



Incomplete information will delay processing of your registration. Type or print legibly and complete all applicable items. Please read both instructions and registration carefully.

☐ (1) Individual
 ☐ (4) Domestic Corporation
 ☐ (6) Trust or Estate (Fiduciary)

☐ (2) Husband - Wife
 ☐ (1) Subchapter S
 ☐ (7) Joint Stock Club or Investment Co.

☐ (3) Partnership
 ☐ (2) Professional
 ☐ (8) Social Club or Fraternal Org.

☐ (3) Registered Partnership, Date: _____
 ☐ (5) Foreign Corporation
 ☐ (9) Other (Explain)

☐ (3) Limited Partnership
 ☐ (1) Subchapter S

☐ 1120 ☐ 1120S ☐ 990C ☐ 990T ☐ Other _____Federal
I.D. No.

Mo.	Day	Year
-----	-----	------

Mo.	Day	Year
-----	-----	------

3. WAS THIS BUSINESS PREVIOUSLY OPERATED BY ANOTHER EMPLOYER? ☐ YES ☐ NO

4. IF ANSWER TO ITEM 3 IS "YES," GIVE EMPLOYER'S NAME AND IDENTIFICATION NO. IF KNOWN.

5. LISTNAME(S) OF OWNER, ALL PARTNERS OR CORPORATE OFFICERS. (Attach an additional list if necessary.)

Title

Residence Address (Number and Street)

City, State, ZIP

Home Telephone No. _____

Social Security Number

Driver's License No./Mich. Personal Identification No.

Date of Birth

Title

Residence Address (Number and Street)

City, State, ZIP

Home Telephone No. _____

Social Security Number

Driver's License No./Mich. Personal Identification No.

Date of Birth

Title

Residence Address (Number and Street)

City, State, ZIP

Home Telephone No.

Social Security Number

Driver's License No./Mich. Personal Identification No.

Date of Birth

6. BUSINESS, TRADE, ASSUMED NAME OR DBA(if used)

7. LEGAL ADDRESS OF BUSINESS (Where all legal contact by INCOME TAX DIVISION should be made.)

Number and Street

Business Telephone No.

City, State, ZIP

County

8. MAILING ADDRESS (Where INCOME TAXDIVISION will send all tax forms, if different from 7.)

Number and Street, P.O. Box, City, State, ZIP

9. ACTUAL ALLOCATION OF BUSINESS (if different from 7.)

Number and Street, City, State, ZIP



Signature of Responsible Person

Title

Date _____

INSTRUCTIONS

Each employer withholding City of Detroit Income Tax from employees' wages shall register with the Finance Department, Income Tax Division. The Federal Employer Identification Number assigned by the Internal Revenue Service will be used for the City of Detroit Income Tax Division records. If an employer does not have a federal identification number, application should be made to the Internal Revenue Service on Federal Form SS-4.

When the Federal Employer Identification Number is not required, an identification number will be assigned by the City of Detroit, Income Tax Division. If an employer is assigned a federal number at a later date, he must notify the City Income Tax Division, and he must use the federal number on all future correspondence with the City.

Read City of Detroit, Income Tax, Employer Withholding Instructions.

Mailing address:

City of Detroit
Income Tax Division
512 City-County Building
Detroit, Michigan 48226



EMPLOYER WITHHOLDING INSTRUCTIONS

CITY OF DETROIT INCOME TAX

[REVISED EFFECTIVE JANUARY 1, 1998]

NEW REVISIONS

- 1.) Effective January 1, 1998, the dollar amount allowed for exemptions is increased to \$750.00.
- 2.) The Act provides for new additional penalties for negligence, intentional disregard of the ordinance and fraudulent intent to evade the tax. [Act 478, Effective January 1, 1997]
- 3.) Six areas of the City of Detroit have been designated as Renaissance Zones and afforded relief from certain taxes. (See RENAISSANCE ZONE provisions below.)

WHO HAS TO WITHHOLD

Every employer is required to withhold that has a location in the City, or is doing business in the City even if it has no location in the City. An "employer" is any individual, partnership, association, corporation, non-profit organization, governmental body or unit or agency or any other entity that employs one or more persons on a salary, bonus, wage, commission or other basis whether or not the employer is in a business.

