Michigan Department of Treasury - City Tax Administration
5459 (Rev. 09-23)

Reset Form

2023 City of Detroit Partnership Renaissance Zone Schedule

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

A partnership 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. Partnership Name	2. Federal Employer Identification Number (FEIN)
3. Starting Date Qualified to Claim Zone Deduction this Tax Year (MM-DD-YYYY)	4. Ending Date Qualified to Claim Zone Deduction this Tax Year (MM-DD-YYYY)

To claim a Renaissance Zone deduction, a partnership must have real and/or personal property located in, and conducting business activity in, a city Renaissance Zone.

RENAISSANCE ZONE APPORTIONMENT PERCENTAGE

5. Property and wages for locations in city

a. Average net book value of real and tangible personal property located in city. (See instructions)	5a.		00
b. Gross annual rent paid for real property located in city multiplied by 8	5b.		00
c. Add line 5a and line 5b	5c.		00
d. Total wages, salaries and other compensation in city	5d.		00

6. 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	6a.		00
b. Gross annual rent paid for real property located in the Renaissance Zone multiplied by 8	6b.		00
c. Add line 6a and line 6b	6c.		00
d. Total wages, salaries and other compensation in the Renaissance Zone	6d.		00

7. Apportionment

a. Avg. net book value of real and tangible personal property and annual rent. Divide line 6c by line 5c	7a.		%
b. Annual wages, salaries, and other compensation. Divide line 6d by line 5d	7b.		%
c. Add line 7a and line 7b	7c.		%
d. Renaissance Zone deduction percentage. Divide line 7c by 2	7d.		%

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Partnership FEIN

RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME

8.	COLUMN 1 ALLOCATED INCOME FROM FORM 5458, SCHEDULE E, COLUMN 3		COLUMN 2 NET OPERATING LOSS DEDUCTION CLAIMED ON PARTNER'S FORM 5118, 5119 OR 5120		COLUMN 3 RETIREMENT PLAN DEDUCTION CLAIMED ON PARTNER'S FORM 5118, 5119 OR 5120		COLUMN 4 BASIS FOR COMPUTING RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME (Subtract columns 2 and 3 from Column 1)	
(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
Total		00		00		00		00

8.	COLUMN 5 RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME (Multiply Column 4 by the percentage on line 7d)	
(a)		00
(b)		00
(c)		00
(d)		00
(e)		00
Total		00

RENAISSANCE ZONE DEDUCTION FOR NON-BUSINESS INCOME

9.	COLUMN 1 IF PARTNER WAS A RESIDENT DOMICILED IN A RENAISSANCE ZONE ENTER BEGINNING AND ENDING DATES FOR TAX YEAR		COLUMN 2 INTEREST AND DIVIDENDS (See Instructions)		COLUMN 3 SALE OR EXCHANGE OF PROPERTY (See Instructions)	
	Beginning (MM-DD-YYYY)	Ending (MM-DD-YYYY)				
(a)				00		00
(b)				00		00
(c)				00		00
(d)				00		00
(e)				00		00
Total				00		00

9.	COLUMN 4 RENTS AND ROYALTIES (See Instructions)		COLUMN 5 INCOME FROM OTHER PARTNERSHIPS, ETC. (See Instructions)		COLUMN 6 GUARANTEED PAYMENTS TO PARTNERS		COLUMN 7 RENAISSANCE ZONE DEDUCTION BEFORE PHASE OUT (Add columns 2 through 6)	
(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
Total		00		00		00		00

TOTAL RENAISSANCE ZONE DEDUCTION

10.	COLUMN 1 ADD LINE 8, COLUMN 5, AND LINE 9, COLUMN 7		COLUMN 2 ALLOWABLE DEDUCTION PERCENTAGE (SEE TABLE IN INSTRUCTIONS)		COLUMN 3 MULTIPLY LINE 10, COLUMN 1, BY PERCENTAGE ON LINE 10, COLUMN 2		
(a)		00		%		00	**NOTE:** CARRY EACH AMOUNT ON LINE 10, COLUMN 3, TO THE APPROPRIATE PARTNER LINE ON FORM 5458, LINE 11A, COLUMN 2
(b)		00		%		00	
(c)		00		%		00	
(d)		00		%		00	
(e)		00		%		00	
Total		00				00	

Instructions for Form 5459
City of Detroit Partnership Renaissance Zone Schedule

General Information

Certain geographic areas within Detroit are designed as Renaissance Zones. This designation grants tax relief to qualified partnership located and conducting business activity within a Detroit 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.

Claiming the Renaissance Zone Deduction

A partnership that is located and conducting business activity in a Detroit 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. If the partnership elects to pay the tax for the partners, the deduction is claimed on the *City of Detroit Income Tax Partnership Return* (Form 5458). Otherwise, the deduction is passed through to the partners who claim the deduction on their City of Detroit individual income tax return.

