

**PARTNERSHIP  
SCHEDULE RZ OF DETROIT-1065  
CITY OF DETROIT INCOME TAX**

**TAX YEAR  
20 \_\_\_\_\_**



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

**INSTRUCTIONS ON OTHER SIDE**

1. Partnership name as shown on D-1065	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 PARTNERSHIP 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>

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

RENAISSANCE 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.			
4b. Gross rents paid on real property multiplied by 8 4b.			
4c. Total property (Add Lines 4a and 4b of Columns 1 and 2)			%
5. Total wages, salaries and other compensation			%
6. Total percentages (Add Column 3 Lines 4c and 5)			6. %
7. Renaissance zone deduction percentage (Divide Line 6 by 2)			7. %

RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME						
	COLUMN 1 ALLOCATED INCOME FROM D-1065, SCHEDULE E COLUMN 5	COLUMN 2 NET OPERATING LOSS DEDUCTION CLAIMED ON PARTNERS DETROIT RETURN D-1040(R), D-1040(L) or D-1040(NR)	COLUMN 3 RETIREMENT PLAN DEDUCTION CLAIMED ON PARTNERS DETROIT RETURN, D-1040(R), D-1040(L), or D-1040(NR)	COLUMN 4 BASIS FOR COMPUTING RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME (Column 1 less Columns 2 and 3)		COLUMN 5 RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME (Column 4 times Line 7)
8 (a)					8 (a)	
8 (b)					8 (b)	
8 (c)					8 (c)	
8 (d)					8 (d)	
8 (e)					8 (e)	
TOTALS					TOTALS	

RENAISSANCE ZONE DEDUCTION FOR NON-BUSINESS INCOME					
	COLUMN 1 IF PARTNER WAS A RESIDENT DOMICILED IN A RENAISSANCE ZONE ENTER BEGINNING AND ENDING DATES FOR TAX YEAR	COLUMN 2 INTEREST & DIVIDENDS (See Instructions)	COLUMN 3 SALE OR EXCHANGE OF PROPERTY (See Instructions)	COLUMN 4 RENTS & ROYALTIES (See Instructions)	COLUMN 5 INCOME FROM OTHER PARTNERSHIPS ETC. (See Instructions)
9 (a)					
9 (b)					
9 (c)					
9 (d)					
9 (e)					
TOTALS					

TOTAL RENAISSANCE ZONE DEDUCTION	
	(Add Line 8, Column 5 and Line 9, Columns 2-5 Enter here and on D-1065, Page 1, Col. 2)
10 (a)	
10 (b)	
10 (c)	
10 (d)	
10 (e)	
TOTALS	

# INSTRUCTIONS FOR SCHEDULE RZ OF D-1065 PARTNERSHIP RENAISSANCE ZONE DEDUCTION

## GENERAL INFORMATION

Certain geographic areas within Detroit were 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.

## WHO MAY CLAIM 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 partnership return. Otherwise, the deduction is passed through to the partners who claim the deduction by filing Schedule RZ with their individual returns.

## HOW TO CLAIM THE RENAISSANCE ZONE DEDUCTION

To claim the Detroit Renaissance Zone deduction, a partnership must file Schedule RZ with their Detroit income tax return.

## RENAISSANCE ZONE DEDUCTION DISQUALIFIERS

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

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 tax or general property taxes on real or personal property.
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 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, December 31, 2011.

## 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, business income and non-business income. Business income from activity carried on within a Detroit Renaissance Zone is determined via a two factor Renaissance Zone Apportionment formula. Non-business income is allocated based upon situs of the income and domicile of the partners. 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

Fill out form D-1065 through Schedule E, before doing Schedule RZ.

- LINE 1. Enter partnership's name as shown on the Detroit income tax return, Form D-1065.
- LINE 2. Enter the partnership's Federal Employer Identification Number.
- LINE 3. Enter the beginning date and ending date the partnership 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 partnerships

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. If the business was located in the Renaissance Zone for less than a year, a monthly average basis is to be used.

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 8a - 8e.

COLUMN 1. Enter the allocated income from the Partnership return, Form D-1065, Schedule E, Column 5.

COLUMN 2. Enter the net operating loss deduction from the partnership claimed on each partner's individual Detroit income tax return.

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 9a - 9e.

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.

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.

COLUMN 3. 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 a Detroit Renaissance Zone.

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.

COLUMN 5. For each partner enter their share of the Detroit Renaissance Zone deduction.

## 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: Detroit Income Tax Division, 512 City-County Bldg., 2 Woodward Ave., 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.