CITY OF MUSKEGON

PARTNERSHIP INCOME TAX RETURN
INSTRUCTIONS FOR FORM M-1065 FOR PARTNERSHIPS
WITH BUSINESS ACTIVITY IN MUSKEGON

Filing Date:
Calendar year taxpayers must file by April 30th. Fiscal year taxpayers must file within four (4) months after the end of their fiscal year

Remittance:
Partnerships electing to pay the tax for partners must remit for all partners when filing. The tax due, if One Dollar ($1.00) or more, must be paid when filing the return. Make remittance payable to:
CITY OF MUSKEGON.

Mailing Address:
INCOME TAX DEPARTMENT
P.O. BOX 29
MUSKEGON, MI 49443-0029

Effective Date of Tax:
The Muskegon income tax became effective July 1, 1993. Partnerships are required to file a return for each year commencing with their first calendar or fiscal year ending after July 1,1993.

Who Must File a Partnership Return:
(Form M-1065)
Every partnership that carried on business activities in Muskegon on or after July 1, 1993, whether or not an office or place of business was maintained in the City, is required to file an annual return within four (4) months following the end of their tax year. If reporting on a calendar year basis, the return must be filed by April 30 of the following year. LLC's, LLP's, syndicates, joint ventures, pools and like organizations will also use Form M-1065. So called "tax option" corporations (those filing under Sections 1371-1377, Internal Revenue Code) must file as a corporation on Form M-1120.

Renaissance Zone Reduction
A partnership located and doing business in a Muskegon Renaissance Zone may be eligible to claim the new Renaissance Zone deduction. This deduction allows the partnership or the partners, if qualified, to deduct the portion of the partnership income earned in a Renaissance Zone from income subject to Muskegon's income tax. A taxpayer is not qualified to claim the deduction if the taxpayer is delinquent for any Michigan or local taxes.

If the partnership elects to pay the tax for the partners, the deduction is claimed on the partnership return. Otherwise, the deduction is passed through to the partners who claim the deduction by filing Schedule RZ with their individual returns. A Muskegon income tax return must be filed to claim this deduction. Contact the Income Tax Department to request Schedule RZ of M-1065.

Resident vs. Non-Resident Partners:
Partners who are RESIDENTS of Muskegon are taxed on their entire distributive share of the net profit of the partnership, including that arising from business activities outside of the City of Muskegon and including interest, dividends, rents and royalties and gains from the sale or exchange of property, either tangible or intangible.

Partners who are non-residents of Muskegon are taxed on their distributive share of the portion of the net profit attributable to:
1. Business activity in the City of Muskegon,
2. Rental of property in the City, and
3. The gains from the sale or exchange of real or tangible personal property in the City.

Non-residents are not taxed on their share of the net profit from business activity outside of Muskegon, net rentals from property located outside the City, gains from the sale or exchange of real or tangible property located outside the City, gains from the sale or exchange of securities or other intangible property, interest or dividends.

The Partnership Return, Form M-1065, is designed to distinguish between that income taxed to both residents and non-residents, and that taxed to residents only.

The return shall set forth the entire net profit for the period covered and show the distributive share of each partner, indicating those who are residents of Muskegon and those who are non-residents. If residency changes during the taxable period for any partner, use two lines to indicate the allocation of income by status in all schedules where applicable, based on the proration of time in each status.

Option to Pay Tax:
At its election, a partnership may file either an information return or it may compute and pay the tax which is due with respect to each partner's share of the net profit of the business, after giving effect to exemptions and other items to which each partner is entitled. Such election is available to all partnerships regardless of the residency of the partners. The partnership may pay the tax for partners only if it pays for all partners subject to the tax. Compute the tax to be paid on the "Tax Payment by Partnership" section, Schedule 1, Page 1, Columns 1 through 7. Do not fill out this schedule if the return is for information purposes only.

