Instructions for Form 5323
2026 City of Detroit Income Tax Withholding Monthly Return

Purpose

The purpose of this form is for an employer to file a City of Detroit Income Tax Withholding return and make monthly payments on behalf of an employee.

IMPORTANT: See the 2026 City of Detroit Income Tax Withholding Guide available online at **www.michigan.gov/citytax** for additional details on an employer's withholding obligations.

Due Date

Employers are required to file a return on a monthly basis. A return may be filed by paper or electronically. **However, all payments must be made electronically.**

The "City of Detroit Income Tax Withholding Monthly Return" (Form 5323) and payments (if applicable) are due on the 15th day of the month following the month in which the tax was withheld.

Filers are also required to file the "City of Detroit Income Tax Withholding Annual Reconciliation Return" (Form 5321). See Form 5321 for additional instructions.

NOTE FOR ALL TAXPAYERS: If the taxpayer inserts a "0.00" (zero) on any line for reporting withholding tax, the taxpayer is certifying that no tax is owed for that period. If it is determined that tax is owed, the taxpayer will be liable for the deficiency as well as penalty and interest. Form 5323 **must be filed** even if there is no tax liability for the period.

If filing of City Withholding tax is no longer required, Form 5321 must be completed to discontinue. See Form 5321 for additional instructions.

Electronic Filing

Filing of tax returns and payments electronically is accurate, convenient and secure. E-file returns have significantly less chance of error and are processed faster than paper returns. When e-filing, do not mail a paper copy of Form 5323, unless requested by Treasury to do so.

Visit **www.MIfastfile.org** for more information.

Electronic Payment

Go to https://www.michigan.gov/taxes/citytax/detroit/business/payments/employer-withholding-tax for information on making electronic payments.

Line-by-Line Instructions

Lines not listed are explained on the form.

Important Information for Completing Form 5323:

- When completing lines 1 though 6, enter amounts in dollars and cents (i.e., the dollar amount in the larger data field and cents in the smaller data field).
- **Lines 1, 3 and 6 MUST BE COMPLETED.** If there is no amount to report, enter "0" in the larger data field and "00" in the smaller data field. DO NOT LEAVE THESE LINES BLANK. Blank fields may delay processing of returns.
- Do not use a dash or any other mark to indicate no data. These lines must be completed with a numeral.

Taxpayer's Business Name: The business name used here is the same name the taxpayer will use when filing the "City of Detroit Income Tax Withholding Annual Reconciliation" (Form 5321).

Street Address: All correspondence regarding this return will be mailed to the address provided on this return. Missing or invalid addresses may delay processing returns or correspondence.

Federal Employer Identification Number (FEIN): The FEIN used here is the same name the taxpayer will use when filing the Form 5321. Do not write "SAME" or leave blank. Doing so may delay processing returns or correspondence.

NOTE: If the taxpayer does not have an FEIN, the taxpayer must obtain an FEIN before filing a City of Detroit Income Tax Withholding Return. Visit **www.michigan.gov/businesstaxes** for information on obtaining an FEIN and to register a new business (located under "New Business Registration"). Returns received without a registered account number will not be processed until such time as a number is provided.

Return Period Ending: Enter the filing period this return is for.

Line 1: Enter the total City of Detroit income tax withheld for the return period. **THIS LINE MUST BE COMPLETED.**

NOTE: Form 5323 must be filed even if there is no tax liability for the period. If there is no tax liability due, enter "0.00"

Line 2: This line is used to correct errors made on prior monthly returns for the current calendar year only. **NOTE: This line cannot be used for the first monthly payment of the calendar year.**

- If intending to correct a previous period overpayment, write the number as a negative.
- If intending to correct a previous period underpayment, write the number as a positive.

Line 3: Add line 1 and line 2 and enter here. If the result is negative, enter "0.00" and retain the difference in your records for an adjustment on the next Form 5323. **THIS LINE MUST BE COMPLETED.**

Line 4 and Line 5: How to compute penalty and interest:

- If submitting a payment after the due date, include the calculated penalty and interest in the payment amount. Penalty is 1% of the tax due and increases by an additional 1% per month or fraction thereof, to a maximum of 25%.
- Interest is charged daily using the average prime rate, plus 1 percent.
- Do not use this form for payment of penalty and interest only.

Interest rates are detailed online via Revenue Administrative Bulletins. Go online to **www.michigan.gov/treasury** and select "Reports & Legal."

Line 6: THIS LINE MUST BE COMPLETED. If there is no amount to report, enter "0" in the larger data field and "00" in the smaller data field. DO NOT LEAVE THIS LINE BLANK.

Signature: All returns must be signed by the taxpayer or the taxpayer's authorized agent.

Mailing Address for Paper Return

Mail the Monthly Return to:

Michigan Department of Treasury
PO Box 30812
Lansing MI 48909