

# **ANNOUNCEMENT OF APPLICATION ACCEPTANCE FOR**

## **LICENSED GENERAL CONTRACTOR FOR HOUSING REHABILITATION**

The City of Detroit Housing and Revitalization Department is currently accepting applications from licensed general contractors, interested in providing construction services for the City's home repair grant and loan programs. Approved Contractors will be placed on a list of qualified contractors. The contractors will bid for repairs on owner-occupied and tenant-occupied rental properties (1 to 4 units) for approved applicants.

*Applications are available between 8:30 am and 5:00 pm, Monday thru Friday at the following location:*

City of Detroit  
Housing And Revitalization Department  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 908  
Detroit, MI 48226

*Applicants must meet the following minimum requirements to apply:*

- 1) Possess a current State of Michigan Residential Builder License*
- 2) Possess a current State of Michigan Contractor Lead Abatement License.*
- 3) Meet the City of Detroit Contractor Insurance requirements.*
- 4) Have a minimum of 3 years verifiable experience in residential construction or repair.*

Questions regarding this announcement or procedures related to submitting an application can be addressed to the above address or contact Henry Bright, Supervising Housing Rehabilitation Specialist, at (313) 224-9176 or [hbright@detroitmi.gov](mailto:hbright@detroitmi.gov)

**CITY OF DETROIT**

**HOUSING AND REVITALIZATION DEPARTMENT**

**GENERAL CONSTRUCTION  
CONTRACTOR'S APPLICATION**

**HOUSING SERVICES DIVISION**

**2 WOODWARD SUITE 908**

**DETROIT, MICHIGAN 48226**

**(313) 224-9176**

**Attn: Henry Bright**

[HBright@detroitmi.com](mailto:HBright@detroitmi.com)

Current copies of all documents listed in this application must be submitted at time of application.

Incomplete applications shall not be accepted for review.

Each Corporate Officer, Partner, Member, and Individual Owner must submit "Clearance Request" documents.

Revised: 10/20/15

Housing Services Use Only Date Rec'd: Reviewed by: Approved: Denied:
--

Select all applicable Contractor Lists requesting to be placed on:

- A. Multi-Family/Single Family New Construction (May Require Bonding)
- B. Housing Services Residential Rehabilitation Programs (Lead Abatement Certification required)
- C. Specialty Trade Contractor

**CONTRACTOR'S APPLICATION FORM**

Date \_\_\_\_\_

1a. \_\_\_\_\_  
Name of Company/Firm Federal ID Number

b. \_\_\_\_\_  
Address of Company/Firm City State Zip

c. \_\_\_\_\_  
Telephone Fax

d. \_\_\_\_\_  
Name of Owner Social Security Number

e. \_\_\_\_\_  
Address of Owner City State Zip

f. (\_\_\_\_\_) \_\_\_\_\_  
Telephone Fax

g. \_\_\_\_\_  
Ethnicity of Company Owner Gender of Company Owner

j. \_\_\_\_\_  
Qualifying Officer/Member Work Phone & Cell Title

k. \_\_\_\_\_  
Qualifying Officer/Member Work Phone & Cell Title

l. \_\_\_\_\_  
Qualifying Officer/Member Work Phone & Cell Title

m. \_\_\_\_\_  
Qualifying Officer/Member Work Phone & Cell Title

n. \_\_\_\_\_  
 Supervisor Work Phone & Cell

o. \_\_\_\_\_  
 Supervisor Work Phone & Cell

p. \_\_\_\_\_  
 Lead Supervisor Work Phone & Cell State Cert. Number

2. Type of Business: (Please check all that apply & provide documentation) \*

- Residential Builder License: # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
- BS&E Registration # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
  
- Electrical Contractor License: # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
- BS&E Registration # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
  
- Plumbing Contractor License: # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
- BS&E Registration # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
  
- Mechanical Contractor License: # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
- BS&E Registration # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_
  
- Lead Abatement Contractor Certificate: # \_\_\_\_\_ Expiration Date \_\_ - \_\_ - \_\_\_\_

3. Business Classification (Please check only the one that applies)

- Sole Proprietorship
- Corporation
- Partnership
- LLC

4. Ownership Documentation (Provide copies of all ownership documentation)

- Assumed Name Certificate
- Articles of Incorporation
- Certificate of Co-Partnership
- LLC Filing Endorsement
- All other documentation reflecting ownership

\* All licenses and registrations submitted with this application must contain the contracting company's name with the licensee being a qualifying officer of the company.

