CITY OF DETROIT 2023

Corporate Income Tax Returns

FORMS AND INSTRUCTIONS

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- E-filing your return is easy, fast, and secure!
- Visit the City Tax Administration's website at **www.michigan.gov/citytax** or Treasury's website at **www.MIfastfile.org** for a list of e-file resources, how to find an e-file provider, and more information on free e-file services.

FILING DUE DATE:

CALENDAR FILERS — APRIL 15, 2024

FISCAL FILERS — THE 15TH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF THE TAX YEAR.

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This booklet is intended as a guide to help complete your return. It does not take the place of the law.

Table of Contents

Page Number	Form/Instruction Name
3	*City of Detroit Corporate Income Tax Return*, Form 5297
5	Instructions for Form 5297, *City of Detroit Corporate Income Tax Return*
9	*City of Detroit Corporate Renaissance Zone Schedule*, Form 5298
11	Instructions for Form 5298, *City of Detroit Corporation Renaissance Zone Schedule*
13	*City of Detroit Corporate Income Tax Penalty and Interest Computation for Underpaid Estimated Tax*, Form 5324
15	Instructions for Form 5324, *City of Detroit Corporate Income Tax Penalty and Interest Computation for Underpaid Estimated Tax*
17	*Application for Extension of Time to File City Corporate Income Tax Return*, Form 5301

Additional information regarding due dates and filing methods, as well as forms and instructions, are available at the Treasury Web site at **www.michigan.gov/citytax**.

To speak with a Customer Service Representative, call 517-636-5829.

☐ **Check if this is an amended return.** Complete reason code on line 9.

2023 City of Detroit Corporate Income Tax Return

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

Return is due April 15 or on or before the 15th day of the fourth month after the close of the tax year.

1. Return is for the city of	City Code
DETROIT	170

2. Return is for calendar year 2023 or for tax year beginning: MM-DD-YYYY _____ and ending: MM-DD-YYYY _____

3. Taxpayer Name (print or type)		4. Federal Employer Identification Number (FEIN)	
5. Street Address			
City	State	ZIP/Postal Code	Country Code
6. NAICS Code	7. Number of locations in the city included in return	8. Number of locations everywhere	9. Reason code **if amending**
10. Where Incorporated	11. Date Incorporated (MM-DD-YYYY)	12. If Discontinued, Effective Date (MM-DD-YYYY)	13. Discontinued Reason Code
14. ☐ Check if a consolidated return was filed with the IRS		15. ☐ Check if this is a consolidated return	

INCOME APPORTIONMENT — For lines 16-18, if any amount is zero, enter zero.

16.	For locations in city		
	a. Average net book value of real and tangible personal property located in city	16a.	00
	b. Gross annual rent paid for real property located in city multiplied by 8	16b.	00
	c. Add line 16a and line 16b	16c.	00
	d. Total wages, salaries, commissions and other compensation of all employees located in city	16d.	00
	e. Gross receipts from sales made or services rendered in city	16e.	00
17.	For locations everywhere		
	a. Average net book value of real and tangible personal property located everywhere	17a.	00
	b. Gross annual rent paid for real property located everywhere multiplied by 8	17b.	00
	c. Add line 17a and line 17b	17c.	00
	d. Total wages, salaries, commissions and other compensation of all employees located everywhere	17d.	00
	e. Gross receipts from sales made or services rendered everywhere	17e.	00
18.	Apportionment. If there are no locations outside the city in line 17, see instructions for completing line 18.		
	a. Real and tangible personal property. Divide line 16c by line 17c	18a.	%
	b. Wages, salaries, commissions and other compensation. Divide line 16d by line 17d	18b.	%
	c. Gross receipts from sales. Divide line 16e by line 17e	18c.	%
	d. Add line 18a, line 18b, and line 18c	18d.	%
	e. **Average apportionment.** See instructions	18e.	%

TAX COMPUTATION

19.	Taxable income before net operating loss deduction and special deductions per federal 1120 or 1120S as filed with IRS. Include the 1120 or 1120S with this return. (**Subchapter S Corporations**: Complete Worksheet A in the instructions.)	19.	00

