

Income Tax return on line 18. If line 23 computes to be an overpayment, it should be adjusted to reflect original refunds and credits on the AMENDED RETURN WORKSHEET.

PART 7: Certification

Sign and date your tax return. If filing a joint return, both the filer and spouse must sign the return.

Line-by-Line Instructions for Form 5119, 2022 City of Detroit Nonresident Income Tax Return

Lines not listed are explained on the form.

If you do not have income subject to City income tax in excess of total exemption amount for the City of Detroit, do not file a *City of Detroit Nonresident Income Tax Return* (Form 5119) unless you are filing to claim a refund of withholding tax paid to the City of Detroit.

Line 1: Only married filers may file joint returns. You must complete the address section of the City of Detroit return. If one or both of the taxpayers is deceased, write "DECD" after the decedent's last name.

Lines 2 and 3: Print your full Social Security number(s).

Line 5: Place an "X" in the box to identify your filing status. An individual who is married for federal purposes must either file a joint return with her/his spouse or file using the status married filing separately. If your status is married filing separately (box c), print your spouse's full name in the space provided and be sure to print his or her full Social Security number on line 3. If you filed your federal return as head of household or qualifying surviving spouse, file your City return as single.

Line 6: Individuals who can be claimed as a dependent by someone else cannot claim an exemption for themselves. Place an "X" in the box if someone else can claim you as a dependent. If taxable income is less than \$600, no tax is due and any tax withheld will be refunded. If income exceeds that amount, the tax shall be computed on the full amount.

Line 8: Enter the number that applies to you and your spouse only for lines 8a-8c. Enter the number that applies to you, your spouse, and your dependents on lines 8d and 8e, as of December 31, 2022.

Line 8a: Enter "1" if you are single or married filing separately; "2" if you are married filing jointly. Do not claim an exemption on line 8a if you are a taxpayer eligible to be claimed as a dependent by another taxpayer.

Line 8b: You qualify for this exemption if you are 65 years of age or older. This applies for you and/or your spouse only.

Line 8c: You and/or your spouse qualify for this exemption if you are deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled.

You may claim as many as apply to you and/or your spouse.

- Deaf means the primary way you receive messages is through a sense other than hearing (e.g., lip reading or sign language).
- Blind means your better eye permanently has 20/200 vision or less with corrective lenses or your peripheral field of vision is 20 degrees or less.

If the tax preparer is someone other than the taxpayer, he or she must enter the business name, address and telephone number of the firm he or she represents and Preparer Tax Identification Number (PTIN), Federal Employer Identification Number (FEIN), or Social Security number. Check the box to indicate if Treasury may discuss your return with your tax preparer.

- Totally and permanently disabled means disabled as defined under Social Security Guidelines 42 USC 416. If you were age 66 by August 31, 2022, you may **not** claim an exemption as totally and permanently disabled.

PART 1: Income

The following income is subject to tax:

- Compensation received as an employee for work done or services performed in the City of Detroit.
- Net profits of an unincorporated business or profession based on business activity conducted in the City of Detroit, whether or not such business or profession is located in the City of Detroit.
- Net profits from rental of real or tangible personal property located in the City of Detroit or gains on a sale or exchange of real or tangible personal property located in the City of Detroit.

The following income is not subject to tax:

- Gifts, inheritances and bequests.
- Pensions and annuities, including disability pensions. (Pre-retirement distributions are taxable.)
- Proceeds from insurance (except that payments from a health and accident policy paid for by your employer are taxable to the same extent as provided by the Internal Revenue Code).
- Unemployment compensation, Welfare relief payments, supplemental unemployment benefits (sub-pay).
- Worker's compensation or similar payments for death, injury or illness arising out of and in the course of an employee's job.
- Interest, dividends and other forms of intangible income (when the receipts in interest and/or other intangible income is part of a business, it shall be considered as business income taxable to nonresidents and reported in Part 5).
- Military pay for members of the Armed Forces of the United States and the National Guard.
- Social Security income or benefits.

Line 9: Enter wages, salaries, commissions, etc. earned in the City of Detroit. Do not include compensation received for service in the armed forces of the United States. Follow instruction (a) if you performed all of your services in the City of Detroit. Use instruction (b) if you performed part of your services in the City of Detroit and part of your services outside the City of Detroit.

a) Nonresidents who worked 100 percent of the year in the City of Detroit enter total wages, salaries, commission, etc.