5. Ownership: List below the names of the Company/Firm Proprietor, Partners, Officers, Members, Directors, as well as the names of any other persons or businesses having an ownership interest in the Company/Firm:

Name/Title	Address	Telephone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Financial

(a) Banks or financial institutions with which applicant deals regularly.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. Bonding (For Projects over \$100,000)

(a) During the past five (5) years, has a performance bonding company been required to complete any of your contracts? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, please explain the reason for this action:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. Does the State of Michigan, or any local agency in the State of Michigan, have a tax lien against your firm? \_\_\_\_\_ yes, \_\_\_\_\_ no. If Yes, attach a full written explanation.

9. Have you ever been convicted of a felony, \_\_\_\_\_ yes, \_\_\_\_\_ no. If yes, attach a full written explanation.

10. Has the applicant/licensee ever been organized or done business under another corporate or company name, in the capacity of residential builder or maintenance and alteration contractor? , \_\_\_\_\_ yes, \_\_\_\_\_ no If yes, attach a list of names, license.

11. Has the applicant/licensee ever been debarred by the U.S. Dept. of Housing and Urban Development (HUD), \_\_\_\_\_ yes \_\_\_\_\_ no. If yes, attach a full written explanation, as well as business name and date of action.
12. Has applicant/licensee ever had a registered complaint, investigation, subpoena, suspension of license, cease and desist order, or, criminal prosecution by the Residential Builders and Maintenance and Alteration Contractors Board of the State of Michigan. \_\_\_\_\_ yes \_\_\_\_\_ no. If yes, attach a full written explanation, as well as business name and date of action.
13. Has the applicant/licensee ever been terminated, disbarred, or suspended by any City of Detroit Agency under this current name or any other Business name? , \_\_\_\_\_ yes \_\_\_\_\_ no. If yes, attach a full written explanation, as well as business name and date of action.

14. Insurance

Participation in the Housing and Revitalization Department’s Housing Programs requires; Certificates of Insurance evidencing that Workers Compensation, General Liability, Automobile coverage, and Builders Risk Insurance are in force. Such certificates shall name the City of Detroit as an additional insured with respect to Comprehensive General Liability and Automobile liability insurance. Please enclose a copy of your Certificate of Insurance for the following:

<u>TYPE</u>	<u>NOT LESS THAN</u>
(a) Workman’s Compensation	\$500,000 EA ACCIDENT, EA EMPLOYEE
(b) Comprehensive General Liability Insurance	\$1,000,000
(c) Automobile liability insurance covering all owned, used or hired vehicle which complies with the provisions of the Michigan No-Fault Insurance Act, with minimum bodily injury limits of One Million (\$1,000,000) dollars each person and One Million (\$1,000,000) dollars each occurrence and minimum property damage limits of One Million Dollars each occurrence.	
(d) Builders Risk Insurance (Multi-Family & New Construction Projects Only) against loss or damage to the Project construction thereof, whether such be material or supplies incorporated into the Project Site or assembled on the premises for the purpose of being incorporated into the Project Site. This insurance shall insure against loss from the perils of fire, extended and broad form coverage and shall be in an amount not less than the amount of the Construction Contract for the project. The cost of this insurance shall be the responsibility of the Contractor.	
(e) Certificate of Insurance must be on a standard “Acord form” and must evidence <u>City of Detroit as additional certificate holder</u> , and must include the required 30 day written notice of cancellation to the address below;	

City of Detroit  
Housing and Revitalization Department  
Housing Services, Contractor Files  
2 Woodward Suite 908 Detroit, MI 48226  
C/O Connie Reno

The undersigned contractor certifies that all information given herein is correct and that the information may be verified from any source and further agrees:

- A. That the State of Michigan contractors license and bond therefore are current, and that the undersigned contractor agrees to maintain current status of all licenses and bonds as required by the Housing and Revitalization Department's (H&RD's) Housing Services Division.
- B. That the contractor will perform the work in accordance with the description of work, H&RD's Contractor's Performance Standard, and all applicable City of Detroit codes and zoning regulations and be subject to final inspection by H & RD's Housing Rehabilitation Specialist.
- C. That if the work performed by the contractor is found to be unsatisfactory or if the contract relations between the contractor, property owner, or other parties are found to be unsatisfactory, the H & R Housing Services Division may remove his/her name from the list of selected contractors without notice.
- D. That she/he will abide by all applicable equal employment opportunity regulations.
- E. That he/she will abide by all rules and regulations set forth by H&R D.

