Michigan Department of Treasury - City Tax Administration
5458 (Rev. 09-23)

Reset Form

Check if this is an amended return. **See instructions.**

2023 City of Detroit Income Tax Partnership 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 (see instructions)
DETROIT	170

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

3. Partnership Name (print or type)	4. Federal Employer Identification Number (FEIN)

5. Mailing Address (see instructions)	City	State	ZIP/Postal Code	Country Code

6. Date Business Commenced	7. Number of employees on December 31, 2023	8. Number of Partners

9. Type of Return (check one): ☐ Information only ☐ Payment on behalf of all Partners

PARTNER INFORMATION — If more than five partners, see instructions.

10.	A NAME HOME ADDRESS, CITY, STATE, ZIP CODE	B SOCIAL SECURITY NUMBER	C CHECK (X) IF RESIDENT FULL YEAR	D CHECK (X) IF NON-RESIDENT FULL YEAR	E IF RESIDENT PART OF YEAR, INDICATE TIME PERIOD
(a)					
(b)					
(c)					
(d)					
(e)					

PARTNER INCOME AND DEDUCTIONS

NOTE 1: A partner who has other income in addition to the partnership income must file an individual return and show on such return the amount entered below in columns 1, 2, and 6. A partner who is claiming an exemption on a partnership or personal return cannot claim the same exemption on this partnership return in column 3.

NOTE 2: The partnership may pay tax for partners only if it pays for ALL partners subject to the tax. If the partnership elects to use this return as an information return, complete pages 3, 4, and 5, and fill in column 1 below; it will not be necessary to fill in column 2 through 6 since a computation of the tax need not be made.

11a. PARTNER FROM LINE 10	COLUMN 1 TOTAL INCOME (From Schedule E; see instr.)	COLUMN 2 OTHER DEDUCTIONS	COLUMN 3 EXEMPTIONS
(a)	00	00	00
(b)	00	00	00
(c)	00	00	00
(d)	00	00	00
(e)	00	00	00

Continue and sign on Page 2

Partnership FEIN

PARTNER INCOME AND DEDUCTIONS — CONTINUED

11b. PARTNER FROM LINE 10	COLUMN 4 TAXABLE INCOME (Subtract Col. 2 and 3 from Col. 1)	COLUMN 5A RESIDENT TAX (Multiply Column 4 by 2.4%)	COLUMN 5B NONRESIDENT TAX (Multiply Column 4 by 1.2%)	COLUMN 6 CREDITS (See instructions)
(a)	00	00	00	00
(b)	00	00	00	00
(c)	00	00	00	00
(d)	00	00	00	00
(e)	00	00	00	00

12. Total Tax. Add the total of all amounts listed in Column 5A and Column 5B 12. 00

PAYMENTS AND CREDITS

13. Tax paid with request for extension from Form 5460..... 13. 00
14. Payments and credits on 2023 City of Detroit Partnership Income Tax Quarterly Estimated Payment Voucher 14. 00
15. Other credits. (Attach an explanation.)..... 15. 00
16. Total payments and credits. Add lines 13, 14, and 15. (This total must agree with the total of line 11b, column 6.)..... 16. 00

TAX DUE OR REFUND

17. **Tax Due.** Subtract line 16 from line 12. If line 12 is less than line 16, leave blank and continue to line 18 ..... 17. 00
18. Overpayment. Subtract line 12 from line 16 ..... 18. 00
19. Credit Forward. Amount on line 18 to be credited forward and used as an estimated payment for the next tax year..... 19. 00
20. **Refund.** Subtract line 19 from line 18 ..... 20. 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, City Tax Administration, PO Box 30813, Lansing MI 48909.

WITH PAYMENT. Pay amount on line 17. Make check payable to "State of Michigan - Detroit." Print taxpayer FEIN, the tax year, and "Form 5458" on the front of the check. Do not staple the check to the return.

Continue on Page 3.

