Reset Form

Michigan Department of Treasury - City Tax Administration
5298 (Rev. 04-23)

2023 City of Detroit Corporate Renaissance Zone Schedule

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

A corporation is not qualified to claim the Renaissance Zone deduction if any city or state taxes are delinquent. See instructions for additional Renaissance Zone qualifications.

1 Taxpayer Name	2. Federal Employer Identification Number (FEIN)
3. If this is a consolidated return: Name of Entity in the Zone	4. Entity FEIN
5. Starting Date Qualified to Claim Zone Deduction this Tax Year (MM-DD-YYYY)	6. Ending Date Qualified to Claim Zone Deduction this Tax Year (MM-DD-YYYY)

To claim a Renaissance Zone deduction, a corporation must have real and/or personal property located in, and be conducting business activity in, a city Renaissance Zone.

RENAISSANCE ZONE APPORTIONMENT PERCENTAGE

7.	Property and wages for locations in city		
	a. Average net book value of real and tangible personal property located in city. (See instructions)	7a.	00
	b. Gross annual rent paid for real property located in city multiplied by 8	7b.	00
	c. Add line 7a and line 7b	7c.	00
	d. Total wages, salaries and other compensation in city	7d.	00
8.	Property and wages for locations in the Renaissance Zone (If in the Renaissance Zone for less than a year, see instructions.)		
	a. Average net book value of real and tangible personal property located in the Renaissance Zone	8a.	00
	b. Gross annual rent paid for real property located in the Renaissance Zone multiplied by 8	8b.	00
	c. Add line 8a and line 8b	8c.	00
	d. Total wages, salaries and other compensation in the Renaissance Zone	8d.	00
9.	Apportionment		
	a. Avg. net book value of real and tangible personal property and annual rent. Divide line 8c by line 7c	9a.	%
	b. Annual wages, salaries, and other compensation. Divide line 8d by line 7d	9b.	%
	c. Add line 9a and line 9b	9c.	%
	d. Renaissance Zone deduction percentage. Divide line 9c by 2	9d.	%

RENAISSANCE ZONE DEDUCTION

10.	Net income from Form 5297, line 36	10.	00
11.	Tentative Renaissance Zone Deduction. Multiply line 9d by line 10	11.	00
12.	Reduced deduction percentage from table below	12.	%
13.	Renaissance Zone Deduction. Multiply line 11 by percentage on line 12. Carry to Form 5297, line 37	13.	00

REDUCED DEDUCTION TABLE

If this tax period begins in the:	The reduced credit is:
Final year of designation as a Renaissance Zone	**25 percent** (0.25) of tentative deduction on line 11.
Year immediately preceding the final year of designation as a Renaissance Zone	**50 percent** (0.50) of tentative deduction on line 11.
Second year before the final year of designation as a Renaissance Zone	**75 percent** (0.75) of tentative deduction on line 11.
Third (or greater) year before the final year of designation as a Renaissance Zone	**100 percent** (1.00) of the tentative deduction on line 11.

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Instructions for Form 5298
City of Detroit Corporation Renaissance Zone Schedule

General Information

Certain geographic areas within the filing city were designated as Renaissance Zones. This designation grants tax relief to qualified corporations 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.

A deduction will not be allowed without a Renaissance Zone Deduction confirmation letter included with this return.

Renaissance Zone Deduction Eligibility

A corporation that is located and conducting business activity in a Renaissance Zone that files a Statement of Eligibility with the City of Detroit, and obtains approval for tax relief is qualified to claim the deduction.