If the partnership elects to pay the tax on behalf of the partners, then such election and payments shall be deemed to meet the requirements for the filing of a return, as provided by the Ordinance, for each partner who has no other income subject to the tax. However, an individual return shall be required from any partner having taxable income other than his (her) distributive share of the net profit of the partnership. In such instances, the individual partner should enter the total partnership income from his (her) Federal Form 1040 on the Muskegon tax return, M-1040, Lines 2, 4 and 6 of Column I and enter applicable exclusions in Column II. Credit for tax paid by the partnership is to be entered on Line 22 of the M-1040.

Partnership as Taxpayer:
If the partnership elects to pay the tax on behalf of the partners, then it assumes the status of a taxpayer to the following extent:
1. Timely Payment: Payment must be made within four (4) months of the end of the tax year or period. Delinquent tax payments will be subject to interest and penalty the same as delinquent payments from any other taxpayer.
2. Payment of Estimated Tax: The election of the partnership to pay the tax on behalf of the individual partners also carries with it the requirement to file a Declaration of Estimated Income Tax Form M-1040ES. A declaration must be filed, and quarterly estimated tax payments must be made, if the estimated annual tax liability for the partnership is expected to exceed $100.00. If the partnership files Form M-1040ES and makes the required quarterly payments, the partners will not be required to file Declarations as individuals, unless they have additional income, not subject to Muskegon income tax withholding, on which the Muskegon income tax is expected to exceed $100.00. The fiscal year of the partnership will govern in establishing the dates for filing the declaration and paying the estimated tax.

INSTRUCTIONS FOR PAGE 1
Identification and Information Section:
All partnerships must complete the Identification and Information Section and check only one box, at the bottom of the section, designating the return as an information return or a return on which the partnership elects to pay tax on behalf of the partners.

Schedule 1, Tax Payment by Partnership:
Column 1, Adjusted Partnership Income: Complete the appropriate schedules on Page 2 of Form M-1065. Transfer the amounts from Schedule C, (Distribution to Partners), Column 7, to this column. List amounts in same order as partners are listed in the Identification and Information Section of page 1.

Column 2, Allowable individual partner deductions which relate to the partnership are deducted in column 2. These deductions include net operating loss carryover and the Renaissance Zone deduction. This column is also used to adjust for a net capital loss realized by any of the partners, in excess of the partner's maximum allowable ($3,000) capital loss deduction. Therefore, a net capital loss realized by any of

the partners, in excess of the partner's allowable capital loss deduction must be added back in column 2, page 1. The allowable capital loss deduction for each partner is the lesser of (1) the net capital loss, (2) the amount in column 1, page 1, computed without regard to capital gains and losses, or (3) $3,000. Capital gains and losses, and net operating loss carryovers are to be handled in the same manner as provided in the Federal Internal Revenue Code. Nonresident partners must allocate net operating losses to Grand Rapids at the percentage of business conducted in Grand Rapids in the year in which the loss was sustained. ATTACH A SCHEDULE DETAILING COMPUTATION OF AMOUNTS REPORTED IN COLUMN 2.

Column 3, Exemptions: Exemptions are allowed for each partner and his or her dependents. An exemption of $600.00 is allowed for the partner, the partner's spouse, and each dependent. In general, the same rules apply in determining dependents as under the Federal Internal Revenue Code. A spouse may be taken as an exemption on the partnership return only if such spouse has no income subject to Muskegon income tax. Additional exemptions are allowed for a taxpayer who is: age 65 or over; blind; deaf; or paraplegic, quadriplegic, hemiplegic or totally and permanently disabled.

Column 5, Total Tax: Resident partners are taxed at the rate of 1% of their taxable income (Column 4). Non-residents partners are taxed at the rate of 1/2 of 1% of their taxable income. Partners who changed residency status during the year are to use two lines to indicate the allocation of income by status in all schedules where applicable, based on the proration of time in each status.