Partnership FEIN

SCHEDULE C — INCOME FROM PARTNERSHIP

A. Partnership Name (print or type)			B. Reported for the Year Ending (MM-DD-YYYY)	
C. Principal Business Activity				
D. Business Location (Street Address)	City	State	ZIP/Postal Code	Country Code
E. Telephone Number	F. Name of Person in Charge of Records			

ORDINARY INCOME FROM BUSINESS

1.	Gross receipts	1.		00
2.	Allowances, rebates and returns	2.		00
3.	Subtract line 2 from line 1	3.		00
4.	Inventory at beginning of year. (If different from the prior year's closing inventory, include explanation)	4.		00
5.	Merchandise purchased	5.		00
6.	Items withdrawn from business for personal use	6.		00
7.	Subtract line 6 from line 5	7.		00
8.	Cost of labor (do not include amounts paid to partners)	8.		00
9.	Materials and supplies	9.		00
10.	Other costs (include summary)	10.		00
11.	Add lines 4, and lines 7 through 10	11.		00
12.	Inventory at end of year	12.		00
13.	Cost of goods sold. Subtract line 12 from line 11	13.		00
14.	Gross profit. Subtract line 13 from line 3	14.		00
15.	Miscellaneous income (do not include any item included on lines 29 through 39)	15.		00
16.	Total income. Add line 14 and line 15	16.		00

OTHER BUSINESS DEDUCTIONS

17.	Salaries and wages not included on line 8. (Exclude any payments to partners)	17.		00
18.	Payments to partners — salaries and interest — enter here and on Schedule E, column 4	18.		00
19.	Rent on business property	19.		00
20.	Losses on business property (include statement listing items and location)	20.		00
21.	Depreciation	21.		00
22.	Taxes	22.		00
23.	Other business expenses (include statement)	23.		00
24.	Add line 17 through line 23	24.		00
25.	Ordinary income from business. Subtract line 24 from line 16	25.		00
26.	City of Detroit and Michigan income tax if included in line 22 above	26.		00
27.	Interest and other costs included in line 24 which were incurred in connection with the production of tax exempt income or partners personal expenses which were charged to the business	27.		00
28.	Total adjusted ordinary income from business for the year. Add lines 25, 26 and 27. Enter here and on Schedule E, column 1	28.		00

OTHER PARTNERSHIP INCOME OR LOSS (Taxable or nontaxable depending on residency or partners)

NOTE: Amounts on lines 33 through 36 should agree with amount reported on federal partnership form 1065, Schedule D.

29.	Dividends	29.		00
30.	Interest	30.		00
31.	Add line 29 and line 30	31.		00
32.	Income (or loss) from other partnership(s) and other income	32.		00
33.	Net gain (or loss) from sale or exchange of property other than capital assets	33.		00
34.	Net short-term gain (loss)	34.		00
35.	Net long-term gain (loss)	35.		00
36.	Net gain (or loss) from sale or exchange of property under Section 1231	36.		00
37.	Rent	37.		00
38.	Royalties	38.		00
39.	Add line 37 and line 38	39.		00
40.	Total partnership income to account for in this return. Add line 28, lines 31 through 36, and line 39	40.		00

Continue on Page 4.

Partnership FEIN

SCHEDULE B —NONBUSINESS INCOME OR LOSS: INTEREST, DIVIDENDS, SALE OR EXCHANGE OF PROPERTY, RENTS, ROYALTIES, ETC.