A corporation is not eligible to claim a Renaissance Zone deduction if the corporation:

- Is delinquent in filing or paying any of the following state or local taxes:
    - Michigan single business tax, Michigan income tax, city income tax, Act 198 industrial abatement tax, commercial abatement tax, enterprise zone tax, city utility user's tax or general property taxes.
- Owns residential rental property and did not file an affidavit with the City Treasurer's Office by December 31 of the prior tax year attesting that the property is in substantial compliance with all applicable state and local zoning, building and housing laws or codes.
- Is located within the filing city and outside of a Renaissance zone and moves to a location within a renaissance zone in Detroit without approval of the City.
- Relocates more than 25 full-time equivalent jobs from one or more non-renaissance zone local governmental units (city, village or township) and any of the local government units, from which a job was relocated adopts a resolution objecting to the relocation within 60 days of being notified of the job relocation by the business.

Qualification Date

A corporation becomes a qualified taxpayer on the first day after December 31, 1996, that the corporation is located and conducting business activity in a city Renaissance Zone. The qualification continues until the corporation ceases to be located and conducting business activity in a city Renaissance Zone or until expiration of the Renaissance Zone designation.

Deductible Income

A corporation may deduct that portion of its net income from business activity within a qualified Renaissance Zone. Business activity carried on within a qualified Renaissance Zone is determined by applying the apportionment percentage calculated on lines 7 through 9 of Form 5298.

Line-by-line instructions

Before completing Form 5298, complete the *City Corporate Income Tax Return* (Form 5297) through line 36.

NOTE: Percentages should be carried out four digits to the right of the decimal point. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266 percent becomes 0.241542.

Line 1: Enter corporation's name as shown on the Detroit income tax return, Form 5297.

Line 2: Enter the corporation's Federal Employer Identification Number.

Line 5: Enter the beginning date the corporation was qualified to claim the Detroit Renaissance Zone Deduction for the tax year.

Line 6: Enter the ending date the corporation was qualified to claim the Detroit Renaissance Zone Deduction for the tax year.

Line 7a: Enter the average net book value of all real and tangible personal property owned and located within the filing city. The average net book value of real and tangible personal property may be determined by adding the net book value at the beginning of the year to the net book value at the end of the year and dividing the sum by two, or if the business was located in the filing city for less than a year, a monthly average basis. The State Treasurer may require the periodic averaging of values during the tax year if reasonably required to reflect properly the average value of a taxpayer's property.

Line 7b: Property rented by the taxpayer is valued at eight (8) times the gross annual rental rate. Enter the gross annual rent multiplied by 8 for all rented real property located within the filing city. If negative, enter as a negative.

Line 7d: Enter compensation paid to employees for work or services performed within filing city limits.

Line 8a: Enter the average net book value of the real and tangible personal property owned and located in a Renaissance Zone. The average net book value of real and tangible personal property may be determined by adding the net book value at the beginning of the year to the net book value at the end of the year and dividing the sum by two, or if the business was located in the Renaissance Zone for less than a year, a monthly average basis. The State Treasurer may require the periodic averaging of values during the tax year if reasonably required to reflect properly the average value of a taxpayer's property.

Line 8b: Property rented by the taxpayer is valued at eight (8) times the gross annual rental rate. Enter the gross annual rent multiplied by 8 for rented real property located in a Renaissance Zone.

Line 8d: Enter compensation paid to employees for work or services performed within filing city Renaissance Zone.

Lines 12: For a tax year that begins within one of the last three years of the Zone's designation, a reduced deduction is allowed, as follows (also see Reduced Deduction Table on Form 5298):

• For a tax year that begins within the second year before the final year of designation as a Renaissance Zone, 75 percent of the normally calculated deduction is allowed.

• For a tax year that begins within the year before the final year of designation as a Renaissance Zone, 50 percent of the normally calculated deduction is allowed.

• For a tax year that begins within the final year of designation as a Renaissance Zone, 25 percent of the normally calculated deduction is allowed.

Line 13: Multiply line 11 by the reduced deduction percentage provided in the Reduced Deduction Table. Carry to Form 5297, line 37. If filing multiple 5298 forms, enter the total of line 13 for all 5298 forms on Form 5297, line 37.

Include a completed Form 5298 and a photocopy of the Renaissance Zone Deduction confirmation letter for your business as part of the tax return filing.