Example: A construction firm from Ohio is doing work in Detroit. Even though it has no Detroit business location, the firm is required to withhold.

An employer who has locations both in and out of the City must withhold from all employees working in the City, and from all Detroit resident employees working in or out of the City. A non-profit organization in the City is required to withhold from its employees (although it is not engaging in business activity in the usual sense).

REGISTRATION

Every employer withholding Detroit City Income Tax must register with the City. The City will provide "Employer's Withholding Registration" forms. Complete the form by entering all the required information and mail to the Detroit Income Tax Division. Once registered, preprinted deposit forms will be mailed to the employer. The preprinted forms should be used whenever possible. The City of Detroit uses your Federal Employer Identification Number as your account number. If you have not yet received a Federal Identification Number, the City will provide a temporary number to be used until the Federal number is obtained. IN NO CASE SHOULD AN

EMPLOYER USE A NUMBER ASSIGNED TO A PRIOR OWNER.

To close out a withholding account, submit Form D-941 as a "Final Return." Check the box in the lower left corner of the form and answer the applicable questions on the reverse side. Within 30 days after filing a "Final Return," a DW-3 Annual Reconciliation must be submitted with W-2 forms or acceptable E.D.P. magnetic tape information. If a business is sold or transferred, each employer must file a separate return. Neither employer should report wages paid by the other employer. If a statutory merger or consolidation occurs, the continuing corporation will file in the same manner as it does for Federal withholding tax purposes.

COMPENSATION SUBJECT TO WITHHOLDING

The Ordinance requires that the City of Detroit income tax be withheld from all compensation (including salaries, wages, commissions, bonuses, etc.) for services rendered or work performed in the city by nonresidents for whom Detroit is the predominant place of employment. Vacation pay, holiday pay, sick pay and a bonus paid to nonresidents who perform part but not all of their work or services in Detroit is taxable in the same ratio as their work or services in Detroit.

Example: A nonresident employee who is subject to withholding on 60% of earnings, because 60% of the work is performed in Detroit, is also subject to withholding on 60% of vacation pay, holiday pay, bonus and salary or wages paid during periods of sickness.

PAYMENTS NOT SUBJECT TO WITHHOLDING

Withholding does not apply to:

- 1.) Wages paid domestic help,
- 2.) Fees paid professionals, brokers, and any other independent contractors, who are not employees of the payer.
- 3.) Payment to a nonresident employee for work or services performed in Detroit, if the predominant place of employment is not Detroit, (see below)
- 4.) Payment to a nonresident employee for work or services

rendered outside the city,

- 5.) Pensions and annuities, workers' compensation and similar benefits,
- 6.) Amounts paid to an employee as reimbursement for expenses incurred on the job in performing services.

While individuals with income as described in items 1, 2, and 3 above are not subject to withholding, the income is taxable and the individuals are required to file an annual return and report such income if they are Detroit residents, or are nonresidents earning such income in Detroit.

WHO TO WITHHOLD FROM

Employers are required to withhold from the following employees:

- 1.) All residents of the City of Detroit, whether or not they work in the city.
- 2.) All non-residents of the City of Detroit who have Detroit as their predominant place of employment.

An employee is anyone from whom an employer withholds either Federal income tax or social security tax.

RENAISSANCE ZONE EXCLUSION

The Michigan Renaissance Zone Act, Act 376 of 1996, provides tax relief from certain taxes to qualified residents of a Renaissance Zone. One part of the tax relief is exemption from Detroit Income Tax liability. Residents of a zone qualify by filing a Statement of Eligibility with the City. After review and approval, the City will issue a Certificate of Qualification. The qualified taxpayer is to present the certificate to their employer(s) to gain relief from withholding. Upon presentation of the Certificate of Qualification, the employers are requested to stop withholding City of Detroit income tax as instructed by the certificate. If you have any questions concerning the Certificate of Qualification or eligibility, contact the Detroit Income Tax Division at (313) 224-3315.

