huron

- Business income related to work performed or earned in the City of Port Huron, including income earned from partnerships
- Rental income earned from property located in the City of Port Huron

**What types of documentation** should I attach to my City of Port Huron income tax return?

- **Residents**
  - W-2's
  - 1099's
  - Schedule C of Federal return (for business income)
  - Schedule D of Federal return (for capital gains)
  - Schedule E of Federal return (for supplemental income)
  - Schedule L (if filing as part-year resident)
- **Non-Residents**
  - W-2's (for income earned in the City of Port Huron)
  - 1099's (for income earned in the City of Port Huron)
  - Schedule C of Federal return (for business income earned in the City of Port Huron)
  - Schedule E of Federal return (for supplemental income earned in the City of Port Huron)

**Do I need to make estimated payments?**

- Residents and Non-Residents must make estimated payments when your City of Port Huron income tax exceeds the amount withheld from your pay by \$100 or more
  - Estimated payments equal to  $\frac{1}{4}$  of your total annual tax are **due on April 30, June 30, September 30, and January 31**
    - Use your taxable income from your prior year return when calculating estimated payments for the current year.
    - Estimated payments are not required if your withholding and other credits will exceed 70% of the tax due shown on your prior year return.

**\*\*Please see complete instructions for PH-1040 for additional information\*\***