		COLUMN 1
INTEREST AND DIVIDENDS		
1. Total interest and dividends from Schedule C, line 31	1.	00
2. Interest from obligations of U.S. governmental units	2.	00
3. Net interest and dividend income. Subtract line 2 from line 1	3.	00
SALE OR EXCHANGE OF PROPERTY		
4. Total gain (or loss) from Schedule C, total of line 33, 34, 35 and 36	4.	00
5. Gain (or loss) attributable to the period after July 1, 1962	5.	00
RENTS AND ROYALTIES:		
6. Net income (or loss) from rents and royalties from Schedule C, line 39	6.	00
INCOME FROM OTHER PARTNERSHIPS, ESTATES, TRUSTS, ETC.		
7. Income (or loss) from other partnerships and other income from Schedule C, line 32	7.	00
8. Exempt income	8.	00
9. Net income (or loss) from other partnerships and other income. Subtract line 8 from line 7	9.	00
10. Total. Add lines 3, 5, 6 and 9	10.	00

	DISTRIBUTION OF COLUMN 1		DISTRIBUTION OF COLUMN 3	
	COLUMN 2 PORTION OF COLUMN 1 APPLICABLE TO RESIDENT PARTNERS	**COLUMN 3** PORTION OF COLUMN 1 APPLICABLE TO NONRESIDENT PARTNERS	**COLUMN 4** EXCLUDABLE PORTION OF COLUMN 3 — NOT TAXABLE TO NONRESIDENT PARTNERS	**COLUMN 5** PORTION OF COLUMN 3 TAXABLE TO NONRESIDENT PARTNERS
11. Distribution of line 3	00	00	00	00
12. Distribution of line 5	00	00	00	00
13. Distribution of line 6	00	00	00	00
14. Distribution of line 9	00	00	00	00
15. Add lines 11, 12, 13 and 14	00	00	00	00

SCHEDULE E – SUMMARY OF SCHEDULES B AND C

PARTNER	**COLUMN 1** INCOME FROM BUSINESS OPERATIONS FROM SCHEDULE C, LINE 28	**COLUMN 2** APPORTIONMENT % FROM SCHEDULE D, LINE 3e, FOR NONRESIDENTS (Enter 100% for residents)	**COLUMN 3** ALLOCATED INCOME (Multiply Column 1 by percent in column 2)	**COLUMN 4** PAYMENT TO PARTNERS — SALARIES AND INTEREST (From schedule C, line 18)
(a)	00	%	00	00
(b)	00	%	00	00
(c)	00	%	00	00
(d)	00	%	00	00
(e)	00	%	00	00
Totals	00	%	00	00

PARTNER	**COLUMN 5** PORTION OF COLUMN 4 EARNED IN THE CITY (See calculation at the bottom of page 5)	**COLUMN 6A** NONBUSINESS INCOME TAXABLE TO RESIDENT PARTNERS (Equal to Schedule B, column 2, line 15)	**COLUMN 6B** NONBUSINESS INCOME TAXABLE TO NONRESIDENT PARTNERS (Equal to Schedule B, column 5, line 15)	**COLUMN 7** TOTAL INCOME (Add columns 3, 5, 6A, 6B)
(a)	00	00	00	00
(b)	00	00	00	00
(c)	00	00	00	00
(d)	00	00	00	00
(e)	00	00	00	00
Totals	00	00	00	00

Continue on Page 5.

Partnership FEIN

In the case of a taxpayer authorized by the Finance Director to use one of the special formula, attach complete computations and furnish the following:

a. Copy of approval letter b. Percentage used. Enter here and on Schedule D, line 3e

SCHEDULE D — INCOME APPORTIONMENT

1.	For locations in city			
	a. Average net book value of real and tangible personal property located in city	1a.		00
	b. Gross annual rent paid for real property located in city multiplied by 8	1b.		00
	c. Add line 1a and line 1b	1c.		00
	d. Total wages, salaries, commissions and other compensation of all employees located in city	1d.		00
	e. Gross receipts from sales made or services rendered in city	1e.		00
2.	For locations everywhere			
	a. Average net book value of real and tangible personal property located everywhere	2a.		00
	b. Gross annual rent paid for real property located everywhere multiplied by 8	2b.		00
	c. Add line 2a and line 2b	2c.		00
	d. Total wages, salaries, commissions and other compensation of all employees located everywhere	2d.		00
	e. Gross receipts from sales made or services rendered everywhere	2e.		00
3.	Apportionment. If there are no locations outside the city in line 2, see instructions for completing line 3.			
	a. Real and tangible personal property. Divide line 1c by line 2c	3a.		%
	b. Wages, salaries, commissions and other compensation. Divide line 1d by line 2d	3b.		%
	c. Gross receipts from sales. Divide line 1e by line 2e	3c.		%
	d. Add line 3a, line 3b, and line 3c	3d.		%
	e. **Average apportionment.** Divide line 3d by 3. (See instructions)	3e.		%