Additions to Business Income

20.	Nondeductible portion of loss, from sale of property acquired prior to July 1, 1962	20.	00
21.	All expenses (including interest) incurred in connection with income not subject to city income tax	21.	00
22.	City of Detroit income tax paid or accrued	22.	00
23.	Other required additions (see instructions)	23.	00
	Describe additions in line 23		
24.	Total additions. Add lines 20 through 23	24.	00
25.	Tax base after additions. Add line 19 and line 24	25.	00

✚ 0000 2023 401 01 27 3

Continue and sign on Page 2

Taxpayer FEIN

Subtractions from Business Income

26.	Interest from obligations of the United States, the states or subordinate units of government	26.	00
27.	Dividend received deduction	27.	00
28.	Foreign dividend gross up	28.	00
29.	Foreign taxes paid or accrued deduction	29.	00
30.	Nontaxable portion of gain from sales of property acquired prior to July 1, 1962	30.	00
31.	Other allowable subtractions (include schedule; see instructions)	31.	00
	Describe subtractions in line 31		
32.	Total deductions. Add lines 26 through 31	32.	00
33.	Subtract line 32 from line 25. If negative, enter as a negative	33.	00
34.	Multiply line 33 by percentage on line 18e	34.	00
35.	Applicable portion of net operating loss carryover and/or capital loss carryover (see instructions)	35.	00
36.	Subtract line 35 from line 34	36.	00
37.	Renaissance Zone Deduction from Form 5298, line 13	37.	00
38.	Total income subject to tax. Subtract line 37 from line 36	38.	00
39.	**Total Tax Liability.** Multiply line 38 by 2% (0.0200)	39.	00

Payments, Credits and Tax Due

40.	Overpayment credited from prior period return	40.	00
41.	Estimated tax payments	41.	00
42.	Tax paid with request for extension	42.	00
43.	Payment and credit total. Add line 40, line 41 and line 42	43.	00

If amending, complete line 44, line 45, and line 46; otherwise, skip to line 47

44.	Payment made with the original return plus additional tax paid after original return was filed	44.	00
45.	Overpayment received on the original return	45.	00
46.	Add line 43 and line 44, and subtract line 45 from the sum	46.	00
47.	**Tax Due.** Subtract line 43 (or line 46, if amending) from line 39. If less than zero, leave blank	47.	00
48.	Underpaid estimate penalty and interest (see instructions)	48.	00
49.	Annual return penalty (see instructions)	49.	00
50.	Annual return interest (see instructions)	50.	00
51.	**Payment Due.** If line 47 is blank, go to line 52. Otherwise, add line 47, line 48, line 49, and line 50	51.	00

Refund or Credit Forward

52.	Overpayment. Subtract line 39, line 48, line 49, and line 50 from line 43 (or line 46, if amending). If less than zero, leave blank (see instructions)	52.	00
53.	**Credit Forward.** Amount on line 52 to be credited forward and used as an estimate for next tax year	53.	00
54.	**Refund.** Subtract line 53 from line 52	54.	00

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*		**Preparer Certification.** *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*
☐ 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 Signature for Tax Matters		Preparer's Business Name (print or type)
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, PO Box 30811, Lansing MI 48909

WITH PAYMENT. Pay amount on line 51. Make check payable to "State of Michigan - Detroit." Print taxpayer FEIN, the tax year and "Detroit Corporate Tax" on the front of the check. Do not staple the check to the return.

+ 0000 2023 401 02 27 2

Instructions for Form 5297
City of Detroit Corporate Income Tax return

Filing Requirements

Every corporation "doing business" in the city, whether or not it has an office or place of business in the city, is required to file an annual *City of Detroit Corporate Income Tax Return* (Form 5297). Attach a copy of federal Form 1120, 1120S, or other corporate return form along with Schedule K and all ancillary schedules filed with the IRS to Form 5297.

Every corporation with an annual corporate income tax liability of more than $250 must make quarterly tax payments.

Corporations cannot elect to file and be taxed as partnerships. A tax option corporation (S corporation, REIT, etc.) is treated as a corporation.

