City of Detroit
FINANCE DEPARTMENT
INCOME TAX DIVISION
Coleman A. Young Municipal Center
2 Woodward Ave., Suite 512
Detroit, Michigan 48226-3456

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CITY OF DETROIT INCOME TAX
2007

Instructions for Form D-1040 (R) — Individual Return for RESIDENTS of the City of Detroit

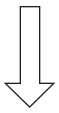
(SEE BACK OF COVER)

All forms and instructions available on website **www.ci.detroit.mi.us**

INSTRUCTIONS FOR COMPLETING INCOME TAX RETURN

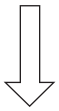
PLEASE PRINT IN BLACK INK & USE CAPITAL LETTERS

- **PLEASE PRINT ALL INFORMATION ON YOUR TAX RETURN INSIDE THE BOXES IN BLACK INK.**
- **PRINT ONE NUMBER OR LETTER IN EACH BOX WHEN ENTERING YOUR SOCIAL SECURITY NUMBER(S), NAME(S), ADDRESS, DOLLAR AMOUNTS OR OTHER INFORMATION. EXAMPLE:**



A	B	C	D	E	F	G	H	I	J	K	L	M
N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	2	3	4	5	6	7	8	9	0			

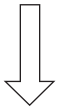
- **LEAVE A BLANK BOX BETWEEN WORDS. EXAMPLE:**



L	A	R	K	I	N	SPACE	S	T	E	V	E	SPACE	R	

(IF YOUR NAME, ADDRESS OR CITY BEGINS WITH MC, VAN, O', ETC., DO NOT ENTER A SPACE OR PUNCTUATION MARK)

- **THERE ARE TWO AREAS TO ENTER YOUR ADDRESS. USE THE POSTAL FORMAT OR APARTMENT NUMBER, SUITE, ROOM NUMBER, RURAL ROUTE, BOX NUMBER, FLOOR, ETC. FIRST, THEN YOUR ADDRESS. IF YOU ONLY HAVE A STREET ADDRESS, YOU MAY ENTER IT IN EITHER AREA. EXAMPLE:**



P	O		B	O	X		1	2	6	7													
1	5	6	8		V	A	L	L	E	Y		V	I	E	W		R	O	A	D			
H	A	R	R	I	S	B	U	R	G		P	A		1	7	1	2	9					

(REMEMBER: USE A BLANK BOX TO SEPARATE WORDS)

D-1040 (R) City of Detroit Income Tax Individual Return — Resident 2007

or Fiscal Year Beginning M M D D 2007, Ending M M D D Y Y Y Y

Office Use Only

$

Social Security Number

Spouse's Social Security Number

Check here if this return is for a deceased taxpayer Y

First Name MI Last Name

Spouse's First Name MI Spouse's Last Name

Home Address (Number and Street or Rural Route)

City or Town State Zip Code

A. FILING STATUS

1 Single or Married Filing Separately

2 Married Filing Jointly

B. Check if you can be claimed as a dependent on another person's tax return.

EXEMPTIONS:

	REGULAR	65 or OVER	BLIND	DEAF	DISABLED
C. YOURSELF					
D. SPOUSE					

E. Number of Dependent Children
List all dependents on page 2, part 4.

F. Number of Other Dependents
List all dependents on page 2, part 4.

G. **TOTAL** Number of Exemptions
Add lines C, D, E and F.

H. Amended return? See instructions Y I. Is this amended return as a result of a federal audit? Y J. If Yes, enter the federal determination date M M D D Y Y Y Y

INCOME AND ADJUSTMENTS

Dollars Cents

Attach Copy of Form W-2 Here

			Dollars	Cents
1.	Total Income from W-2 (work location: _____)	1		0 0
2.	Other Income (or losses) (from page 2, part 1)	2		0 0
3.	Subtotal (add lines 1 and 2)	3		0 0
4.	Deductions from Income (from page 2, part 2)	4		0 0
5.	Subtotal (line 3 less line 4)	5		0 0
6.	Exemption amount (multiply the total number of exemptions from line G by $600.00)	6		0 0
7.	Net Income (line 5 less line 6)	7		0 0
8.	Renaissance Zone Deduction (attach Renaissance Zone Deduction Schedule)	8		0 0
9.	Total Income Subject to Tax (line 7 less line 8)	9		0 0
10.	Tax (multiply line 9 by .025 (2.50%))	10		0 0
11.	Credit for tax paid to other cities (attach copy of other city returns)	11		0 0
12.	Total Tax (line 10 less line 11)	12		0 0