INSTRUCTIONS FOR INCOME APPORTIONMENT FORMULA — SCHEDULE D

The income apportionment percentage is to be applied by NONRESIDENT partners to their distributive share of business income if business activity of the partnership is conducted both within and without the City of Detroit. In order to use the separate accounting method, permission must be requested in writing from the administrator not more than 90 days after the beginning of the taxpayer's year.

Line 1a, 2a, 3a: In line 1a, enter the average net book value of the real and tangible personal property owned and located in the City of Detroit. In line 2a, enter the average net book value of all real and tangible personal property owned by the business, regardless of location.

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. 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 reflects it will be permitted.

Line 1b, 2b, 3b: In line 1b, enter the gross annual rent multiplied by 8 for rented real property located in the City of Detroit. In line 2b, enter the gross annual rent multiplied by 8 for all rented real property regardless of location.

Gross annual rent should include money and other consideration given for the use or possession of real property rented or leased, including public warehouse storage charges.

Line 1d, 2d, 3d: In line 1d, enter the amount of compensation paid to employees for work done or for services performed within the City of Detroit during the year. In line 2d, enter the total compensation paid to all employees during the year.

Line 1e, 2e, 3e: In line 1e, enter the amount of gross receipts from sales made or services rendered in the City of Detroit during the year. In line 2e, enter the total gross receipts from all sales made or services rendered during the year. Rental income is considered services rendered and is included in gross receipts.

Instructions for the computation of salaries, interest or guaranteed payments to be included in Schedule E, Column 5.

This schedule is to be filled in by nonresident partners who performed part of their services in Detroit.

USE A SEPARATE SCHEDULE FOR EACH PARTNER

1.	Actual number of days worked on job — everywhere	1.		
2.	Actual number of days worked on job in Detroit	2.		
3.	Percentage of days worked in Detroit. Divide line 2 by line 1	3.		%
4.	Total salaries, interest and guaranteed payments	4.		00
5.	Salaries and interest earned in Detroit. Multiply line 4 by percentage on line 3. Carry to Schedule E, column 5.	5.		00

Instructions for Form 5458
City of Detroit Income Tax Partnership Return

Line-by-line instructions

Lines not listed are explained on the form.

Partner Information

Line 10: The partner identified on this line will be designated as letters a, b, c, d and e on the remainder of the form. The information for that specific taxpayer will be detailed in line 11a and line 11b. The partnership information will also be detailed in Schedule E using the same letter designation.

More than five partners: If reporting for more than five partners, the taxpayer will complete multiple copies of line 10, line 11a, line 11b and Schedule E to account for all partners. The remainder of the return, including all schedules, will be completed using the total of all partners. The taxpayer may also choose to attach a separate document detailing the required information for all partners (line 10, line 11a, line b and Schedule E) in lieu of completing multiple copies of this return. However, all other partnership information must be completed using the required Form 5458.

PARTNER INCOME AND DEDUCTIONS

A partner who has other income in addition to the partnership income must file an individual return and show on such return the amount entered on line 11a, columns 1, 2, and 6. A partner who is claiming an exemption on a partnership or personal return cannot claim the same exemption on this partnership return in Column 3.

The partnership may pay tax for partners only if it pays for ALL partners subject to the tax. If the partnership elects to use this return as an information return, complete pages 3, 4, and 5, and fill in line 11a, column 1; it will not be necessary to fill in line 11a, columns 2 through 6, since a computation of the tax need not be made.