The City of Detroit Corporate Income Tax Ordinance specifically exempts financial institutions and insurance companies from taxation. "Financial institutions" are defined as state and national banks, trust companies, building and loan associations, savings and loan associations, credit unions, safety and collateral deposit companies, and any other association, joint stock company or corporation at least 90% of whose assets consist of intangible personal property and at least 90% of whose gross income consists of dividends, interest or other charges resulting from the use of money or credit.

All City of Detroit's income tax forms are available on the State of Michigan Web site, **www.michigan.gov/citytax**.

Amending

If a taxpayer needs to correct a return filed previously, use a new Form 5297 to file an amended return. Be sure to check the amended return box at the top of page 1 of Form 5297 and complete line 9 and lines 44 through 46. An amended income tax form is required to be filed with any adjustments resulting from an IRS audit.

See line 9 instructions for additional information.

Renaissance Zone Deduction

A qualified corporation located and "doing business" in a Detroit Renaissance Zone may be eligible to claim the Renaissance Zone Deduction. This deduction allows the corporation to deduct the portion of its income earned in a Renaissance Zone from income subject to City of Detroit income tax. A taxpayer is not qualified to claim the deduction if the corporation is delinquent for any Michigan or local taxes. A City of Detroit income tax return must be filed to claim this deduction. *City of Detroit Corporate Renaissance Zone Schedule* (Form 5298) is required to be attached to the corporation return when claiming the Renaissance Zone deduction.

A taxpayer claiming the City of Detroit Corporate Renaissance Zone Schedule will file form 5298 to compute the deduction. City of Detroit Corporate Renaissance Zone Schedule, form 5298 is designed to handle all calculations relative to the deduction.

The calculation is complicated by the fact that the deduction is reduced in each of the last 4 years of the zones existence and the fact that the reduction factors are based on a calendar year. See the instructions for Schedule Form 5298 for additional information.

Tax Rate

The City of Detroit Corporate Income Tax rate for 2023 is 2.0%.

Filing Date

Taxpayers on a calendar year are required to file by April 15, 2024. Those on a fiscal year must file by the 15th day of the fourth month following the end of the fiscal year. Returns shall be for the same calendar year, fiscal year or other accounting period as the taxpayer uses for federal income tax purposes.

Completing City of Detroit Forms

The information from paper City of Detroit Corporate Income Tax returns is captured using an Intelligent Character Recognition process. If completing a paper return, avoid unnecessary delays caused by manual processing by following the guidelines below so the return is processed quickly and accurately.

- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **Print using capital letters** (UPPER CASE). Capital letters are easier to recognize.
- **Print numbers like this:** 0123456789. Do not put a slash through the zero (∅) or seven (⧸).
- **Fill check boxes with an [X].** Do not use a check mark [✔].
- **Leave lines/boxes blank** if they do not apply or if the amount is zero, unless otherwise instructed. (See instructions for lines 16, 17 and 18.)
- **Stay within the lines** when entering information in boxes.
- **Report losses and negative amounts with a negative sign in front of the number (do not use parentheses).** For example, a loss in the amount of $22,459 should be reported as -22,459.
- **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.
- **Report all amounts in whole dollars.** Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

Request for Extension

If additional time is needed to file the City of Detroit annual income tax return, request a city extension by filing an *Application for Extension of Time to File City Corporate Income Tax Return* (Form 5301). Treasury may extend the time for filing up to six months. When an extension is requested, the tentative tax must be paid. **An extension of time to file is not an extension of time to pay.**

Remittance

The payment due from line 51 must be paid when filing the return. Make check or money order payable to: State of Michigan — Detroit. Print taxpayer FEIN, tax year and "Detroit Corporate Tax" on the front of the check. Do not staple the check to the return.

Mail all returns to:

Michigan Department of Treasury
PO Box 30811
Lansing MI 48909

Effective Date of Tax

The City of Detroit income tax became effective July 1, 1962. Corporations are required to pay tax each year on that part of its net income attributable to business activity conducted in Detroit, commencing with its first year ending after July 1, 1962.