Column 6, Credits: Enter in this column tax payments made by the partnership and the applicable credit for payments made by the partnership on behalf of Muskegon resident partners for income taxes paid to another municipality, if the income on which such tax was levied is included in this return. Do not take credit for income taxes paid another municipality on behalf of partners who are not Muskegon residents. The credit shall be the lesser amount of either (1) the income tax paid the other municipality, or (2)1/2 of 1% of the amount obtained by deducting the amount of exemptions claimed on Page 1, Column 3 of the of this return from the gross income subject to tax by such other city.

INSTRUCTIONS FOR SCHEDULES ON PAGE 2:

Schedule A, Allocable Business Income:

Schedule A is used to report ordinary business income of the partnership. Ordinary business income of Schedule A is transferred to Schedule C, column 1. Schedule C is used to determine the amount of ordinary business income subject to the Muskegon tax.

Non-business income is reported in Schedule B. The taxable portion of non-business income is transferred to Schedule C.

Instructions for Schedule B and C indicate how amounts transferred from Schedule A and B are allocated to the individual partners.

Schedule B, Non-Business Income and Exclusions:

Schedule B is used to allocate the total non-business income of the partnership between resident partners and nonresident partners. After determining the total taxable income for resident and nonresident partners, the totals are transferred to Schedule C wherein an analysis is made to determine the amount of non-business income distributable to each individual partner. Therefore, compute the total amount of distributable non-business income, by type of income, and enter these amounts on the proper lines of Schedule B, column 1. For each category for non-business income use columns 2 and 3 to show the resident partners excludable and taxable portion an use columns 4 and 5 to show the nonresident partners excludable and taxable portion. The total of columns 2 through 5 must equal the total of column 1.

INTEREST AND DIVIDENDS. In column 1, line 1, report total partnership non-business interest income. In column 1, line 2, report total partnership income from dividends. The interest and dividends reported on lines 1 and 2, column 1, are to be apportioned between resident partners (columns 2 and 3) and nonresident partners (column 4). Resident partners exclude in column 2 the total nontaxable interest from obligations of the United States, the states or subordinate units of government of the states. Interest and dividend income is not taxable to nonresidents.

SALE OR EXCHANGE OF PROPERTY. Report in column 1, lines 3, 4 and 5, the total taxable net gain or loss from sales and exchanges of property, short term, long term and Section 1231, respectively. Resident and nonresident partners may exclude any gain or loss on the sale of obligations of the United States and the gain or loss attributable to the period prior to July 1, 1993. If the property was acquired prior to July 1, 1993, market values of traded securities as of June 30, 1993, may be used as the cost basis; or the gain or loss applicable to the period after July 1, 1993, may be computed by multiplying the total gain or loss by the ratio of the months the property was held after July 1, 1993, to the total months the property was held.

The nonresident excludable portion also includes that portion of the gain (or loss) which arose from the sale or exchange of intangible assets, and of tangible property located outside of Muskegon. The taxable nonresident partners portion in column 5 will be the gain (or loss) attributable to the period after July 1, 1993, from the sale or exchange of tangible real and personal property located in Muskegon.

RENTS AND ROYALTIES. Report in column 1, lines 6, 7 and 8, the total net income or loss from all rents and royalties. The resident partners portion of rents and royalties is taxable. The nonresident partners exclude net income or loss from and royalties attributable to property located OUTSIDE of Muskegon.

Schedule C - Distribution To Partners:

The totals of columns 1, 6a and 6b of Schedule C, showing the distribution to individual partners of ordinary and non-business income, must agree with the totals transferred from Schedules A and B.

Column 1. Enter in column 1 the individual partner's share of business income from Schedule A. line 5. If Sec. 179 depreciation is included in Schedule A and the partners have unequal credits for such additional depreciation (e.g. if one partner is single and one is married filing jointly for Feds), the apportionment of income to partners in this column will require a special computation.