PAYMENTS AND CREDITS

Attach Check or Money Order Here

			Dollars	Cents
13.	Tax withheld	13		0 0
14.	2007 estimated payments, credits and other payments (see instructions)	14		0 0
15.	Detroit tax paid for you by a partnership (from page 2, part 3)	15		0 0
16.	Total payments and credits (add lines 13 through 15)	16		0 0

REFUND OR TAX DUE

			Dollars	Cents
17.	If line 16 is larger than line 12 enter amount of Overpayment	17		0 0
18.	Amount to be Refunded (if amended — see instructions)	18		0 0
19.	Amount to be Credited on 2008 Estimated Tax (if amended — see instructions)	19		0 0
20.	If line 12 is larger than line 16 enter amount of Tax Due (make check payable to: Treasurer, City of Detroit)	20		0 0

PART 1

Other Income (or losses)

1. Interest and dividend income from federal 1040 or 1040A ..... 1. _____
2. Distributions from tax-option corporations (Losses not deductible) ..... 2. _____
3. Net Income (or loss) from estates and trusts (attach federal Schedule K-1, etc.) ..... 3. _____
4. Gain (or loss) on sale or exchange of property (attach federal Schedule) ..... 4. _____
5. Net Income (or loss) from partnership (attach federal Schedule K-1, etc.) ..... 5. _____
6. Net Income (or loss) from business or profession (attach federal Schedule C) ..... 6. _____
7. Net Income (loss) from Rent or Royalties (attach federal Schedule E) ..... 7. _____
8. Miscellaneous ..... 8. _____
9. Total Other income (or losses) here and on page 1, line 2 ..... 9. _____

PART 2

Deductions from Income:

1. Employee Business Expenses from federal form 2106 (see instructions for allowable deductions and attach federal form) ..... 1. _____
2. Moving expense from federal form 3903 (attach federal form) ..... 2. _____
3. Individual Retirement Account (IRA) and/or Keogh retirement plan and self-employed SEP deductions (attach federal form 1040, page 1) ..... 3. _____
4. Interest on obligations of the United States or subordinate units included on part 1, line 1 ..... 4. _____
5. Alimony (furnish recipient's name, address and Social Security Number) (attach federal form page 1) ..... 5. _____

   Name | Address | Social Security Number
6. Penalty for early withdrawal of savings ..... 6. _____
7. Net operating loss carryover ..... 7. _____
8. Other ..... 8. _____
9. Enter total deductions from income here and on page 1, line 4 ..... 9. _____

PART 3

Detroit tax paid for you by a partnership

	Name of Partnership	Federal Identification Number	Amount
1.			
2.			

Total (enter on page 1, line 15) ..... _____

PART 4

Enter the first names & Social Security Numbers of the dependent children

_____

_____

Enter the names & Social Security Numbers of other dependents

_____

_____

Signature: (if Joint return, BOTH HUSBAND AND WIFE MUST SIGN)

Under penalty of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Taxpayer's Signature	Date	Occupation	( ) Home Phone	( ) Work Phone
Spouse's Signature	Date	Occupation	( ) Home Phone	( ) Work Phone
Signature of preparer other than taxpayer		Date	Address	I.D. number

MAILING INSTRUCTIONS: Due Date: This return is due April 30, 2008 or at the end of the fourth month after the close of your tax year.