DW-4 FORMS REQUIRED

To determine each employee's place of residence and predominant place of employment you must have each employee fill out an Employee's Withholding Certificate, Form DW-4. Only one Form DW-4 is required for each employee, even though the employee may be subject to withholding for two cities.

FORM DW-4

Form DW-4 "Employee's Withholding Certificate" is used to provide information needed by the employer to correctly withhold Detroit Tax.

The place of residency for City withholding purposes is that which is named on Form DW-4, line 2, by the employee. Do NOT define residency status by means of Postal ZIP Code.

When properly filled out, the Form DW-4 will give the employee's city of residence and the two cities or communities in which he or she earned the greatest percentage of compensation. Most employees will only have one city of employment, of course, and will circle 100% as the percentage of

compensation earned in that city. (See NONRESIDENTS — PREDOMINANT PLACE OF EMPLOYMENT below).

The form DW-4 is also the employee's statement of the number of exemptions claimed for self, spouse, and dependents. An employee's City exemption count except that additional exemptions are not allowed for itemized deductions.

If an employee fails or refuses to file form DW-4 with the employer, the employer is required to withhold tax at the resident rate without benefit of exemptions.

The City at no charge furnishes form DW-4. Employers requiring quantities too large for mailing will be requested to pick them up at Room 512, City-County Building, Detroit.

DO NOT MAIL COMPLETED DW-4 forms to the City. They are for the employer's use only and must be retained.

INCOME TAX WITHHOLDING RATES

The Detroit Income Tax rate for residents of Detroit is 3%. The rate for nonresidents of Detroit is 1.5%.

DETERMINING THE AMOUNT TO WITHHOLD

The Detroit City Income Tax is a straight percentage of compensation after an adjustment for exemptions. Each exemption is valued at \$750.00 per year. For various pay periods, the exemption translates to the amounts in the table below:

TABLES OF VALUES FOR ONE EXEMPTION

Bimonthly	\$125.00
Monthly	62.50
Semimonthly	31.25
Biweekly	28.85
Weekly	14.42
Daily	2.05

The above amounts are used to adjust gross pay for payroll withholding. The adjustment is (number of exemptions on Form DW-4) times the exemption value. On a weekly payroll for a wage earner with 3 exemptions, the adjustment is 3 times \$14.42 = \$43.26.

Example: Gross pay is \$200.00 per week and the wage earner lives in Detroit. The amount taxed is \$200.00 minus \$43.26 = \$156.74. Apply the 3% resident rate (.03 times \$156.74 = \$4.70). Withhold \$4.70 from the employee.

The above method is applicable to all City of Detroit withholding for regular payrolls. For bonuses or other taxable earnings, paid in addition to the regular payroll, do not adjust for exemptions. Withhold the correct tax percentage from the entire additional amount.

PAYROLL PREPARATION BY COMPUTERS

Since programs to compute the tax will vary with the equipment used, it is impossible to give an actual program. The following is a description of the method.

- 1.) Multiply gross earnings by the percent earned in Detroit (100% for residents).
- 2.) Multiply number of exemptions by the appropriate

exemption value (per table of exemption values).

Weekly	\$14.42	Monthly	\$62.50
Biweekly	28.85	Bimonthly	125.00
Semimonthly	31.25	Daily	2.05

- 3.) Subtract the result of Step 2 from the result of Step 1.
- 4.) a.) Take 3% of the result of Step 3 for residents.
b.) Take 1-1/2% of the result of Step 3 for nonresidents.
This is the amount to be withheld.

NONRESIDENT — JOB PARTLY IN DETROIT

If a nonresident of Detroit works less than 100% of a job within the City of Detroit, the amount withheld should be based only on income that is earned in Detroit. If gross pay is \$200.00 and only 60% of the job is in Detroit, the gross pay for Detroit tax purposes is 60% of \$200.00, which is \$120.00. In this case compute the amount to be withheld for Detroit as if the worker had only earned \$120.00 gross pay.

Vacation pay, holiday pay, sick pay and bonus paid to nonresidents who perform part but not all of their work or services in Detroit is taxable in the same ratio as their normal work.