Column 7. Transfer the amount of each individual partner's share shown in column 7, Schedule C to column 1, page 1 of the return.

Schedule D, Business Allocation Formula:

The Business Allocation Percentage Formula is to be used by NONRESIDENT owners of businesses with business activity both within and without the City of Muskegon who, because they do not maintain sufficient records to accurately reflect the net profits from operations conducted within the City of Muskegon, or for other reasons, are not using the separate accounting method.

Line 19a. Enter in Column 1 the average net book value of all real and tangible personal properly including inventories owned by the business, regardless of location; and in Column 2 enter the net book value of the real and tangible personal property including inventories located in the City of Muskegon. The average net book value of real and tangible personal property including inventories may be determined by adding the net book values at the beginning of the year and the net values and the end of the year and dividing the sum thus obtained by two. Any other method which will accurately reflect the average net book value for the year will also be permitted.

Line 19b. Enter in Column 1 the gross annual rentals of real properly multiplied by 8 for all rented real property regardless of location. In Column 2 enter the gross annual rentals of real property multiplied by 8 for all rented real property located in the City of Muskegon. Gross annual rentals refer to real property, rented or leased and should include the actual sums of money or other consideration payable, directly or indirectly, by the taxpayer for the use or possession of such real property.

Line 20. Enter in Column 1 the total compensation paid to all employees during the year and in Column 2 enter the amount of compensation paid to employees for work done or for services performed within the City of Muskegon during the year.

Line 21. Enter in Column 1 the total gross receipts from all sales or services rendered during the year and in Column 2 enter the amount of gross receipts from sales made or services rendered in the City of Muskegon during the year.

Line 23. In determining the average percentage (Line 23), a factor shall be excluded from the computation only when such factor does not exist anywhere insofar as the taxpayer's business operation is concerned and, in such cases, the sum of the percentage on Line 22 shall be divided by the number of factors actually used.

Tax Due or Refund:

If the partnership has elected to pay the tax for the partners and tax due is one dollar ($1.00) or more it must be paid when filing the return. Make check or money order payable to: City of Muskegon. Mail both the return and payment to: Income Tax Department, P.O. Box 29, Muskegon, MI 49443-0029.

If the payments and credits exceed the amount of tax, enter the amount of the overpayment on Page 1, Line 11. The over-payment will be refunded by check. If the overpayment is to be applied to next year's estimated tax, report the amount on line 12. Refunds will be made as quickly as possible, but please allow 90 days before making any inquiry. Refunds of less than One Dollar ($1.00) will not be made. Tax due of less than One Dollar ($1.00) need not be paid.

Assistance:

If you have any questions not answered by these instructions, or if you need assistance in preparing your return, please call the Income Tax Department at (231) 724-6770. You may write or visit our office located in City Hall, 933 Terrace, Muskegon, Michigan. Forms available online at: www.shorelinecity.com/incometax.asp

20___ CITY OF MUSKEGON M-1065

PARTNERSHIP INCOME TAX RETURN

FOR CALENDAR YEAR 20____ OR OTHER TAXABLE PERIOD BEGINNING_____, 20____ AND ENDING_____,20____.

IDENTIFICATION AND INFORMATION

PLEASE TYPE OR PRINT		
	NAME OF PARTNERSHIP	DATE BUSINESS STARTED
		NUMBER OF EMPLOYEES ON DECEMBER 31, 2004
	NUMBER AND STREET	NUMBER OF PARTNERS
		TELEPHONE NUMBER
	CITY, TOWN OR POST OFFICE	MAIN ADDRESS IN MUSKEGON
		FEDERAL EMPLOYER IDENTIFICATION NUMBER

NAME AND HOME ADDRESS OF EACH PARTNER	SOCIAL SECURITY NUMBER	MUSKEGON RESIDENT YES	MUSKEGON RESIDENT NO
a.			
b.			
c.			
d.			
e.			