All of your wages, including vacation pay, holiday pay, bonuses and disability income (except that portion which can be excluded under the Internal Revenue Code) are taxable. All wages are considered to be from the location where the employee performed services.

b) Nonresidents who performed part of their services in the City of Detroit are required to complete Part 3 on the *City of Detroit Withholding Tax Schedule* (Form 5121), page 2. Enter total wages earned in the City of Detroit from the sum of Column H on Form 5121, page 2. Form 5121 and the *City of Detroit Withholding Tax Continuation Schedule* (Form 5253) are not required to determine Detroit commissions. Those paid by commission should enter actual commissions earned in the City of Detroit on line 9.

Line 10: Enter net profit or loss from business (including farm income) or profession. Include income reported on Form 1099-MISC if the work occurred inside the City of Detroit. Use Part 5 to apportion income to the City of Detroit if business activity occurs both inside and outside the City. Business income from activity that occurs in a qualified renaissance zone should be excluded. You must include a copy of U.S. Schedule C or Schedule F.

Line 11: Enter the gains and losses from the sale or exchange of real or tangible personal property located in the City of Detroit. Include schedules from your federal income tax return to support line 11. Gains or losses on sale of intangible assets (e.g., stocks, bonds) are neither taxed nor deductible by nonresidents on the Detroit return.

The portion of a gain that is due to ownership prior to July 1, 1962, may be deducted from taxable income. See the instructions for line 33. If the sale of property acquired prior to July 1, 1962 results in a loss, exclude from your loss the portion of the loss due to ownership prior to July 1, 1962. Use one of the methods described in the instructions for line 33 to determine the amount of loss to exclude.

Line 12: Enter the net profit or loss from rentals of real and tangible personal property located in the City of Detroit. Include U.S. *Schedule E* from your federal income tax return to support line 12. If rental income is from property in an eligible renaissance zone the net income may be excluded and the Renaissance Zone approval letter from the City of Detroit should be submitted.

Line 13: Report your share of the Detroit partnership income (or loss) on line 13. If you are a shareholder in a tax-option corporation that has elected to file under Sub-Chapter S of the Internal Revenue Code, you are not required to report a distribution, nor may you deduct your share of any loss sustained by the corporation.

Line 13 should include other City of Detroit income subject to tax that is not reported elsewhere on this return.

Add the amounts from City of Detroit Activities:

- Income or Loss from Partnerships and Income or Loss from Estates and Trusts of the U.S. *Schedule E*.

Include copy of federal *Schedule K-1* for your share of partnership losses on City of Detroit activities and U.S. Form 8582.

Line 18: If you can be claimed as a dependent by another taxpayer and this line is less than \$600 enter \$0 on Line 19.

PART 2: Credits and Payments

Line 20: Enter the amount of city income tax withheld from Form 5121, line 5. W-2 forms are no longer accepted. File Form 5121 and Form 5253 when applicable. The credit for withholding may be denied if you do not complete and include Form 5121.

Use Form 5253 when you have more than eight W-2s to list on Form 5121. Carry the total from column E on Form 5253 and add it to the total on line 5 on Form 5121.

Line 21: Enter total payments made on a 2022 *City Estimated Individual Income Tax Voucher* (Form 5123). Include the amount of your credit forward from the prior year and payments made with extensions for 2022.

Line 22: Enter the amount of city income tax paid for you by a partnership from Form 5121, line 6.

Use Form 5253 when you have more than three partnerships to list on Form 5121. Carry the total from column C on Form 5253 and add it to the total on line 6 on Form 5121.

PART 3: Refund or Tax Due

Line 24a: If line 19 is greater than line 23, subtract line 23 from line 19. Enter the difference on line 24a.

Line 24b: You will owe interest for late payment of tax if you pay after the due date. 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. The interest rate through June 30, 2022 is 5.65 percent annually (.0001548 daily rate). For interest rates after June 30, 2023 visit www.michigan.gov/citytax or call 517-636-5829. Calculate your interest, if applicable, and enter on line 24b.

Line 24c: You will owe penalty for late payment of tax if you pay after the due date. Penalty accrues monthly at one percent of the tax due, and increases by an additional one percent per month (a partial month is considered a full month for the purposes of calculating penalty). Calculate your penalty, if applicable, and enter on line 24c.

Line 24d: Typically, if you owe more than \$100, you are required to make estimated payments. You may owe penalty and interest for underpayment, late payment, or for failing to make estimated tax payments. Use the *City Underpayment of Estimated Income Tax* (Form 5338) to compute penalty and interest. If you do not file Form 5338, Treasury will compute your penalty and interest and send you a bill. Enter the penalty and interest due from Form 5338, line 28.