Line 11a, column 1: The amounts to be inserted in line 11, column 1, are transferred from Schedule E on Page 4 of the return. Complete schedules B, C, D and E first.

Line 11a, column 2: Any items of income which are nontaxable and which are included in column 1 are to be deducted in column 2. These items will include the net operating loss deduction (NOLD), etc. The net operating loss (NOL) carryover is handled in the same manner as provided by the Federal Internal Revenue Code, except that the Detroit Income Tax Ordinance does not provide for a carryback of such losses. Nonresident partners must allocate the NOL to Detroit at the percentage of business conducted in Detroit in the year in which the loss was sustained. A schedule of computations must be attached for all entries in column 2.

Line 11a, column 3: A $600 exemption is allowed for each individual partner, his/her spouse and his/her dependents. Additional exemptions are allowed if the taxpayer or his/her spouse is 65 or over; is blind; is deaf; or is paraplegic, quadriplegic, hemiplegic or totally and permanently disabled. A spouse may be taken as an exemption on the partnership return only if such spouse has no income subject to the Detroit Income Tax.

Line 11a, column 6: Compute the total amount of estimated income tax payments for the tax year, prior year credit forward, extension payment, tax paid by another partnership and, for resident individual partners, the total of any credits for tax paid to another city.

Line 12: Add the total of all amounts listed in line 11a, column 5A and column 5B. If reporting for more than five partners, and submitting multiple pages with partner information, enter on line 12 the totals of all partners as reported in line 11a, column 5A and column 5B.

PAYMENTS AND CREDITS

Line 14: Enter the total amount for estimated income tax payments for the tax year and prior year credit forward.

Line 15: Enter the total amount of tax paid by another partnership and, for resident individual partners, the total of any credits for tax paid to another city.

TAX DUE OR REFUND

Line 17: Subtract line 16 from line 12. The tax due should be submitted, with a completed Form 5458, to the address from the "Payment" section below. If line 12 is less than line 16, leave this line blank and continue to line 18.

Line 18: Subtract line 12 from line 16, and enter the amount of the overpayment. 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 estimated payment for the next tax year.

Line 19: To credit any amount of the overpayment to next year's estimated tax, enter the amount to be credited forward.

Line 20: To receive the overpayment as a refund (less the amount credited forward), enter the amount to be refunded.

PAYMENT

Make check payable to STATE OF MICHIGAN – DETROIT. Write the taxpayer's FEIN, the tax year, and "Form 5458" on the check. Mail the check, with the completed return, to:

Michigan Department of Treasury
City Tax Administration
PO Box 30813
Lansing MI 48909

Amending a Return

To amend a return, check the box at the top of page one and complete the entire return, using corrected data as necessary. Attach a statement explaining the reason for the amended return. If a refund was issued with a previously filed return, include the amount of that refund in the total on line 14.

Include all forms and documents filed with the original return, even if not amending those items. Do not include a copy of the previous return.

Taxpayer Certification

By signing this return, the signing partner or officer declares that the filer has power of attorney from each participant to file a composite return on his or her behalf. Treasury will mail refund checks, assessments and all correspondence to the filing company at the address indicated on the return. The filing company must agree to be responsible for the payment of any additional tax, interest and penalties as finally determined. Issues involving the tax liability reported on a composite return will be resolved with the filing company. In unusual circumstances, Treasury may contact the participants.

Schedule C — Income from Partnership

Schedule C is used to indicate all of the income of the partnership which may be subject to the Detroit tax. Line 28 of Schedule C reflects the total of the partnership ordinary income from business operations, and lines 29 through 31 of Schedule C reflects the total nonbusiness income of the partnership.

Ordinary income from business on Schedule C, line 28, will carry to Schedule E, column 1.

Nonbusiness income on Schedule C, lines 25 through 40, will carry to Schedule B. Instructions for Schedules B and E will indicate how amounts transferred from Schedule C are to be allocated to the individual partners.