ATTACH A COPY OF PAGE 1 OF FEDERAL 1065 AND SCHEDULE K

☐ INFORMATION RETURN. COMPLETE IDENTIFICATION AND INFORMATION SECTIONS AND APPLICABLE SCHEDULES ON PAGE 2.

☐ PARTNERSHIP ELECTS TO PAY THE TAX ON BEHALF OF THE PARTNERS. THE PARTNERSHIP MAY PAY TAX FOR PARTNERS ONLY IF IT PAYS FOR ALL PARTNERS SUBJECT TO THE TAX.

SCHEDULE 1: TAX PAYMENT BY PARTNERSHIP (IF INFORMATION RETURN ONLY, DISREGARD THIS SECTION)

COLUMN 1 ADJUSTED PARTNERSHIP INCOME (FROM PAGE 2, SCHEDULE C, COLUMN 7) (SEE NOTE 1 BELOW)	COLUMN 2 ALLOWABLE INDIVIDUAL DEDUCTIONS (SEE INSTRUCTIONS)	COLUMN 3 EXEMPTIONS (SEE NOTE 2 AND INSTRUCTIONS)	COLUMN 4 TAXABLE INCOME (COLUMN 1 LESS COLUMNS 2 AND 3)	COLUMN 5 TOTAL TAX (MULTIPLY COLUMN 4 BY 1% FOR RESIDENTS AND .5% FOR NON-RESIDENTS (SEE INSTRUCTIONS)	COLUMN 6 CREDITS (SEE INSTRUCTIONS)	COLUMN 7 TAX DUE (COLUMN 5 LESS COLUMN 6)
a. $	$	$	$	$	$	$
b.						
c.						
d.						
e.						
TOTALS						

NOTE 1 A PARTNER WHO HAS OTHER INCOME IN ADDITION TO THE PARTNERSHIP INCOME MUST FILE AN INDIVIDUAL RETURN AND SHOW ON SUCH RETURN THE AMOUNTS ENTERED ABOVE IN COLUMN 1, 2 AND 6. A PARTNER WHO IS CLAIMING HIS EXEMPTION AS A MEMBER OF ANOTHER PARTNERSHIP IS **NOT** TO CLAIM HIS EXEMPTION IN THIS PARTNERSHIP RETURN IN COLUMN 3.

PAYMENTS AND CREDITS		DO NOT WRITE IN SPACE BELOW
8.. a. TAX PAID WITH TENTATIVE RETURN	$	FILE ITEMS
b. PAYMENTS ON DECLARATION OF ESTIMATED MUSKEGON INCOME TAX	$	
c. OTHER CREDITS - EXPLAIN IN ATTACHED STATEMENT	$	CODE
9. TOTAL - ADD LINES 8a, b AND c (THIS TOTAL MUST AGREE WITH THE TOTAL OF COLUMN 6 ABOVE)	$	AUDIT RESULTS
TAX DUE OR REFUND		
10. IF YOUR TAX (COLUMN 5) IS LARGER THAN YOUR PAYMENTS (LINE 9), ENTER BALANCE DUE	$	
PAY BALANCE DUE IN FULL WITH THIS RETURN. MAKE REMITTANCE PAYABLE TO: CITY OF MUSKEGON MAIL TO: INCOME TAX DEPARTMENT, P.O. BOX 29, MUSKEGON, MICHIGAN 49443-0029.		AUDITOR
11. IF THE PAYMENTS (LINE 9) ARE LARGER THAN THE TAX (COLUMN 5 TOTAL) ENTER OVERPAYMENT TO BE REFUNDED	$	APPROVAL
12. IF THE PAYMENTS (LINE 9) ARE LARGER THAN THE TAX (COLUMN 5 TOTAL) ENTER OVERPAYMENT TO BE CREDITED TO NEXT YEAR'S ESTIMATED TAX	$	APPROVAL

SIGN HERE

I DECLARE THAT I HAVE EXAMINED THIS RETURN (INCLUDING ACCOMPANYING SCHEDULES) AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE. IF PREPARED BY A PERSON OTHER THAN THE TAXPAYER, THIS DECLARATION IS BASED ON ALL INFORMATION OF WHICH THE PREPARER HAS MY KNOWLEDGE.

