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## Renaissance Zone (Forms 5118 and 5120 only)

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Certain areas in the City of Detroit have been designated Renaissance Zones by the State of Michigan. Certain income of qualified residents and businesses in those areas is not taxable. Contact the City of Detroit Renaissance Zone Manager at 313-224-3560 to determine if you are in a Renaissance Zone and qualify for this tax exemption.

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## Completing City Forms

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Treasury captures the information from paper income tax returns using an Intelligent Character Recognition (ICR) process. If filing a paper return, avoid unnecessary delays by following the guidelines below so your 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.
- **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 directed.
- **Do not write extra numbers, symbols, or notes** on the return, such as cents, dashes, decimal points, commas, or dollar signs. Enclose any explanations on a separate sheet of paper unless you are instructed to write explanations on the return.
- **Stay within the lines** when entering information in boxes.
- **If a form has multiple pages**, all pages must be filed.
- **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.

## Line-by-Line Instructions for Form 5118, 2024 City of Detroit Resident Income Tax Return

*Lines not listed are explained on the form.*

If you are a resident of a city other than Detroit, do not file this form. If you are a resident of Detroit and your Adjusted Gross Income (AGI) is greater than your total exemption allowance, you should file a *City of Detroit Resident Income Tax Return* (Form 5118).

You are required to file a tax return and pay tax even if your employer did not withhold Detroit income tax from your paycheck. You are required to make estimated tax payments if you work for an employer not withholding Detroit tax from your wages.

**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

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## Where to Mail Your Return

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Mail **refund or zero due** returns to:

Michigan Department of Treasury  
Lansing, MI 48956

If you **owe tax**, mail your return to:

Michigan Department of Treasury  
Lansing, MI 48929

Make your check payable to “**State of Michigan - Detroit**” and **print the last four digits of your Social Security Number** and “**2024 Detroit Income Tax**” on the front of your check. Do not staple your check to your return.

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## A Note About Debts

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By law, any money you owe to the City of Detroit for income tax or a court-ordered garnishment must be deducted from your refund before it is issued. Taxpayers who are married filing jointly may receive a *CITY Non-Obligated Spouse* (Form 5245) after the return is filed. Completing and filing this form may limit the portion of the refund that can be applied to a debt. If Treasury applies all or part of your refund to any of these debts, you will receive a letter of explanation.

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## Disclaimer

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

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 is \$600 or more, 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, 2024.

**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 April 30, 2024, you may **not** claim an exemption as totally and permanently disabled.

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## **PART 1: Income**

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### **The following income is subject to tax:**

- Compensation.
- Net profits of an unincorporated business, profession, enterprise, undertaking or other activity.
- Dividends, interest, capital gains less capital losses, income from estates and trusts and net profits from rental of real and tangible personal property.

### **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 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 on obligations of the United States, the states or subordinate units of government of the states.
- Military pay for members of the Armed Forces of the United States and the National Guard.
- Social Security income or benefits.

**Line 9:** Enter your AGI from your federal return. This is the amount from your U.S. Form 1040, 1040NR or 1040SR. You must include copies of federal schedules that apply to you.

**Line 15:** If you can be claimed as a dependent by another taxpayer and this line is less than \$600 enter \$0 on Line 16.

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## **PART 2: Credits and Payments**

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**Line 17:** Enter the amount of city income tax withheld from a *City of Detroit Withholding Tax Schedule* (Form 5121), line 5. W-2 forms are no longer accepted. File Form 5121 and a *City of Detroit Withholding Tax Continuation Schedule* (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 18:** Enter total payments made on a *2024 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 2024.

**Line 19:** 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.

**Line 20:** Enter tax paid to another City. This credit may not exceed the tax a nonresident of Detroit would have paid on the same income earned in the City of Detroit. The credit only applies for the tax paid on income received while a resident. Enter the name of the city to which tax was paid.

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## **PART 3: Refund or Tax Due**

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**Line 22a:** If line 16 is greater than line 21, subtract line 21 from line 16. Enter the difference on line 22a.