Line 24e: Add lines 24a through 24d and enter the total on line 24e. This is the total balance due with your return. If the balance due is less than \$1, no payment is required, but you must still file your return.

See “Pay” address on page 3 of Form 5119. Make checks payable to “**State of Michigan - Detroit.**”

Line 27: Subtract line 26 from line 25. The Department of Treasury does not refund amounts less than \$1. Mail your city income tax return to the “Refund or zero returns” address on page 3 of Form 5119.

PART 4: Subtractions from Income

Subtractions are allowable to the extent the expenses are applicable to income reported on this return.

Line 28: Ordinary, necessary, reasonable and unreimbursed expenses paid or incurred by an individual in connection with the performance by an individual of services as an employee may be deducted from gross income in determining income subject to the tax to the extent the expenses are applicable to income taxable under this ordinance. The expenses are limited to the following:

- Expenses of travel, meals and lodging while away from home.
- Expenses incurred as an outside salesman who works away from their employer’s place of business.
- Expenses of transportation.
- Expenses under a reimbursement or other expense allowance arrangement with your employer, where the reimbursement or allowance has been included in total compensation reported.

Documentation that the activity was authorized by your employer and verification of expenses may be required.

Miscellaneous business expenses such as professional dues, supplies, education and others not covered above are not deductible for City of Detroit tax purposes. If the employee expenses relate to a position where wages are apportioned on Form 5121, Part 3, only report the Detroit share of the expenses here.

Line 29: Contributions to an Individual Retirement Account may be deducted. The IRA deduction is only allowable for taxpayers with City of Detroit earned income to the extent the income is subject to tax. IRA deductions are limited to contributions eligible for deduction on the federal income tax return.

Line 30: To compute the alimony deduction, divide line 14 by your federal AGI (before alimony deductions). Multiply that amount by the amount of alimony paid. The alimony deduction for payers only applies to those who have a court order issued before January 1, 2019.

Line 31: Moving expenses incurred by members of the Armed Forces on active duty pursuant to a military order and incident to a permanent change of station that qualify under the Internal Revenue Code as a deduction on your federal return may be deducted on your City of Detroit return. The City of Detroit deduction is limited to moving expenses in connection with new employment in the Detroit area. Multiply eligible expenses by the ratio of Detroit taxable income after the move to total income after the move. Include U.S. Form 3903 with your return.

Line 32: Enter only net profits included on line 14.

Line 33: Enter gain on property purchased prior to July 1, 1962 which must be determined by one of the following methods:

1. The basis may be the adjusted fair market value of the property on July 1, 1962 (July 2nd closing price for traded securities), or

2. Divide the number of months the property has been held since June 30, 1962 by the total number of months the property was held, and apply this fraction to the total gain as reported on your federal income tax return.

PART 5: Business Income Apportionment

Part 5 of Form 5119 is to apportion income to the City of Detroit if business activity occurs both inside and outside the city. Business income does not include income from S-Corporations. If you have income from more than one business to apportion, complete a *City of Detroit Business Income Apportionment Schedule* (Form 5327). You may complete as many continuation schedules as needed. Do not file this form. Retain a copy for your records.

NOTE: If you have a separate business name or Federal Employer Identification Number (FEIN) for your business, enter those in the space provided.

Line 35: Enter in Column A the average net book value of ALL real and tangible personal property owned by the business regardless of location. In Column B, enter the average net book value of the real and tangible personal property owned and located in the City of Detroit.

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 and the net book value at the end of the year and dividing the sum by two. If this method will not properly reflect the average net book value of tangible property owned during the year, any other method that will accurately reflect it will be permitted.

Line 36: Enter in Column A the gross annual rent multiplied by eight for all rented real property regardless of location. In Column B, enter the gross annual rent multiplied by eight for rented real property located in the City of Detroit. Gross annual rent should include money and other considerations given for the use or possession of real property rented or leased.

Line 38: Enter in Column A total compensation paid to all employees during the year. In Column B, show compensation paid to employees for work or services performed within the City of Detroit.

Line 39: Enter in Column A the total gross revenue from all sales or services rendered during the year. In Column B, show the amount of revenue derived from sales made or services rendered in the City of Detroit. Rental income is to be considered as derived from services rendered and is to be included in gross receipts.

Line 41: If column A has an amount greater than zero on each of lines 37, 38 and 39, divide line 40 by 3. If column A is zero for any of lines 37, 38 or 39, then divide line 40 by the number of factors that include an amount greater than zero in column A.

If the entire business operation is conducted inside the City of Detroit, your percentage should be 100 percent.