☐ I AUTHORIZE THE INCOME TAX DEPARTMENT TO DISCUSS THIS RETURN AND ATTACHMENTS WITH THE PREPARER.

DATE	SIGNATURE OF PARTNER OR MEMBER	TITLE	PHONE
DATE	INDIVIDUAL OR FIRM SIGNATURE OF PREPARER	ADDRESS	PHONE

SCHEDULE A - ALLOCABLE PARTNERSHIP ORDINARY BUSINESS INCOME

1. ORDINARY INCOME (OR LOSS) FROM PAGE 1, LINE 22, U.S. PARTNERSHIP RETURN OF INCOME, FORM 1065 (ATTACH COPY OF PAGE 1 FEDERAL 1065)	$
2. ADD CITY OF MUSKEGON INCOME TAX, IF DEDUCTED IN DETERMINING INCOME ON FEDERAL FORM 1065	
3. ADD INTEREST AND OTHER COSTS INCURRED IN CONNECTION WITH THE PRODUCTION OF INCOME EXEMPT FROM MUSKEGON INCOME TAX	
4. DEDUCT SEC. 179 DEPRECIATION	
5. TOTAL ADJUSTED ORDINARY BUSINESS INCOME (ADD LINE 1, 2 AND 3 AND SUBTRACT LINE 4)	$

SCHEDULE B - NON-BUSINESS INCOME AND EXCLUSIONS

ATTACH COPY OF FEDERAL SCHEDULE K (1065) ATTACH SCHEDULES TO EXPLAIN ALL EXCLUSIONS	FEDERAL FORM 1065 REFERENCE	COLUMN 1 NON-BUSINESS INCOME	COLUMN 2 EXCLUDABLE RESIDENT PARTNERS PORTION OF COLUMN 1	COLUMN 3 TAXABLE RESIDENT PARTNERS PORTION OF COLUMN 1	COLUMN 4 EXCLUDABLE NONRESIDENT PARTNERS PORTION OF COLUMN 1	COLUMN 5 TAXABLE NONRESIDENT PARTNERS PORTION OF COLUMN 1
INTEREST AND DIVIDENDS						
1. INTEREST INCOME	SCH. K, LINE 5	$	$	$	$	
2. DIVIDEND INCOME	SCH. K, LINE 6a					
SALE OR EXCHANGE OF PROPERTY (SEE INSTRUCTIONS)						
3. NET SHORT TERM CAPITAL GAIN (LOSS)	SCH. K, LINE 8					
4. NET LONG TERM CAPITAL GAIN (LOSS)	SCH. K, LINE 9a					
5. NET SECTION 1231 GAIN (LOSS)	SCH. K, LINE 10					
RENTS AND ROYALTIES (IF NON-BUSINESS IN INCOME INCLUDES RENTAL REAL ESTATE, ATTACH A COPY OF FEDERAL FORM 8825)						
6. NET INCOME (LOSS) FROM RENTAL REAL ESTATE ACTIVITIES	SCH. K, LINE 2					
7. NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES	SCH. K, LINE 3c					
8. ROYALTY INCOME	SCH. K, LINE 7					
OTHER INCOME						
9. OTHER INCOME	SCH. K, LINE 11					
10. TOTALS (ADD LINES 1 THROUGH 9)		$	$	$	$	$

NOTE 2 ALL PARTNERS EXCLUDE INTEREST FROM GOVERNMENTAL OBLIGATIONS AND INCOME, GAINS AND LOSSES PRIOR TO JULY 1, 1993. IN ADDITIONS, NON-RESIDENT PARTNERS EXCLUDE ALL OTHER DIVIDENDS, INTEREST AND NO-TAXABLE INCOME FROM ACTIVITIES OUTSIDE THE CITY OF MUSKEGON.