Returns With Payments: TREASURER, CITY OF DETROIT
P.O. BOX 673545, Detroit, Michigan 48267-3545

Refund and all others: DETROIT CITY INCOME TAX
P.O. BOX 553163, Detroit, Michigan 48255-3163

CITY OF DETROIT INCOME TAX

2007 RESIDENT INSTRUCTIONS FOR FORM D-1040 (R)

WHO MUST FILE A RETURN

For each taxable year, a return must be filed by each resident with a specified minimum amount of gross income subject to Detroit tax. The income levels at which residents must file are:

Single Individual	$600
Married Couple — Joint Return	$1200

WHO MUST USE THIS FORM

Individuals who were residents of Detroit for the entire year must use this form. Individuals who were Detroit residents for part of the year must file the part year resident Form D-1040-L. Part-year resident forms and instructions are available from the Detroit Income Tax Division.

MARRIED PERSONS — JOINT OR SEPARATE

A husband and wife may file either a joint return or separate returns. The total Detroit income of both spouses must be included on a joint return, and each spouse must sign the return.

DECEASED TAXPAYER

A final return must be filed for any person who died during the year and who is required to file as discussed under "WHO MUST FILE A RETURN." The executor, administrator or surviving spouse must file the final return and any other return(s) required for the decedent.

A joint return may be filed by the surviving spouse and the executor or administrator. The return must be signed by the surviving spouse and the executor or administrator.

If an executor or administrator has not been appointed, the surviving spouse may file a joint return. The spouse must sign the return and add the notation "Surviving Spouse." If a refund is due and the claimant is not a surviving spouse, Federal Form 1310 and a copy of the death certificate must be filed with the return.

INTERNET

Additional information, return instructions and forms are available at the website for the CITY OF DETROIT at www.ci.detroit.mi.us.

ESTATES AND TRUSTS

Each trust or estate with gross income of $600 or more subject to Detroit tax must file. An estate or trust must file D-1041 which is available from the Detroit Income Tax Division.

EXTENSIONS

A written request for extension of time for filing an annual return on Form D-1040-EXT must be made to the Detroit Income Tax Director by the original due date (for 2007 tax year, April 30, 2008). This extension, if approved, will be granted for a period not to exceed six months.

AMENDED RETURNS

INTERNAL REVENUE SERVICE AUDIT ADJUSTMENTS AND OTHER CHANGES

Check the box on Line H of Page 1 if you are filing an amended return. If the amended return is a result of a Federal audit, complete Lines I and J on Page 1.

An amended Detroit return is required for any year that a determination is made by Internal Revenue Service that affects your Detroit tax liability. This return is due within 90 days from the date of the service's final determination. If you file an amended Federal tax return that affects your Detroit tax liability, you must file an amended city return.

An amended return is also used to correct errors on previous Detroit returns.

List the explanation for the amendment on a schedule attached to the return.

For 1997 and subsequent years, the statute of limitations is four years. Beginning in 1997, the D-1040 form can be used as an amended return if the appropriate box is marked.

Include on Page 1, Line 14, payments made with the original return. If Line 17 of Page 1 computes to be an overpayment, it should be adjusted to reflect original refunds and credits as set forth below.

AMENDED RETURN WORKSHEET

A.) Overpayment from D-1040(R) Page 1, Line 17_____.

B.) Less: Refund on original return _____.

C.) Less: Amount credited to Estimated Tax _____.

D.) Subtract B and C from A. If greater than zero enter amount to be refunded here and on Line 18 _____.

E.) Subtract B and C from A. If less than zero, enter tax due here and on Line 20. Pay with return if $1.00 or more _____.

INTEREST ON REFUNDS

The City of Detroit pays interest on overpayments as shown on completed tax returns, if the overpayments are not refunded within 45 days of April 30, or the filing date of the return, whichever is later.

PLEASE NOTE: For interest purposes, a return will not be considered complete if:

A.) The W-2 is improper or is not attached.

B.) The return does not contain the required signatures.

C.) The required schedules are not attached.

D.) Other required information is missing from the return.

RENAISSANCE ZONE

Areas in Detroit have been designated Renaissance Zones by the State of Michigan. Most income of qualified residents and businesses in those areas is not taxable. Contact the Renaissance Zone Manager at 313/224-2125 to determine if you are in a Renaissance Zone or if you qualify for tax exemption.