In the case of a taxpayer authorized by the City of Detroit Finance Director to use another apportionment formula, retain a copy of the approval letter. Treasury may request a copy of your approval letter.

Line 42: Enter net profit (or loss) per U.S. *Schedule C* or U.S. *Schedule F*.

Line 44: The city net operating loss (NOL) carryover is limited for NOLs created in 2018 and future years. Enter the full amount of NOL carryovers from NOLs created before 2018 (Group 1). For NOLs created in 2018 and future years (Group 2), enter the lesser of the Group 2 NOL carryover or 80% of the income subject to tax after deducting Group 1 NOLs. The calculation may be made using a worksheet found on the City Income Tax website at www.michigan.gov/citytax. Net operating losses may only be carried forward.

If less than 100 percent of business activity was conducted in the City of Detroit in the year in which the loss was sustained, the apportionment percentage in the loss year must be applied.

Line 45: Enter the applicable part of self-employment retirement deduction. Multiply deduction from U.S. Form 1040, Schedule 1 by line 41.

PART 6: Amended Return

IMPORTANT: If you are amending, you **must** place an “X” on page 1 of your amended return.

Line 48: Enter the reason for amending your return.

Complete the AMENDED RETURN WORKSHEET. Do not mail the amended return worksheet; retain for records. Include all payments made with the original City of Detroit Income Tax return on line 21. If line 25 computes to be an overpayment, it should be adjusted to reflect original refunds and credits from the AMENDED RETURN WORKSHEET.

AMENDED RETURN WORKSHEET	
Line 1: Overpayment from amended Form 5119, line 25	\$ _____
Line 2: Refund from original Form 5119, line 27	\$ _____
Line 3: Amount credited to estimated tax from amended Form 5119, line 26.	\$ _____
Line 4: Subtract lines 2 and 3 from line 1. If greater than zero, enter amount to be refunded here and on amended Form 5119, line 27	\$ _____
Line 5: Subtract lines 2 and 3 from line 1. If less than zero, enter amount as tax due here and on Form 5119, line 24a	\$ _____

PART 7: Certification

Sign and date your tax return. If filing a joint return, both the filer and spouse must sign the return.

If the tax preparer is someone other than the taxpayer, he or she must enter the business name, address and telephone number of the firm he or she represents and Preparer Tax Identification Number (PTIN), Federal Employer Identification Number (FEIN), or Social Security number. Check the box to indicate if Treasury may discuss your return with your tax preparer.

Line-by-Line Instructions for Form 5120, 2022 City of Detroit Part-Year Resident Income Tax Return

Lines not listed are explained on the form.

If you do not meet the requirements for filing a return, but Detroit tax was withheld or estimated tax paid, a return must be filed to obtain a refund of tax withheld.

Line 1: Only married filers may file joint returns. You must complete the address section of the City of Detroit return. If one or both of the taxpayers is deceased, write “DECD” after the decedent’s last name.

Lines 2 and 3: Print your full Social Security number(s).

Line 5: Place an “X” in the box to identify your filing status. An individual who is married for federal purposes must either file a joint return with her/his spouse or file using the status married filing separately. If your status is married filing separately (box c), print your spouse’s full name in the space provided and be sure to print his or her full Social Security number on line 3. If you filed your federal return as head of household or qualifying surviving spouse, file your city return as single.

Line 6: Enter your dates of residency in 2022. If you were a resident in the City of Detroit January 1, 2022 through December 31, 2022, file a *City of Detroit Resident Income Tax Return* (Form 5118).

Line 8: Enter the number that applies to you and your spouse only for lines 8a-8c. Enter the number that applies to you, your spouse, and your dependents on lines 8d and 8e, as of December 31, 2022.

Line 8a: Enter “1” if you are single or married filing separately; “2” if you are married filing jointly. Do not claim an exemption on line 8a if you are a taxpayer eligible to be claimed as a dependent by another taxpayer.

Line 8b: You qualify for this exemption if you are 65 years of age or older. This applies for you and/or your spouse only.

Line 8c: You and/or your spouse qualify for this exemption if you are deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled.

You may claim as many as apply to you and/or your spouse.

- Deaf means the primary way you receive messages is through a sense other than hearing (e.g., lip reading or sign language).
- Blind means your better eye permanently has 20/200 vision or less with corrective lenses or your peripheral field of vision is 20 degrees or less.
- Totally and permanently disabled means disabled as defined under Social Security Guidelines 42 USC 416. If you were age 66 by August 31, 2022, you may **not** claim an exemption as totally and permanently disabled.

Line 9: Individuals who can be claimed as a dependent by someone else cannot claim an exemption for themselves.