

Check if this is an amended return.  
**See instructions.**

# 2018 City of Detroit Income Tax — Estates and Trusts

Issued under authority of Public Act 284 of 1964, as amended.

**Return is due April 15, 2019.**

1. Return is for the city of <b>DETROIT</b>	City Code (see instructions) <b>170</b>
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2. Return is for calendar year 2018 or for tax year beginning:	MM-DD-YYYY	and ending:	MM-DD-YYYY
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3. Name of Estate or Trust		4. Federal Employer Identification Number (FEIN)		
5. Title of Fiduciary				
6. Address	City	State	ZIP/Postal Code	Country Code
7. Type of Return (check one) <input type="checkbox"/> Estate <input type="checkbox"/> Simple Trust <input type="checkbox"/> Complex Trust		8. If this is amended due to a federal audit, enter the federal determination date		

## INCOME AND ADJUSTMENTS

9. Net income (or loss) from business located in Detroit (include federal schedule).....	9.		00
10. Net income (or loss) from rental property in Detroit (include federal schedule) .....	10.		00
11. Net gain (or loss) from sale or exchange of tangible property in Detroit (include federal schedule) .....	11.		00
12. Other Detroit income (include federal schedule) .....	12.		00
13. Add line 9 through line 12.....	13.		00
14. Total distributable income from Schedule G, line 16 .....	14.		00
15. Subtract line 14 from line 13.....	15.		00
16. Exemption Amount (estate \$600; simple trust \$300; complex trust \$100) .....	16.		00
17. Net income. Subtract line 16 from line 15.....	17.		00
18. Renaissance Zone Deduction (include Renaissance Zone Approval Letter) .....	18.		00
19. Total income subject to tax. Subtract line 18 from line 17 .....	19.		00
20. Tax. Multiply line 19 by 1.2% (0.012).....	20.		00

## PAYMENTS AND CREDITS

21. Tax withheld.....	21.		00
22. 2018 estimated payments, credits, and other payments (see instructions).....	22.		00
23. Total payments and credits. Add line 21 and line 22 .....	23.		00

## PAYMENT DUE OR OVERPAYMENT

24. <b>Payment Due.</b> Subtract line 23 from line 20. If line 20 is less than line 23, leave blank and continue to line 25. ....	24.		00
25. <b>Overpayment.</b> Subtract line 20 from line 23 .....	25.		00
26. <b>Credit Forward.</b> Amount on line 25 to be credited forward and used as an estimate for next tax year .....	26.		00
27. <b>Refund.</b> Subtract line 26 from line 25 .....	27.		00

<b>Taxpayer Certification.</b> I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		<b>Preparer Certification.</b> I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
<input type="checkbox"/> By checking this box, I authorize the Michigan Department of Treasury to discuss my return with my preparer.		Preparer's PTIN, FEIN or SSN	
Authorized Signer's Name (print or type)	Date	Preparer's Business Address and Telephone Number (print or type)	
Title	Telephone Number		

**ALL RETURNS,** mail to: Michigan Department of Treasury, City Tax Administration, PO Box 30813, Lansing MI 48909

**WITH PAYMENT.** Pay amount on line 24. Make check payable to "State of Michigan - Detroit." Print the taxpayer FEIN, tax year, and "Form 5462" on the front of the check. Do not staple the check to the return.

FEIN

**SCHEDULE G**  
**Complete for Resident Beneficiaries Only**

NAME	SOCIAL SECURITY NUMBER	AMOUNT DISTRIBUTABLE
1.		00
2.		00
3.		00
4.		00
5.		00
6.		00
7.		00
8.		00
9.		00
10.		00
11.		00
12.		00
13.		00
14.		00
15.		00
16. Total distributable income — residents. Carry total to Form 5462, line 14 .....		00

# Instructions for Form 5462

## City of Detroit Income Tax — Estates and Trusts

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### Who Must File?

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Each estate with gross income of more than \$600, each simple trust (one that is required to distribute all of its income currently) with gross income of more than \$300, and all other trusts (complex trusts) with gross income of more than \$100 of Detroit taxable income who are required to file a U.S. Income Tax Return for Estates and Trusts (U.S. Form 1041), must file a *City of Detroit Income Tax — Estates and Trusts* return (Form 5462) and complete Schedule G. A business trust that files as a corporation with the Internal Revenue Service and is “doing business” in Detroit must file a City of Detroit Corporate Income Tax Return (Form 5297).

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### Taxable Income

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The taxable income of the trust or estate will only include those kinds of income taxable to a nonresident. Detroit resident beneficiaries will report their portion of distributable net income on their individual returns and should receive this information from the fiduciary.

Distributable and nondistributable income from the following sources is subject to tax:

- All gross income that the descendant had a right to receive and that is not properly includible on the descendant’s final return, including compensation received as an employee for work done or services performed in Detroit.
- Net profits of a business or profession based on business activity conducted in Detroit whether or not such business or profession is located in Detroit.
- Net profits from rental of real and tangible personal property located in Detroit.
- Gain on the sale or exchange of real and tangible personal property located in Detroit.
- Income from a partnership, estate or trust taxable under the Detroit Income Tax Ordinance.