SCHEDULE B — Nonbusiness Income or Loss

Schedule B is used to allocate the total nonbusiness income of the partnership between the total amount distributable to resident partners and the total amount distributable to nonresident partners.

Nonresident income is further allocated to compute the total income of nonresident partners which is subject to the Detroit tax. (Resident partners are taxed on their entire distributive share of nonbusiness income.) After determining the total taxable income for each class of partners, these totals are transferred to Schedule E wherein an analysis is made to show the amounts of nonbusiness income applicable to the individual partners.

INTEREST AND DIVIDENDS

Line 1, column 1: Enter the total partnership income from interest and dividends from Schedule C, line 31.

Line 2, column 1: Deduct the total nontaxable interest (interest from obligations of the United States and U.S. governmental units).

Line 11: The total calculated on line 3, column 1, is to be apportioned between the amount applicable to resident partners (line 11, column 2) and the amount applicable to nonresident partners (line 11, column 3). Since interest and dividend income is not taxable to nonresidents, the entire amount shown on line 11, column 3, will also be inserted on line 11, column 4, as excludable income of nonresidents.

SALES OR EXCHANGE OF PROPERTY

Line 4, column 1: Enter the total net gain or loss from all sales and exchange of property as shown in Schedule C, lines 33 through 36.

Line 5, column 1: Calculating this line is a two-step process: 1) Exclude any gain or loss on the sale of obligations of the United States which are included in line 4; 2) enter on line 5 only that portion of the remainder of line 4 which represents gain or loss attributable to the period after July 1, 1962.

If the property was acquired prior to July 1, 1962, the basis may be the adjusted fair market value of the property on July 1, 1962, (July 2 closing price for traded securities), or the gain or loss applicable to the period after June 30, 1962, may be computed by multiplying the total gain or loss by the ratio of the months the property was held after June 30, 1962, to the total months the property was held.

Line 12: The nonresident excludable portion of the amount shown in line 12, column 3, to be entered in line 12, column 4, is that portion of the gain (or loss) which arose from the sale or exchange of intangible assets, and of tangible property located outside of Detroit. The remaining portion of line 12, column 3, which is to be entered on line 12, column 5, will then include gain (or loss) attributable to the period after June 30, 1962, from the sale or exchange of tangible property located in Detroit.

RENTS AND ROYALTIES

Line 6, column 1: Enter the total net income (or loss) from all rents and royalties.

Line 13: Complete line 13, columns 2, 3, and 4, as a distribution of the amount entered in line 6. Subtract column 4 (net income or loss from royalties and rents attributable to property outside Detroit) from column 3 and enter the difference in column 5.

INCOME FROM OTHER PARTNERSHIPS, ESTATES, TRUSTS, ETC.

Line 7, column 1: Enter the net income (or loss) from other partnerships and other income from Schedule C, line 32.

Line 8, column 1: Enter any income which is specifically exempt for all taxpayers (interest on U.S. governmental obligations, etc.) and which was included in the amount on line 7.

Line 14: Complete line 14, columns 2, 3, and 4, as a distribution of the amount entered in line 9. Subtract column 4 (income not taxable to nonresidents) from column 3 and enter the difference in column 5.

Schedule E — Summary of Schedules B and C

COLUMN 1: Enter each individual partner's share of ordinary adjusted business income from Schedule C, Line 28.

COLUMN 2 (Complete Schedule D first): Enter the appropriate business allocation percentage based upon partner entity type. Individual resident and partnership partners use a 100% allocation. Individual nonresident, estate, trust, corporation, exempt entity and foreign government partners enter the business allocation percentage from Schedule D, line 3e, or the special allocation percentage authorized. Disregarded entity and nominee partners enter the appropriate allocation percentage based upon the entity type of the actual owner of the partnership interest.

The income apportionment percentage is to be applied by nonresident partners to their distributive share of business income if business activity of the partnership is conducted both within and without the City of Detroit. In order to use the separate accounting method, permission must be requested in writing from the administrator not more than 90 days after the beginning of the taxpayer's year.