SCHEDULE C - DISTRIBUTION PARTNERS

PARTNER	COLUMN 1 ADJUSTED BUSINESS INCOME (SCHEDULE A, LINE 5)	COLUMN 2 GUARANTEED PAYMENTS TO PARTNERS (FED 1065, LINE 10)	COLUMN 3 INCOME SUBJECT TO ALLOCATION (ADD COLUMN 1 AND COLUMN 2)	COLUMN 4 NONRESIDENT ALLOCATION PERCENTAGE PER SCH. D (ENTER 100% FOR RESIDENT PARTNERS)	COLUMN 5 BUSINESS INCOME (COLUMN 3 TIMES % IN COLUMN 4)	COLUMN 6a RESIDENT PARTNER'S NONBUSINESS INCOME (TOTAL EQUALS SCH. B, COLUMN 3, LINE 10)	COLUMN 6b NONRESIDENT PARTNERSHIP NONBUSINESS INCOME (TOTAL EQUALS SCH. B, COLUMN 5, LINE 10)	COLUMN 7 TOTAL INCOME (ADD COLUMN 5, 6A AND 6B. ENTER HERE AND ON PAGE 1, COLUMN 1.)
a.								
b.								
c.								
d.								
e.								
TOTALS								

SCHEDULE D - BUSINESS ALLOCATION FORMULA

	COLUMN 1 LOCATED EVERYWHERE	COLUMN 2 LOCATED IN MUSKEGON	COLUMN 3 PERCENTAGE (COLUMN 2 DIVIDED BY COLUMN 1)
19. a. AVERAGE NET BOOK VALUE OF REAL AND TANGIBLE PERSONAL PROPERTY	$	$	
b. GROSS ANNUAL RENT PAID FOR REAL PROPERTY ONLY, MULTIPLIED BY 8			
c. TOTALS (ADD LINES 1a AND b)			%
20. TOTAL WAGES, SALARIES, COMMISSIONS AND OTHER COMPENSATION OF ALL EMPLOYEES			%
21. GROSS RECEIPTS FROM SALES MADE OR SERVICES RENDERED			%
22. TOTAL PERCENTAGES - ADD THE PERCENTAGES COMPUTED IN COLUMN 3, LINES 19c, 20 AND 21 (A PERCENTAGE MUST BE COMPUTED FOR EACH LINE)			%
23. BUSINESS ALLOCATION PERCENTAGE (DIVIDE LINE 22 BY THE NUMBER OF FACTORS) ENTER HERE AND ON SCH C, COL 4 (SEE NOTE BELOW)			%

NOTE 3 IN DETERMINING THE BUSINESS ALLOCATION PERCENTAGE (LINE 23), A FACTOR SHALL BE EXCLUDED FROM THE COMPUTATION ONLY WHEN SUCH FACTOR DOES NOT EXIST ANYWHERE INSOFAR AS THE TAXPAYER'S BUSINESS OPERATION IS CONCERNED, IN SUCH CASES, THE SUM OF THE REMAINING PERCENTAGES SHALL BE DIVIDED BY THE NUMBER OF FACTORS ACTUALLY USED.

IN THE CASE OF A TAXPAYER AUTHORIZED BY THE INCOME TAX ADMINISTRATOR TO USE ONE OF THE SPECIAL FORMULAE, ATTACH AN EXPLANATION AND USE THE LINES PROVIDED BELOW:

a. NUMERATOR		c. PERCENTAGE (a. DIVIDED b.) ENTER HERE AND ON SCH C COLUMN 4	
b. DENOMINATOR		d. DATE OF ADMINISTRATOR'S APPROVAL LETTER	