**Line 22b:** 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, 2025 is 9.47 percent annually (0.0002595 daily rate). For interest rates after June 30, 2025 **visit [www.michigan.gov/citytax](http://www.michigan.gov/citytax)** or call 517-636-5829. Calculate your interest, if applicable, and enter on line 22b.

**Line 22c:** 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 22c.

**Line 22d:** 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 22e:** Add lines 22a through 22d and enter the total on line 22e. 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 2 of Form 5118. Make checks payable to "**State of Michigan - Detroit.**" or visit **[www.michigan.gov/citytax](http://www.michigan.gov/citytax)** to pay electronically

**Line 25:** Subtract line 24 from line 23. 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 2 of Form 5118.

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## **PART 4: Additions to Income**

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**Line 26:** Enter the deduction taken for self-employment tax on your federal return and for other taxes on or measured by income, such as your share of City of Detroit

income tax paid by partnerships or S-Corporations, or your share of the taxes paid by an estate or trust.

**Line 28:** Enter other additions to income listed below:

- Enter losses from S-Corporations to the extent included in AGI
- Enter the other adjustments below if subtracted to reach federal AGI
  - Educator expenses
  - Health savings account deduction or Archer MSA deduction
  - Penalty on early withdrawal of savings
  - Student loan interest deduction
  - Repayment of supplemental unemployment benefits under the Trade Act of 1974
- Enter the portion of a loss which occurred prior to July 1, 1962. Use one of the methods described below for Line 36, applying the method to the loss included in AGI, to determine the amount to report.
- Enter federal NOL subtracted in determining AGI.

**PART 5: Subtractions from Income**

**Line 30:** Enter pension, annuity and other retirement benefits included in AGI. Do not deduct benefits distributed early.

**Line 31:** Enter only the taxable portion of Social Security benefits included on your U.S. Form 1040. Do not include your total Social Security benefits.

**Line 32:** Enter interest on obligations of the United States or subordinate units which were included in AGI.

**Line 33:** You may subtract state and local income tax refunds and homestead property tax credit refunds that were included in AGI.

**Line 34:** Enter unemployment benefits included in AGI.

**Line 35:** If applicable, enter Renaissance Zone deduction, and include Renaissance Zone approval letter from the City of Detroit.

**Line 36:** Enter any other subtractions from income listed below.

- 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 in the above list are not deductible for City of Detroit tax purposes.

- Compensation received for service in the armed forces of the United States to the extent included in AGI.
- Income from recoveries related to federal itemized deductions from prior tax years.
- Net profits received from a financial institution or an insurance company should be included here.
- You may deduct the portion of gain which occurred prior to July 1, 1962. To determine the amount excluded, use one of the following methods:
  1. The base 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.
- 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](http://www.michigan.gov/citytax). Net operating losses may only be carried forward.
- Enter income from an S-Corporation to the extent included in AGI

**AMENDED RETURN WORKSHEET**

**Line 1:** Overpayment from amended Form 5118, line 23. .... \$ \_\_\_\_\_

**Line 2:** Refund from original Form 5118, line 25..... \$ \_\_\_\_\_

**Line 3:** Amount credited to estimated tax from amended Form 5118, line 24. .... \$ \_\_\_\_\_

**Line 4:** Subtract lines 2 and 3 from line 1. If greater than zero, enter amount to be refunded here and on amended Form 5118, line 25 ..... \$ \_\_\_\_\_

**Line 5:** Subtract lines 2 and 3 from line 1. If less than zero, enter amount as tax due here and on Form 5118, line 22a ..... \$ \_\_\_\_\_

**PART 6: Amended Return**

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

**Line 38:** 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 18. If line 23 computes to be an overpayment, it should be adjusted to reflect original refunds and credits on the AMENDED RETURN WORKSHEET.

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### **PART 7: Certification**

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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, 2024 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, 2024.

**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 April 30, 2024, you may **not** claim an exemption as totally and permanently disabled.

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### **PART 1: Income**

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**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, tips, and other compensation 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.