Accounting

The taxpayer may request, or the administrator may require, use of the separate accounting method. If such method is requested, the administrator may require a detailed statement to determine whether the net profits attributable to the City will be apportioned with reasonable accuracy (Ordinance Section 19). Corporations must attach a letter from administrator approving the separate accounting method.

Generally, a corporation that is unitary in nature (i.e., has central management, purchasing, warehousing, advertising, etc.) cannot use separate accounting. Taxpayers allocating on any basis other than separate accounting shall include all interest, dividends and other non-operating income to arrive at the total income subject to the allocation percentage.

Taxpayers using separate accounting shall include in income subject to tax a proportionate share of dividends, interest and other non-operating income of the total corporation. This type of income is apportioned to City of Detroit activity on the same basis as general administrative and overhead costs are apportioned.

Line-by-Line Instructions

Lines 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 taxpayer's FEIN. Be sure to use the same account number on all forms. Also, the taxpayer's 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 **michigan.gov/citytax**. 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. The taxpayer's primary address in Treasury files, identified as the legal address and used for all purposes other than refund and correspondence on a specific corporate income tax return, will not change unless the taxpayer files a *Notice of Change or Discontinuance* (Form 163) with Treasury.

FOREIGN FILERS: Complete the address fields as follows:

Address: Enter the postal address for this taxpayer.

City: Enter the city name for this taxpayer. DO NOT include the country name in this field.

State: Enter the two-letter state or province abbreviation. If there is no applicable two-letter abbreviation, leave this field blank.

ZIP/Postal Code: Enter the ZIP Code or Postal Code.

Country Code: Enter the two-letter country code.

Line 6: Enter the entity's six-digit North American Industry Classification System (NAICS) code from the most recent list of codes. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau website at **www.census.gov/naics/**, or enter the same NAICS code used when filing the entity's federal Form 1120, Schedule K.

Line 9: Using the table below, select the two-digit code that best represents the reason for amending the return.

01	Increasing tax liability.
02	Decreasing tax liability. **(If amending due to decreasing tax liability, include an explanation.)**
03	Incorrect information/figures reported on original return.
04	Original return was missing information/ incomplete.
10	Other.

If selecting "Other," include an explanation.

Line 13: Enter the two-digit code that best represents the reason for discontinuance from the table below.

01	Business has closed.

02	Business was sold/merged with other entity.
03	Business no longer operates in the City of Detroit.
10	Other.

If selecting "Other," include an explanation with this return.

NOTE: Completing this line will discontinue a City Corporate Income Tax only. To discontinue any Michigan tax, file a *Notice of Change or Discontinuance* (Form 163) or go to Michigan Treasury Online.

Income Apportionment

SPECIAL INSTRUCTIONS for lines 16, 17 and 18: If the amount to report on any of these lines is zero, enter the numeric zero (0). **DO NOT** write "none."

Line 16a: Enter the average net book value of real and tangible personal property located in the city limits of Detroit. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning of the year and the net book values at the end of the year and dividing the sum by two.

Line 16b: Enter the gross annual rent multiplied by 8 for rented real property located in the city limits of Detroit. Gross annual rent refers to real property only, rented or leased during the taxable period, and should include the actual sums of money or other consideration paid, directly or indirectly, by the taxpayer for the use or possession of such property.

Line 16d: Enter the total compensation paid to all employees during the year for work or services performed within the City of Detroit.

Line 16e: Enter the amount of total gross revenue derived from sales made or services rendered in the City of Detroit during the year.

Line 17a: Enter the average net book value of real and tangible personal property owned by the business regardless of location. See the instructions for line 16a to determine average net book value.

Line 17b: Enter the gross annual rent multiplied by 8 for all rented real property regardless of location. See the instructions for line 16b for more information on gross annual rent.

Line 17d: Enter the total compensation paid to all employees during the year.

Line 17e: Enter the amount of total gross revenue derived from all sales made or services rendered during the year.

Line 18e: If a factor does not exist, divide the sum of the percentages by the number of factors actually used. In determining the business apportionment percentage, 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 thus lines 17c, 17d, or 17e are $0.