Column 4: Enter the total taxable portion of the salaries, interest or other guaranteed payments to partners receiving them.

Column 5: Enter 100% of resident partners' salaries, interest or guaranteed payment or the portion of nonresident salaries, interest or guaranteed payments earned in Detroit. (The amount is based on actual time inside Detroit for each partner as computed per the calculation at the bottom of page 5. Use a separate page 5 calculation for each partner.)

Column 6A: Enter nonbusiness income taxable to resident partners. The total will equal the amount on Schedule B, line 15, column 2.

Column 6B: Enter nonbusiness income taxable to nonresident partners. The total will equal the amount on Schedule B, line 15, column 5.

Column 7: Transfer the amount of each individual partner's share shown in Column 7 to page 1 of this return (line 11, column 1).

Schedule D — Income Apportionment

The business income apportionment percentage is to be applied to the distributive share of business income of **corporate and nonresident** partners if business activity of the partnership is conducted both within and outside the City of Detroit.

Line 1a: Enter the net book value of the real and tangible personal property owned and located or used in the City 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 and end of the year and dividing the sum by two.

Line 1b: Enter the gross annual rent, multiplied by 8, for rented real property located in the City 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 payable, directly or indirectly, by the taxpayer for the use or possession of such property.

Line 1d: Enter the amount of compensation paid to employees for work or services performed within the City of Detroit.

Line 1e: Enter the amount of revenue derived from sales made or services rendered in the City of Detroit during the year. To allocate net profit (or loss), a partnership must have business activity outside of Detroit.

Line 2a: Enter in the average net book value of all real and tangible personal property owned by the business, regardless of location. The average net book value of real and tangible personal property may be determined by adding the net book values at the beginning and end of the year and dividing the sum by two.

Line 2b: Enter the gross annual rent, multiplied by 8, for all rented real property regardless of location. 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 payable, directly or indirectly, by the taxpayer for the use or possession of such property.

Line 2d: Enter the total compensation paid to all employees for work or services performed during the year, regardless of location.

Line 2e: Enter the total gross revenue from all sales or services rendered during the year, regardless of location. To allocate net profit (or loss), a partnership must have business activity outside of Detroit.

Line 3e: In determining the average, divide line 3d by 3. However, if a factor does not exist, divide the sum of the all line 3 percentages by the number of factors actually used.

The income apportionment percentage is to be applied by **nonresident** partners to their distributive share of business income if business activity of the partnership is conducted both within and without the City of Detroit. In order to use the separate accounting method, permission must be requested in writing from the administrator not more than 90 days after the beginning of the taxpayer's year.

NOTE: If there are no locations outside the city in Line 2 (all Line 2 totals will match corresponding Line 1 totals), transfer totals for Schedule D, line 1c to line 3a; 1d to 3b; and 1e to 3c. Ignore all face-of-the-form instructions for Lines 3a, 3b, and 3c.

Disclosure of Return Information

The disclosure of Social Security account number(s) on this tax return is mandatory. This solicitation and use of Social Security account numbers is authorized by federal law (42 USC § 405(c)(2)(C)(i)), Michigan law (MCL 141.642) and City of Detroit ordinance (1984 Detroit City Code § 18-10-11). Treasury uses Social Security account numbers in the administration of City of Detroit income tax law for the purpose of establishing taxpayer identification, to automate and unify its tax reporting and collection, and as otherwise needed for the administration of the City of Detroit income tax laws.

Under 1984 Detroit City Code § 18-10-16, any information gained by the income tax administrator, City treasurer, or other City official, agent or employee as a result of a tax return, investigation, hearing or verification required or authorized by the Uniform Income Tax Ordinance is confidential, except for official purposes in connection with the administration of the ordinance, and except in accordance with a proper judicial order.

These instructions are interpretations of the Detroit Income Tax Ordinance. The Ordinance will prevail in any disagreement between forms or instructions and the Ordinance.