

TAX YEAR

20 \_\_\_\_\_



CORPORATION  
SCHEDULE RZ OF D-1120  
CITY OF DETROIT INCOME TAX



FOR COMPUTATION OF THE RENAISSANCE ZONE DEDUCTION  
FOR USE BY A CORPORATION LOCATED AND DOING BUSINESS IN A  
DETROIT RENAISSANCE ZONE

INSTRUCTIONS ON OTHER SIDE

1. Corporation name as shown on D-1120	2. Federal Employer Identification Number
3. Dates qualified to claim Renaissance Zone deduction this tax year: Starting date:    /    /    Ending date:    /    /	
<b>DISQUALIFICATION SECTION</b>	
A CORPORATION IS NOT QUALIFIED TO CLAIM THE RENAISSANCE ZONE DEDUCTION IF ANY OF THE FOLLOWING TAXES ARE DELINQUENT	
<b>Detroit Income Tax</b> <b>Michigan Income Tax</b> <b>General Property Tax</b>	<b>Personal Property Tax</b> <b>Michigan Single Business Tax</b> <b>Industrial Facilities Tax (IFT)</b>
<b>Commercial Facilities Tax (CFT)</b> <b>Enterprise Zone Tax</b> <b>Neighborhood Enterprise Zone Tax</b>	<b>Detroit Utility Users Tax</b> <b>Technology Park Development Tax</b> <b>Commercial Forest Tax</b>

CORPORATION LOCATED AND DOING BUSINESS IN A DETROIT RENAISSANCE ZONE TO CLAIM A RENAISSANCE ZONE DEDUCTION A CORPORATION MUST HAVE REAL AND/OR PERSONAL PROPERTY LOCATED IN A DETROIT RENAISSANCE ZONE AND BE CONDUCTING BUSINESS ACTIVITY IN THE ZONE

RENAISSANCE ZONE APPORTIONMENT PERCENTAGE	IN DETROIT (COLUMN 1)	IN RENAISSANCE ZONE (COLUMN 2)	PERCENTAGE (COLUMN 2 DIVIDED BY COLUMN 1) (COLUMN 3)
4a. Average net book value of real and tangible personal property (If qualified for less than a full tax year, use monthly average)    4a.	.00	.00	
4b. Gross rents paid on real property multiplied by 8    4b.	.00	.00	
4c. Total property (Add Lines 4a and 4b of Columns 1 and 2)    4c.	.00	.00	%
5. Total wages, salaries and other compensation    5.	.00	.00	%
6. Total percentages (Add Column 3 Lines 4c and 5)			6. %
7. Renaissance Zone deduction percentage (Divide Line 6 by 2)			7. %
8. Net income from D-1120, Line 9			8. 00
9. Renaissance Zone deduction (line 8 multiplied by Line 7) Enter here and on D-1120, Line 10			9. 00

# **INSTRUCTIONS FOR SCHEDULE RZ OF D-1120**

## **CORPORATION RENAISSANCE ZONE DEDUCTION**

### **GENERAL INFORMATION**

Certain geographic areas within Detroit were designated as Renaissance Zones. This designation grants tax relief to qualified corporations 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.

### **WHO MAY CLAIM THE RENAISSANCE ZONE DEDUCTION**

A corporation 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.

### **HOW TO CLAIM THE RENAISSANCE ZONE DEDUCTION**

To claim a Detroit Renaissance Zone deduction, a taxpayer must file a Detroit Income Tax Return and attach a completed Schedule RZ of D-1120.

### **RENAISSANCE ZONE DEDUCTION DISQUALIFIERS**

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

1. 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 users tax or general property taxes.
2. 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.
3. 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.
4. 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 corporation becomes a qualified taxpayer on the first day after December 31, 1996, that the corporation 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, December 31, 2011.

### **DEDUCTIBLE INCOME**

A corporation may deduct that portion of its net income from business activity within a Detroit Renaissance Zone. Business activity carried on within a Detroit Renaissance Zone is determined via a two factor Renaissance Zone Apportionment formula, property and payroll within a Renaissance Zone to that in Detroit. 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**

Before filling in Schedule RZ, complete form D-1120 through line 9.

- LINE 1. Enter corporation's name as shown on the Detroit income tax return, Form D-1065.
- LINE 2. Enter the corporation's Federal Employer Identification Number.
- LINE 3. Enter the beginning date and ending date the corporation was qualified to claim the Detroit Renaissance Zone Deduction for the tax year.

### **RENAISSANCE ZONE APPORTIONMENT PERCENTAGE — BUSINESS INCOME**

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

LINE 4a. In column 1 enter the average net book value of all real and tangible personal property owned and located in Detroit. In Column II enter the average net book value of the real and tangible personal property owned and located in a Detroit Renaissance Zone. 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, or if the business was located in the Renaissance Zone for less than a year, a monthly average basis.

LINE 4b. Enter in column 1 the gross annual rent multiplied by 8 for all rented real property located in Detroit. In column II show the gross annual rent multiplied by 8 for rented real property located in a Detroit Renaissance Zone.

LINE 4c. Enter in column I compensation paid to employees for work or services performed within Detroit. In column II enter compensation paid to employees for work or services performed within a Detroit Renaissance Zone. In column 3 enter the percentage, column 2 divide by column 1.

LINE 8. Enter the net income from D-1120, Line 13.

LINE 9. Renaissance Zone deduction, multiply line 8 by percentage on line 7. Also enter the amount on D-1120, line 10 and attach Schedule RZ to D-1120

### **ASSISTANCE**

If you have questions not answered in these instructions or if you need assistance in preparing your return call (313) 224-3315. Questions by mail should be directed to: City of Detroit Income Tax Division, 2 Woodward Ave., Suite 130, Coleman A. Young Municipal Center, Detroit, Michigan 48226

### **NOTICE**

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