Line 19: Enter profit (or loss) from your Federal Corporation Income Tax Return. Attach a copy of the Federal Form 1120 or 1120S, Schedule K and all ancillary schedules filed with the IRS to support line 19. If zero enter zero. If negative, enter as a negative.

Subchapter S Corporations: Complete Worksheet A below.

WORKSHEET A

1. Ordinary income (loss) from trade or business (per federal 1120S)		00
2. Income (loss) per Schedule K, federal 1120S, lines 2 through 10		00
3. Total income (loss). Add line 1 and line 2		00
4. Deductions per Schedule K, federal 1120S		00
5. Taxable income before net operating loss deduction and special deductions. Subtract line 4 from line 3, and carry to Form 5297, line 19		00

Lines 20 through 32: Enter all amounts as a positive number.

Line 20: Nondeductible portion of loss is determined by either (1) computing the difference between the total gain or loss for the property as reported for federal income tax purposes and the City of Detroit taxable portion of the loss computed by substituting the fair market value of the property on July 1, 1962, (the June 30, 1962, closing price for traded securities) for the basis in determining gain or loss; or (2) by multiplying the loss for the entire holding period, as computed for federal income tax purposes, by a fraction, the numerator being the number of months the property was held prior to July 1, 1962 and denominator being the total number of months the property was held.

Capital losses from U.S. Government obligations included in income reported on line 19 are not deductible. Remove these losses by including them in the amount reported on line 20.

Line 21: Enter all expenses (including interest expense) incurred in connection with income not subject to city income tax.

Line 22: Enter Detroit city income tax paid or accrued during the tax year and deducted to arrive at federal taxable income.

Line 23: Enter the losses from entities filing as partnerships included in taxable income reported on line 19 or other items to be added back.

Line 26: Enter the amount of interest income from obligations of the United States, the states or subordinate units of government of the state that is included in taxable income reported on page 1, line 19.

Line 27: If you reported dividend income, enter on this line the amount of the dividend-received deduction allowed by the federal Internal Revenue Code for dividends received.

Line 28: Taxpayers may deduct income, war profits and excess profits taxes imposed by foreign countries or possessions of the United States, allocable to income included in taxable net income, any part of which would be allowable as a deduction in determining federal taxable income under the applicable provisions of the federal Internal Revenue Code. If a foreign

tax credit, rather than a foreign tax deduction, was claimed on your federal return form 1120, Schedule C, line 15 enter the portion of the foreign tax credit which was grossed up and included in your City of Detroit return as dividends received.

Line 29: Enter the "foreign taxes paid or accrued" portion of the foreign tax credit claimed on the federal return, not in excess of the federal limitations. The balance of your foreign tax credit is not deductible.

Line 30: Enter the nontaxable portion of a gain from the sale or exchange of property acquired prior to July 1, 1962. The portion of the gain occurring prior to the inception of the Ordinance, July 1, 1962, is not taxable. See the instructions for line 20 on options for determining the portion of the gain that occurred prior to July 1, 1962.

Capital gains from U.S. Government obligations included in income reported on Federal Form 1120, page 1, line 8, are not taxable. Remove these gains by including them in the amount reported on line 30.

Line 31: Enter income from other sources including schedules (i.e. entities filing as partnerships, Federal Form 1065, Schedule K).

Include on this line, any income from partnerships that has been claimed and paid on the *City of Detroit Income Tax Partnership Return*, Form 5458. Include proof of payment or other supporting documentation"

Line 35: Report net operating loss carryforwards on this line. Carrybacks of net operating losses are not permitted. Carryover losses are to be allocated to Detroit at the percentage of business conducted in Detroit in the year in which the loss was sustained. If all business was not conducted in Detroit in the year in which the loss was sustained, use the business allocation percentage formula to arrive at the deductible portion of the loss. Attach a schedule showing your computation for the amount reported on this line.

Line 37: Enter total on line 8, Form 5298, for the Renaissance Zone Deduction.

Line 48: If Line 39 is greater than $250 and the sum of lines 40 and 41 is less than 70% of line 39, complete Form 5324 and enter any penalty and interest due.