ROUNDING DOLLAR AMOUNTS

Only whole dollar amounts are shown on the return. Do not enter cents. Round DOWN all dollar amounts less than 50 cents. Round UP all amounts of 50 through 99 cents.

LINE-BY-LINE INSTRUCTIONS

INSTRUCTIONS FOR PAGE 1

Enter your name (husband and wife if a joint return), address, and social security number (husband first, wife second). Check box if return is for a deceased taxpayer.

EXEMPTIONS

Place an X in the box marked regular for yourself and spouse if filing a joint return. If separate returns are filed, neither spouse can claim the other as a dependent.

Additional exemptions are allowed taxpayers or spouses who are any of the following:

1. 65 years of age or older.
2. Blind as defined in Section 504 of the Income Tax Act of 1967, Act No. 281 of the Public Acts of 1967, being Section 206.504 of the Michigan Complied Laws.
3. Deaf as defined in Section 2 of the Deaf Persons Interpreters Act No. 204 of the Public Act of 1982, being Section 393.502 of the Michigan Complied Laws.
4. Paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled person as defined in Section 216 of Title 11 of the Social Security Act, 42 U.S.C. 416.

Individuals who can be claimed as a dependent by someone else cannot claim an exemption for themselves. If taxable income is less than six hundred dollars ($600), no tax is due and the tax withheld will be refunded. If income exceeds that amount, the tax shall be computed on the full amount. Place an X in the box if someone else can claim you as a dependent.

If you do not meet the requirements for filing a return, but Detroit tax was withheld or estimated tax paid, a return must be filed to obtain a refund.

BOX E — Enter total number of dependent children. List first names and their Social Security Numbers on Page 2, Part 4.

BOX F — Enter number of other dependents. One Page 2, Part 4, list names, relationship, and social security numbers for other dependents.

BOX G — Enter total exemptions claimed.

MARRIED FILING SEPARATE

Married taxpayers filing separate are not to list spouse's name or social security number on return.

INCOME

THE FOLLOWING INCOME IS TAXABLE:

1. Compensation.
2. Net profits of an unincorporated business, profession, enterprise, undertaking or other activity.
3. Dividends, interest, capital gains less capital losses, income from estates and trusts and net profits from rental of real and tangible personal property.

THE FOLLOWING INCOME IS NOT TAXABLE:

1. Gift, inheritances and bequests.
2. Pensions and annuities, including disability pensions. (Pre-Retirement Distributions are taxable.)
3. Proceeds from insurance (except that payments from a health and accident policy paid for by your employer are taxable to the same extent as provided by the Internal Revenue Code).
4. Unemployment compensation, supplemental unemployment benefits (sub-pay), welfare relief payments.
5. Workman's compensation or similar payments for death, injury or illness arising out of and in the course of an employee's job.
6. Interest on obligations of the United States, the states or subordinate units of government of the states.
7. Military pay for members of the Armed Forces of the United States and the National Guard.
8. Social Security income or benefits.

RETURN PREPARATION

LINE 1 — Enter total income from all W-2s and work locations (i.e., city and state)

LINE 2 — See instructions for Page 2, Part 1.

LINE 3 — Add Lines 1 and 2; enter total.

LINE 4 — See instructions for Page 2, Part 2.

LINE 5 — Subtract Line 4 from Line 3; enter total.

LINE 6 — Enter the number of exemptions claimed in box G and multiply by $600; enter total.

LINE 7 — Subtract Line 6 from Line 5; enter total.

LINE 8 — Enter Renaissance Zone Deduction. If applicable, attach Renaissance Zone schedule.

LINE 9 — Subtract Line 8 from 7; enter total.

LINE 10 — City of Detroit Tax multiply Line 9 by .025 (2.5%); enter result.

LINE 11 — Credit for income tax paid to a city other than Detroit. This credit may not exceed the tax that a non-resident of Detroit would have paid on the same income earned in Detroit. Attach copy of other city return for credit claimed.

LINE 12 — Subtract Line 11 from Line 10; enter total.