NONRESIDENTS — PREDOMINANT PLACE OF EMPLOYMENT

Nonresidents of Detroit are subject to Detroit withholding only if Detroit is their predominant place of employment. The Ordinance defines predominant place of employment as “that city imposing a tax under a uniform city income tax ordinance other than the city of residence, in which the employee estimates he will earn the greatest percentage of his compensation from the employer, which percentage is 25% or more. Therefore, Detroit is a nonresident’s predominant place of employment if:

- 1.) A greater percentage of compensation is earned in Detroit than any other Michigan city with an income tax, except the city of residence; and
- 2.) This greatest percentage constitutes 25% or more of total compensation paid.

An employee can have only one predominant place of employment. If a job is located in a city in Michigan other than Detroit, that levies income tax and a resident of Detroit works in that other city, the employer may withhold separately both Detroit and that city where the job is located. The rate to be withheld for the City of Detroit would be reduced by the amount withheld for the city where the job is located (the Detroit resident will still pay a total of 3%).

For telephone assistance with special problems, call (313) 224-3315.

PAYING THE TAX WITHHELD

Annually registered employer accounts will be mailed deposit forms preprinted with the name, address, and federal identification number of the account as it appears in our records. The preprinted forms should be used whenever possible. If the

preprinted data is incorrect line out the errors and enter the correct information. Always be sure the correct withholding period is entered on the deposit form.

FORM D-501 “EMPLOYER’S MONTHLY DEPOSIT”

A monthly deposit is required for each month in which the amount withheld exceeds \$100.00. Employers who remit monthly must use form D-501 “Employer’s Monthly Deposit” for the first and second month of each calendar quarter. Form D-501 is never used for the third month of any quarter. Use form D-941 quarterly return for the third deposit.

FORM D-941 “EMPLOYER’S QUARTERLY RETURN”

Each employer must file form D-941 for each calendar quarter. Form D-941 must be filed even if no tax was withheld or even if all tax withheld has been previously paid on forms D-501. Deposit any remaining balance due of Detroit tax withheld in the quarter with form D-941.

Send all deposits directly to:

Department #131901
Income Tax
Treasurer, City of Detroit
P.O. Box 67000
Detroit, Michigan 48226-1319

Checks should be made payable to:

Treasurer, City of Detroit

DUE DATES

Each withholding deposit is due on the last day of the month following the calendar period withheld.

Example:

D-501 Monthly Deposit for January is due February 28 (or 29)
D-501 Monthly Deposit for February is due March 31.
D-941 Quarterly Return for the 1st calendar quarter is due April 30.

ANNUAL REPORTS: W-2 AND DW-3

An annual report “Wage and Tax Statement” must be prepared for each employee from whom the tax has been withheld. The report must show the employee’s name, address, social security number, gross earnings and Detroit tax withheld. Reports must be submitted to the City and a copy furnished to each employee by the last day of February each year. Employers who wish to combine city, state and federal reporting into one operation should purchase commercially available eight part W-2 form sets. (Note: Six part sets will not provide enough copies.)

RECONCILIATION

Form DW-3 “Annual Reconciliation” must accompany the “City” copies of wage and tax statements. Form DW-3 is included in the Employer’s D941/501 Package. An employer who wishes to submit a listing or a magnetic tape in lieu of W-

2 forms must obtain prior permission from the Director of the City of Detroit Income Tax, 512 City-County Building, Detroit, MI 48226.

For telephone assistance with your registration and account record, call (313) 224-3332.

TO OBTAIN FORMS

Employer's forms for Detroit Income Tax may be obtained from:

Detroit City Income Tax
512 City-County Building
Detroit, Michigan 48226

TELEPHONE NUMBERS

Forms	(313) 224-3322
Account Records	(313) 224-3332
Other Assistance	(313) 224-3315

INTEREST AND PENALTY WILL BE CHARGED FOR LATE PAYMENTS

Payments must be reconciled with wage statements each calendar year. File form DW-3 "Annual Reconciliation" with any additional payments on or before the last day of February. Overpayments of tax withheld for the year may be refunded on Form DW-3 after the calendar year is closed.

Office hours are 8:00 A.M. to 4:00 P.M. Monday through Friday.

15-Dit-E.W.I. (Rev. 98)