Line 49: Penalty accrues monthly at 1 percent of the tax due and unpaid, and increases by an additional 1 percent per month, or fraction thereof until the tax is paid (e.g., penalty on a $500 tax due will be $30 if the tax is unpaid for six months). The maximum penalty is 25%.

Line 50: If applicable, the interest rate is 1 percent above the adjusted prime rate and is adjusted on January 1 and July 1 of each year. Interest is charged from the original due date of the return to the date the balance of the tax is paid.

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."

Line 52: If the amount of the tax overpayment, less any penalty and interest due on line 48, 49 and 50 is less than zero, enter the difference (as a positive number) on line 51. If the amount is greater than zero, enter on this line.

NOTE: 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 used as an estimate for the next tax year. Complete lines 53 and 54 as applicable.

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.

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.

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.				

Continue on Page 2.

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.

Application for Extension of Time to File City Corporate Income Tax Return

Important Information

An extension of time to file is not an extension of time to pay. The form and payment must be postmarked on or before the original due date of the return.

City Corporate Income Tax filers must use this form to request an extension and must file it even if the Internal Revenue Service has approved a federal extension and/or the Michigan Department of Treasury has approved a state business tax extension.

Do not send a copy of the federal extension or state extension. Retain a copy for your records.

An extension of time to file is not an extension of time to pay. If there will be a business tax liability, payment must be included with this form. Penalty and interest will accrue on the unpaid tax from the original due date of the return.

An extension is granted if Form 5301 is properly prepared, the request is postmarked before the due date of the return, AND the taxpayer has also paid at least 70% of the current or prior year tax liability (whichever is less). An extension is for six months beyond the original due date.

Taxpayers will be notified whether an extension request is approved or denied.

Line-by-Line Instructions

Taxpayer Name and Address: The address entered here is the address that will be used for correspondence regarding this extension request.

Tax Year Ending: Enter the month and year your tax year ends, **NOT** the date you are making the payment.

Federal Employer Identification Number (FEIN): Use the FEIN used when filing the *City of Detroit Corporate Income Tax Quarterly Voucher* (Form 5300). This is the FEIN that should be used when filing the *City of Detroit Corporate Income Tax Return* (Form 5297).

Penalty and Interest

If the tax due is underestimated and sufficient payment is not paid with the application for extension, penalty and interest will be due on the unpaid or underpaid amount.

The penalty rate is 1 percent per month or a fraction thereof up to a maximum of 25 percent.

The interest rate is 1 percent above the adjusted prime rate and is adjusted on January 1 and July 1. Interest is charged from the original due date of the return to the date the balance of the tax is paid.

Submitting an Extension

Make the check payable to "State of Michigan - Detroit." Write the Federal Employer Identification Number (FEIN), tax year and "City Corp Extension" on the check. Complete Form 5301 and mail, with the payment, to:

Michigan Department of Treasury
PO Box 30409
Lansing MI 48909

Detach here and mail with your payment.

Michigan Department of Treasury - City Tax Administration
5301 (Rev. 04-23)

2023 Application for Extension of Time to File City Corporate Income Tax Return

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

This voucher must be filed to request an extension of time to file a **Corporate Income Tax Return for the city designated below**.

Taxpayer Name and Address (Street, City, State, ZIP Code)	Tax Year Ending (MM-DD-YYYY)	Federal Employer Identification Number (FEIN)
	Payment is for the City of: DETROIT	City Code: 170
	WRITE PAYMENT AMOUNT HERE $	00

Make check payable to "State of Michigan - Detroit." Write the FEIN, tax year and "City Corp Extension" on the check. Enclose the check and voucher. Do not fold or staple. Mail to: Michigan Department of Treasury, PO Box 30409, Lansing MI 48909.

+ 0000 2023 407 01 27 7

Michigan Department of Treasury
Lansing MI 48922

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Mich. Dept. of Treasury

2023 City of Detroit

Corporate Income Tax Returns

FORMS AND INSTRUCTIONS

FILING DUE DATE:

CALENDAR FILERS — APRIL 15, 2024

FISCAL FILERS — THE 15TH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF THE TAX YEAR.

WWW.MICHIGAN.GOV/CITYTAX

This booklet is intended as a guide to help complete your return. It does not take the place of the law.