PAYMENTS & CREDITS

CLAIM THE FOLLOWING AS A CREDIT AGAINST YOUR TAX:

LINE 13 — Enter the amount of Detroit income tax withheld. Credit will not be allowed unless Form W-2 (Wage and Tax Statement) is submitted with your return.

LINE 14 — Enter total payments made on a 2007 Detroit Declaration of Estimated (Form D-1040ES). Include overpayment carried forward from the prior year and payments made with extensions for 2007.

LINE 15 — Detroit tax paid for you by a partnership on Form D-1065. Furnish partnership name and Federal Identification number on Page 2, Part 3.

LINE 16 — Add lines 13, 14, and 15; enter total.

OVERPAYMENT OR TAX DUE

LINE 17 — If Line 16 is larger than Line 12, enter amount of overpayment.

LINE 18 — Enter amount of overpayment to be refunded to you. The city cannot refund an amount of less than one dollar ($1.00).

LINE 19 — Determine amount of overpayment you want credited to your 2008 estimated tax; enter amount.

LINE 20 — If Line 12 is larger than Line 16, enter amount of TAX DUE DETROIT — Pay in full if One Dollar ($1.00) or more. Make check or money order payable to **TREASURER — CITY OF DETROIT**

DO NOT MAIL CASH. PAY CASH IN PERSON.

If you are required to pay more than $100 with your return, you may be required to file a Declaration of Estimated Tax (Form D-1040ES) for 2008. The Declaration for 2008 is due on or before April 30, 2008. Estimated tax forms and instructions may be obtained from the Detroit Income Tax Division.

INSTRUCTIONS FOR PAGE 2, PART 1

OTHER INCOME (OR LOSSES)

LINE 1 — Enter interest and/or dividends from Federal tax return.

LINE 2 — Report distributions from a tax-option corporation. A tax-option corporation is a corporation that elects to file under Sub-Chapter S of the Internal Revenue Code.YOU MAY NOT DEDUCT ANY LOSS FROM A SUB-CHAPTER S CORPORATION or other tax-option corporation.

LINE 3 — Income from an estate or trust is taxable to a Detroit resident, regardless of the location of the estate or trust, or location of property it may own.

LINE 4 — SALES AND EXCHANGES OF PROPERTY (CAPITAL GAINS AND LOSSES)

Enter net income (or loss) from sales and exchanges of property per your Federal tax return.

Enter portion of gain (or loss) on Line 4 which occurred after June 30, 1962 (attach detail).

Gain or loss on property purchased prior to July 1, 1962 must be determined by one of the following methods:

1. The basis may be the adjusted fair market value of the property on July 1, 1962 (July 2nd closing price for traded securities), or
2. Divide the number of months the property has been held since June 30, 1962 by the total number of months the property was held, and apply this fraction to the total gain or loss as reported on your Federal income tax return.

LINE 5 — Report your share of partnership income (or loss) as shown on Federal Schedule K-1, etc. (attach).

LINE 6 — PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION.

Enter net profit (or loss) per Federal Schedule C. Detroit residents are taxed on the net profits from a business or profession, regardless of the location of the business or profession.

PLEASE NOTE: The Self Employment Tax and the self Employed Health Insurance deductions allowed on the Federal tax return are not allowed as deductions on the Detroit tax return.

LINE 7 — RENTS AND ROYALTIES — Enter net income (or loss) from rents and royalties as reported on your Federal tax return; attach a copy of your Federal schedule.

PLEASE NOTE: The Passive Loss Limitations as set forth in the Internal Revenue Code apply when taking the rental loss deduction on the Detroit Income Tax Return, maximum $25,000.

LINE 8 — MISCELLANEOUS — Report Michigan Lottery winnings, distributions from employees savings or retirement stock purchase and profit sharing plans which are classified as wages not subject to withholding, and distributions which are received from qualified trusts upon termination of employment that are taxable under the Internal Revenue Code.

LINE 9 — Enter total of Part 1 — add Lines 1 through 8. Enter here and on Page 1, Line 2.

INSTRUCTIONS FOR PAGE 2, PART 2

DEDUCTIONS FROM INCOME

The deductions which are allowed on the Detroit return are listed in this section. Each adjustment may be limited to the amount reported on your Federal tax return.