Deduction Disqualifiers

A partnership is not eligible to claim a Renaissance Zone deduction if the partnership:

- 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 tax or general property taxes on real or personal property.
- Owns residential rental property and did not file an affidavit with the Detroit 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 Detroit 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 partnership becomes a qualified taxpayer on the first day after December 31, 1996, that the partnership is located and conducting business activity in a Detroit Renaissance Zone. The qualification continues until the partnership ceases to be located and conducting business activity in a Detroit Renaissance Zone or until expiration of the Renaissance Zone designation.

Deductible Income

A partnership may deduct that portion of its net income from business activity within a Detroit Renaissance Zone. Business activity consists of two components:

- Adjusted ordinary business income; and
- Income not included in adjusted ordinary business income (apportioned income).

Business income from activity conducted within a Detroit Renaissance Zone is determined via a two-factor Renaissance Zone allocation formula. Income not included in adjusted ordinary business income (apportioned income) is apportioned based upon situs of the income, the type of partner and/or domicile of the individual resident or nonresident partner. Income used to calculate any other deduction allowed by the income tax ordinance and income derived from illegal activity shall not be used to calculate this deduction.

Line-by-Line Instructions

Lines not listed are explained on the form.

Complete the *City of Detroit Income Tax Partnership Return* (Form 5458) through Schedule E before completing Form 5459.

Line 1: Enter the partnership's name as shown on the *City of Detroit Income Tax Partnership Return* (Form 5458).

Line 2: Enter the partnership's Federal Employer Identification Number as shown on Form 5458.

Line 3: Enter the beginning date the partnership was qualified to claim the Detroit Renaissance Zone Deduction for the tax year.

Line 4: Enter the ending date the partnership was qualified to claim the Detroit Renaissance Zone Deduction for the tax year.

RENAISSANCE ZONE APPORTIONMENT PERCENTAGE

The Renaissance Zone apportionment percentage is used by partnerships located and doing business in Detroit in a Renaissance Zone and outside of the Renaissance Zones. 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.

Line 5a: Enter the average net book value of all real and tangible personal property owned and located in Detroit.

Line 5b: Enter the gross annual rent, multiplied by 8, for all rented real property located in Detroit.

Line 5d: Enter compensation paid to employees for work or services performed within Detroit.

Line 6a: Enter the average net book value of the real and tangible personal property owned and located in a Detroit Renaissance Zone. If the business was located in the Renaissance Zone for less than a year, a monthly average basis is to be used.

Line 6b: Enter the gross annual rent multiplied by 8 for rented real property located in a Detroit Renaissance Zone.

Line 6d: Enter compensation paid to employees for work or services performed within a Detroit Renaissance Zone.

Line 8, line 9 and line 10: The partner identified on these lines will use the same letter designations (a, b, c, d and e) as used on Form 5458.

More than five partners: If reporting for more than five partners, the taxpayer will complete multiple copies of Form 5459, page 2, to account for all partners. The taxpayer may also choose to attach a separate document detailing the required information for all partners (line 8, line 9 and line 10) in lieu of completing multiple copies of page 2. However, all other partnership information must be completed using the required Form 5459.

Line 8, column 2: Enter the net operating loss deduction claimed on each partner's individual Detroit income tax return (Form 5118, 5119 or 5120, as applicable).

Line 8, column 3: Enter the retirement plan deduction claimed on each partner's individual Detroit income tax return that was based upon income from the partnership.

Line 9, column 1: For partners that were qualified residents domiciled in a Detroit Renaissance Zone during the tax year, enter the beginning and ending dates of qualification.

Line 9, column 2: For each partner who was a resident domiciled in a Detroit Renaissance Zone, enter the partner's share of the interest and dividend income. For all other partners, enter a zero.

Line 9, column 3: For each partner who was a resident domiciled in a Detroit Renaissance Zone, enter the partner's share of income from sale or exchange of property. For all other partners, enter partner's share of income from a sale or exchange of property located in a Detroit Renaissance Zone.

Line 9, column 4: For each partner who was a resident domiciled in a Detroit Renaissance Zone, enter the partner's share of income from rents and royalties. For other partners enter partner's share of rent and royalty income from property located in Detroit Renaissance Zone.

Line 9, column 5: For each partner who was a resident domiciled in a Detroit Renaissance Zone, enter the partner's share of income from other partnerships and other income.

Line 9, column 6: For each partner who was a resident domiciled in a Detroit Renaissance Zone, enter the partner's guaranteed payments to partners.

Line 10, column 2: Multiply line 10, column 1, by the appropriate phase out deduction percentage from the table below:

REDUCED DEDUCTION TABLE	
If this tax period begins in the:	**The allowable deduction % is:**
Third (or greater) year before the final year of designation as a Renaissance Zone	**100 percent** (1.00) of line 10, column 1.
Second year before the final year of designation as a Renaissance Zone	**75 percent** (0.75) of line 10, column 1.
Year immediately preceding the final year of designation as a Renaissance Zone	**50 percent** (0.50) of line 10, column 1.
Final year of designation as a Renaissance Zone	**25 percent** (0.25) of line 10, column 1.
No deduction is allowed after the expiration of the Renaissance Zone designation.	

Line 10, column 3: Carry the total of all partners to Form 5458, line 11a, column 2.