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### Due Date

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Returns are due on or before April 15, 2019. If the due date falls on a Saturday, Sunday or holiday, the due date is the next business day.

Keep a copy of the return and all supporting schedules for six years.

Mail the completed return to:

Michigan Department of Treasury  
City Tax Administration  
PO Box 30813  
Lansing MI 48909

If a tax due is reported on line 24, include a check or money order payable to “State of Michigan - Detroit.” Write the FEIN, tax year, and “Form 5462” on the check.

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### Penalty and Interest

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If the fiduciary payment is late, Treasury will add a penalty of 1 percent of the tax due. Penalty will increase by an additional 1 percent per month, or fraction thereof, up to a maximum of 25 percent of the tax due. If the fiduciary payment is late, add penalty and interest to the amount due. For interest rates for 2019, visit [www.michigan.gov/citytax](http://www.michigan.gov/citytax) or call 517-636-4486.

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### Extensions

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An extension of time to file may be requested by completing and filing the *Application for Extension of Time to File City Income Tax Estates and Trusts Return* (Form 5463) sending Treasury payment of the estimated tax liability. Treasury may grant a six-month extension for fiduciary returns. Treasury does not send a notice of approval.

An extension of time to file is not an extension of time to pay. If the tax due is underestimated and the payment made with the extension request is insufficient, interest is due on the unpaid amount. Compute interest from April 15 (or the due date of the return) to the date the tax is paid. Interest is 1 percent above prime rate and is adjusted on July 1 and January 1.

When 5462 is filed, include the amount of tax that was paid with the extension request on line 22.

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### Amended Return

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To amend a return, check the box at the top of page one and complete the entire return, using corrected data as necessary. Attach a statement explaining the reason for the amended return. If a refund was issued with a previously filed return, include the amount of that refund in the total on line 22.

Include all forms and documents filed with the original return, even if not amending those items. Do not include a copy of the previous return.

**U.S. Form 1041 changes:** Treasury must be notified of any changes to the estate’s or trust’s U.S. Form 1041 if the items changed affect the Detroit liability. File an amended return within 180 days of the change and include payment of the tax due. If there was an overpayment of tax, file an amended return to request a refund.

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### Line-by-Line Instructions

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Line numbers not listed are explained on the form.

**Line 2:** If not a calendar-year taxpayer, enter the beginning and ending dates (MM-DD-YYYY) that correspond to the taxable period included in this return.

Tax year means the calendar year, or the fiscal year ending during the calendar year, on which the tax base of a taxpayer is computed. If a return is made for a part of a year, tax year means the period for which the return is made. Generally, a taxpayer’s tax year is for the same period as is covered by its federal income tax return.

**Line 4:** Enter the Federal Employer Identification Number (FEIN) of the estate or trust. Be sure to use the same account number on all City of Detroit forms related to this estate or trust. The FEIN from line 4 must be repeated at the top of page 2.

**Line 5:** Enter the complete address, including the two-digit abbreviation for the country code.

A complete list of country codes is available online at <a href="http://michigan.gov/citytax">michigan.gov/citytax</a> . Commonly used country codes are listed below:	
United States	US
Canada	CA
Mexico	MX

**NOTE:** Any correspondence regarding the return filed and/or refund will be sent to the address provided on this form.

### Income and Adjustments

**Line 9:** Enter amount from federal Form 1041, line 3, that pertains to the net profit or (loss) from the operation of a business or profession to the extent it results from work done, services rendered or other business activities conducted in Detroit. A copy of Federal Schedule C must be submitted for each business conducting activity in Detroit.

**Line 10:** Enter amount from federal Form 1041, line 5, that pertains to net profit or loss from rentals or real and tangible personal property located in Detroit. All income reported on the federal Schedule E that comes from business activity in Detroit or property located in Detroit is income.

The following income reported on federal Schedule E is excludable: income from business activity or property outside Detroit; and income from other estates and trusts.

Passive Loss Limitations as set forth in the Internal Revenue Code apply when taking the rental loss deduction on the *City of Detroit Resident Income Tax Return* (Form 5118) may apply.

**Line 11:** Enter amount from Federal Form 1041, Line 4 that pertains to income to the extent the gain or loss is from sales of property located in Detroit. A capital loss from property located in the city is allowed to the same extent allowed under the Internal Revenue Code. An unused capital loss may be carried over to future tax years. The capital loss carryover for Detroit may be different from the carryover for federal income tax purposes. A deferred capital gain from an installment sales or similar exchange of property located in Detroit is taxable in the year recognized for federal income tax purposes. All income reported on the federal Schedule E that comes from business activity in Detroit or property located in Detroit is income.

**NOTE:** Gains or losses on sale of intangible assets (i.e., stocks, bonds, etc.) are not taxed nor deductible by estates and trusts on the Detroit return. The gains and losses from the sale or exchange of real and tangible personal property located in Detroit are entered on this line. Attach schedules from U.S. Form 1041 to support the entry.

