Reset Form

2023 City of Detroit Corporate Income Tax Penalty and Interest Computation for Underpaid Estimated Tax

Issued under authority of Public Act 284 of 1964.

Taxpayer Name	Federal Employer Identification Number (FEIN)

PART 1: ESTIMATED TAX REQUIRED

1.	Total Tax Liability for 2023 from Form 5297, line 39	1.	00
2.	Total Tax Liability for 2022 from Form 5297, line 39	2.	00
3.	Enter lesser of line 1 or line 2	3.	00
4.	Enter 70% (0.70) of line 3	4.	00

			A	B	C	D
5.	**ENTER THE PAYMENT DUE DATES** (MM-DD-YYYY)	5.				
6.	Divide amount on line 4 by 4, or by the number of quarterly returns required	6.				
CAUTION: Complete lines 7-15 one column at a time						
7.	Prior year overpayment	7.		X X X X X	X X X X X	X X X X X
8.	Estimated payments	8.				
9.	Enter amount, if any, from line 15 of the previous column.	9.	X X X X X			
10.	Add lines 7, 8 and 9	10.				
11.	Add amounts on lines 13 and 14 of the previous column and enter the result here	11.	X X X X X			
12.	Subtract line 11 from line 10. If less than zero, enter zero. For column A only, enter the amount from line 10	12.				
13.	Remaining underpayment from previous period. If amount on line 12 is zero, subtract line 10 from line 11 and enter result here. Otherwise, enter zero	13.	X X X X X			
14.	If line 6 is greater than or equal to line 12, subtract line 12 from line 6 and enter it here. Then go to line 8 of the next column. Otherwise, go to line 15	14.				
15.	If line 12 is greater than line 6, subtract line 6 from line 12 and enter it here. Then go to line 8 of next column	15.				

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Taxpayer FEIN

PART 2: FIGURING INTEREST

		A	B	C	D
16. TOTAL UNDERPAYMENT. Add lines 13 and 14	16.				
17. Enter due date for the next quarter or date tax was paid, whichever is earlier. In column D, enter the due date for the annual return or date tax was paid, whichever is earlier	17.				
18. Number of days from the date on line 5 to the date on line 17	18.				
19. Number of days on line 18 after 04-15-23 and before 07-01-23	19.				
20. Number of days on line 18 after 06-30-23 and before 01-01-24	20.				
21. Number of days on line 18 after 12-31-23 and before 07-01-24	21.				
22. Number of days on line 18 after 06-30-24	22.				
23. Number of days on line 19 / 365 x 5.65% (0.0565) x line 16	23.				
24. Number of days on line 20 / 365 x 8.25% (0.0825) x line 16	24.				
25. Number of days on line 21 / 365 x 9.30% (0.0930) x line 16	25.				
26. Number of days on line 22 / 365 x *% x line 16	26.				
27. Interest on underpayment. Add lines 23 through 26	27.				

28. **Interest Due.** Add line 27 columns A through D 28. 00

* Interest rate will be set at 1% above the adjusted prime rate for this period.

PART 3: FIGURING PENALTY

		A	B	C	D
29. Enter the amount from line 14	29.				
30. Payment due dates from line 5 (MM-DD-YYYY)	30.				
31. Annual return due date or the date payment was made, whichever is earlier	31.				
32. Number of months, counting any fractional months, from line 30 to line 31	32.				
33. Multiply line 29 by line 32	33.				
34. Penalty rate per month	34.	0.01	0.01	0.01	0.01
35. Penalty due for period. Multiply line 33 by line 34	35.				

36. **Penalty Due.** Add line 35, columns A through D 36. 00

37. **Total Underpaid Estimate Penalty and Interest.** Add lines 28 and 36. Carry to Form 5297, line 48. (If amending, see instructions.) 37. 00

Instructions for Form 5324, City of Detroit Corporate Income Tax Penalty and Interest Computation for Underpaid Estimated Tax

Purpose

Use this form to compute penalty and interest for underpaying, late, or failure to make payment of quarterly estimates. If a taxpayer prefers not to file this form, the Department of Treasury (Treasury) will compute any applicable penalty and interest and bill the taxpayer.

Avoiding Penalty and Interest

If the tax liability on line 1 is less than $250 then no estimated payments are required. A taxpayer may remit quarterly estimated payments by check with a *City of Detroit Corporate Income Tax Quarterly Return* (Form 5300).

Line-by-Line Instructions

PART 1: ESTIMATED TAX REQUIRED

Line 4: Enter 70 percent of the annual tax amount from line 3.

Line 5: Enter the due date for each quarterly return. For calendar year filers these dates are April 15, June 15, September 15 and January 15. For fiscal year filers, these dates are the 4th, 6th, 9th and 13th months after the start of the fiscal year.

Line 6: Divide the amount of the estimated tax required for the year on line 4 by four and enter this as estimated tax for each quarter. If the business operated less than 12 months, divide by the number of quarterly returns required and enter this as the estimated tax for each quarter.

Line 7: Complete column A only. Enter the amount of prior year overpayment credited to the current tax year estimates.

Line 8: Amount paid. On this line enter the estimated payments made by the taxpayer.

- **Column A:** Enter estimated payment made by the due date for the first quarterly return.
- **Column B:** Enter payments made after the due date in column A and by the due date in column B.
- **Column C:** Enter payments made after the due date in column B and by the due date in column C.
- **Column D:** Enter payments made after the due date in column C and by the due date in column D.

If quarterly payments are made after the due date, penalty and interest will apply until the payment is received. If less than full payment is made with a late filing, the taxpayer will need to perform multiple penalty and interest calculations for each column. Attach a separate schedule if necessary.

PART 2: FIGURING INTEREST

Compute the interest due for underpayment of the required estimated tax in this section. Follow the instructions for each line, as interest is calculated separately for each quarter and the interest rate might not be the same for each quarter.

Line 17: Enter the due date of the next quarter or the date the tax was paid, whichever is earlier. In column D, enter the earlier of the due date for the annual return or the date the tax was paid. An approved extension does not change the due date of the annual return (column D) for this computation.

Line 26: NOTE: The interest rate is adjusted by Treasury on January 1 and July 1 of each year to 1 percent above the adjusted prime rate, and is posted as a Revenue Administrative Bulletin (RAB). For updated interest rates, go online to **michigan.gov/taxes** and select "Reports and Legal" in the banner near the top of the page. The applicable RAB is titled "Interest Rate."

PART 3: FIGURING PENALTY

Compute the penalty due for underpayment of the required estimated tax in this section. Follow the instructions for each line, as the penalty and interest is calculated separately for each quarter and the penalty percentage and interest rate might not be the same for each quarter.