LINE 1 — Enter employee business expenses from Federal Form 2106.

Business expenses are allowable to the extent they are not paid by your employer. These expenses are limited to the following:

a. Expenses of travel, meals and lodging while away from home overnight.

b. Expenses incurred as an outside salesman who works away from his employer's place of business. This does not include the expenses of a driver-salesman whose primary duty is service and delivery.

c. Expenses of transportation other than transportation to and from work.

d. Expenses reimbursed under an expense account or other arrangement with your employer, if the reimbursement has been included in gross earnings.

Miscellaneous business expenses such as professional dues, supplies, education and others not covered by (a) through (d) above are not deductible for Detroit Tax purposes. These expenses would be shown on Federal Schedule A (itemized Deductions). Federal Form 2106 should be attached for allowable business expenses.

LINE 2 — Enter moving expenses from Federal Form 3903 (attach form). Only the expenses of a move to Detroit which result in Detroit income are deductible for Detroit tax purposes. The expenses of a move out of Detroit are not deductible on this return.

LINE 3 — Enter Individual Retirement Account (IRA) and/or Self-Employment Retirement Deduction; i.e., Keogh, SEP. Attach a copy of Page 1 of your Federal income

tax return and Federal worksheet if applicable. The maximum deduction is limited to the amount allowable on your Federal tax return.

LINE 4 — Enter interest on obligations of the United States or subordinate units, if included in interest income reported on Part 1, Line 1.

LINE 5 — Enter amount of alimony paid, recipient's name, address and social security number. The amount paid as alimony under court order is deductible. Do not include amounts paid for child support, property settlement, etc.

LINE 6 — Enter penalty charged by a financial institution due to premature withdrawal from certificates of deposit and other savings.

LINE 7 — Enter net operating loss carry-over. Operating losses are carried forward; no carryback is allowed.

LINE 8 — Enter other deductions.

LINE 9 — Enter total adjustments — add Lines 1 thru 8 and enter here and on Page 1, Line 4.

SIGN and date your tax return. If joint return, BOTH HUSBAND AND WIFE MUST SIGN. PAID PREPARER must sign return, furnish date, address and Federal identification number.

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). The City of Detroit uses Social Security account numbers in the administration of its 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's 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.

NEED help? Call 313-224-3315

This booklet is only a guide to help you complete your return. If you have specific problems, call the number listed above between 8 a.m. and 4 p.m. (Mon.-Fri.) for answers to your questions.

QUESTIONS BY MAIL SHOULD BE DIRECTED TO:

DIRECTOR, DETROIT INCOME TAX DIVISION
2 WOODWARD AVENUE, ROOM 512
DETROIT, MICHIGAN 48226

NEED MORE FORMS?

Call 313-224-3322 or 313-224-3323

BEFORE YOU MAIL YOUR RETURN, DID YOU ...

- **Make sure it is complete?**
- **Make sure your social security number is correct and legible?**
- **Sign your return (both spouses, for joint returns)?**
- **Staple your W-2 to the center of your return?**
- **Attach all the required schedules?**
- **Include your payment?**
- **Check the mailing address?**
- **Keep a copy of your return?**

ARE YOU DUE A REFUND?

MAIL YOUR RETURN TO:

DETROIT CITY INCOME TAX
P.O. BOX 553163
DETROIT, MICHIGAN 48255-3163

DO YOU OWE TAX?

MAIL YOUR RETURN TO:

TREASURER, CITY OF DETROIT
P.O. BOX 673545
DETROIT, MICHIGAN 48267-3545

BE SURE TO WRITE YOUR SOCIAL SECURITY NUMBER AND THE WORDS "2007 INCOME TAX" ON YOUR CHECK.

The Detroit income tax is imposed under Ordinance 900F. Enabling legislation was provided by the State of Michigan. The Uniform City Income Tax Ordinance is set forth in Chapter 2 of Act 284 of the Public Acts of 1964.

These instructions are intended as an aid in the preparation of your Detroit return.

THANK YOU.