Gain or loss on property purchased prior to July 1, 1962 must be determined by one of the following methods:

- The base may be the adjusted fair market value of the property on July 1, 1962, or
- Divide the number of months the property has been held since July 1, 1962 by the total number of months the property was held and apply this fraction to the total gain or loss as reported on estate or trust U.S. Form 1041.

**Line 12:** Enter amount from federal Form 1041, line 8, that pertains to other income to the extent it was earned in Detroit. Report estate or trust share of Detroit partnership income (or loss). If the estate or trust is a shareholder in a tax-option corporation that has elected to file under Subchapter S of the Internal Revenue Code it is not required to report a distribution nor may it deduct its share of any loss sustained by the corporation.

Attach a copy of the federal Schedule K-1 for estate or trust share of partnership losses on Detroit activities and federal Form 8582 (Passive Activity Loss Limitations).

Other Detroit income subject to tax that is not reported elsewhere, including all gross income that the descendant has a right to receive and that is not properly includible on the descendant's final return. List each item of other income excluded or adjusted. Attach a separate schedule if necessary. If excluding or adjusting reported ordinary gain or loss, attach a copy of Schedule 5 to the return.

**Line 14:** Complete Schedule G for resident beneficiaries including each beneficiary's name, Social Security number, and amount distributable. Enter total distributable income from line 16 of Schedule G on line 14. If additional space is needed, attach a schedule similar to Schedule G identifying additional beneficiaries by consecutive numbers.

**Line 16:** Estates and trusts are allowed the same exemptions as under the Federal Internal Revenue Code (\$600 for an estate, \$300 for a simple trust and \$100 for a complex trust). Enter exemption amount.

**Line 18:** Certain geographic areas within the filing city were designated as Renaissance Zones. This designation grants tax relief to qualified estates and trusts located and conducting business activity within a filing city Renaissance Zone. In conjunction with the designation of these zones, the Detroit Income Tax Ordinance was amended effective January 1, 1997, to include a Renaissance Zone deduction.

If applicable, residents should enter Renaissance Zone deduction in line 18 and attach Renaissance Zone approval letter.

### Payments and Credits

**Line 21:** Enter the amount of Detroit tax withheld. Attach a copy of all documents showing the reported tax withheld.

**Line 22:** Enter total payments made on a *2018 City of Detroit Income Tax Estates and Trusts Quarterly Voucher* (Form 5464). Include overpayment carried forward from the prior year and payments made with the *Application for Extension of Time to File City Income Tax Estates and Trusts Return* (Form 5463).

## Payment Due or Overpayment

**Line 24:** If a payment is due, send payment, along with a completed Form 5462, to the address detailed in the “Due Date” section earlier in these instructions.

**Line 25:** If an overpayment exists, a taxpayer may elect a refund of all or a portion of the amount and/or designate all or a portion of the overpayment to be applied to next year’s tax liability. Complete lines 25, 26 and 27 as applicable.

**Line 26:** Enter on this line the desired amount to use as an estimated payment for the next tax year.

**Line 27:** Enter the amount of refund requested.

**Reminder:** Taxpayers must sign and date returns. Preparers must provide a Preparer Taxpayer Identification Number (PTIN), FEIN or Social Security number (SSN), as well as a business name, business address and phone number.

## Schedule G — Complete for Resident Beneficiaries Only

**NOTE:** Schedule G must be completed if any income is distributed. Otherwise, it is not necessary.

**Line 1 through 15:** Enter in the appropriate column the name, Social Security number or Federal Employer Identification Number (FEIN) of each beneficiary of the estate or trust and the amount distributable to that beneficiary. Carry the total distributable income from Schedule G, line 16, to Form 5462, line 14.

If additional space is needed, attach a schedule similar to Schedule G identifying additional beneficiaries by consecutive numbers. Carry the total for all beneficiaries to Form 5462, line 14.

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## Other Supporting Forms

**Federal Forms:** Include a copy of the U.S. Form 1041.

**Detroit Renaissance Zone:** Include a copy of the City of Detroit Renaissance Zone Approval Letter or Certificate if claiming a Renaissance Zone deduction.

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## Resident Beneficiaries

A Detroit resident beneficiary must report their distributable income from an estate or trust on their *City of Detroit Resident Income Tax Return* (Form 5118) in the same manner and same amounts they report the income on their federal return.

Beneficiaries should attach copies of the following items to their Form 5118:

- U.S. Schedule K-1.
- The letter received from the fiduciary notifying him or her of City of Detroit adjustments or City of Detroit income.

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## Assistance

Tax forms and instructions are available online at [www.michigan.gov/citytax](http://www.michigan.gov/citytax). For assistance, call 517-636-5829.

***These instructions are interpretations of the Detroit Income Tax Ordinance. The Ordinance will prevail in any disagreement between forms or instructions and the Ordinance.***