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGEMENT

State of Michigan  
SS  
County of Wayne

The foregoing Contractors Application Form was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

\_\_\_\_\_  
Notary

Notary Public, \_\_\_\_\_ County, Michigan – My commission expires \_\_\_\_\_



11. Suppliers - Active Accounts

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

Firm Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Type of material sold \_\_\_\_\_

---

# **NOTICE**

Please fill in the following three clearance request forms for all officers/members and return with your application.

**CITY OF DETROIT**  
**ACCOUNTS RECEIVABLE CLEARANCE FORM**  
**PLEASE FORWARD IN DUPLICATE TO ROOM 128 (CCB)**  
**COLEMAN A YOUNG MUNICIPAL CENTER**

**REVENUE COLLECTIONS- (313) 224-4087 OR (313) 224-1840 FAX (313) 224-4238**

**SECTION A:** From:  CITY ENGINEERING  HEALTH  LAW  POLICE  
 RECREATION  WATER & SEWERAGE  
 OTHER: Housing & Revitalization Dept. / Housing Services

ADDRESS OF DEPARTMENT: 2 Woodward, Suite 908 Detroit, MI 48226

CONTACT PERSON: Henry Bright PHONE Number: 224-9176, FAX Number 224-9149

DATE SENT: \_\_\_\_\_

**SECTION B: CORPORATION**

CORPORATION NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

OWN  LEASE CURRENT TAX IDENTIFICATION NUMBER: \_\_\_\_\_

OTHER CITY/STATE TAX IDENTIFICATION NUMBER (S) PREVIOUSLY USED: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

**SECTION C: PARTNERSHIP**

BUSINESS NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  OWN  LEASE

CURRENT TAX IDENTIFICATION NUMBER: \_\_\_\_\_

OTHER CITY/STATE TAX IDENTIFICATION NUMBER (S) PREVIOUSLY USED: \_\_\_\_\_

A. PARTNER'S NAME: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ CITY/STATE/ZIP: \_\_\_\_\_

OWN  LEASE SOCIAL SECURITY NUMBER: \_\_\_\_\_

OTHER CITY PROPERTY OWNED ADDRESSES: \_\_\_\_\_

B. PARTNER'S NAME: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_ CITY/STATE/ZIP: \_\_\_\_\_

OWN  LEASE SOCIAL SECURITY NUMBER: \_\_\_\_\_

OTHER PROPERTY ADDRESSEES OWNED WITHIN DETROIT: \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

**SECTION D: SOLE PROPRIETORSHIP**

OWNER'S NAME: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_  OWN  LEASE

CITY/STATE/ZIP \_\_\_\_\_

BUSINESS NAME: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_  OWN  LEASE

SOCIAL SECURITY NUMBER: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

CURRENT TAX IDENTIFICATION NUMBER: \_\_\_\_\_

OTHER CITY/STATE TAX IDENTIFICATION NUMBER (S) PREVIOUSLY USED: \_\_\_\_\_

OTHER PROPERTY ADDRESSES OWNED WITHIN DETROIT \_\_\_\_\_

**SECTION E: PERSONAL SERVICES**

NAME: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_  OWN  LEASE

CITY/STATE/ZIP: \_\_\_\_\_

SOCIAL SECURITY NUMBER: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

OTHER PROPERTY ADDRESSES OWNED WITHIN DETROIT: \_\_\_\_\_

**For TREASURY COLLECTION USE ONLY!**

**APPROVED**

**DENIED WITH ATTACHMENTS**

**CLEARANCE VALID UNTIL** \_\_\_\_\_

**SIGNATURE**

**DATE**

# REQUEST FOR INCOME TAX CLEARANCE

REQUESTING DEPARTMENT/DIVISION: Planning & Development Dept./Housing Services CONTACT: Henry Bright (313) 224-9176

FAX: 224-2023

Type of Clearance:  New  Renewal (Please submit 30 days prior to submitting bid or expiration date)

A. To: City of Detroit  
Income Tax Division  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Ste. 512  
Detroit, MI 48226  
Phone: (313) 224-3328 or 224-3329  
Fax: (313) 224-4588

For: Individual  
or Company Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax # \_\_\_\_\_

B. Name of Chief Financial Officer/Authorized Contact Person  
(include address if different from above) Telephone # \_\_\_\_\_  
Fax # \_\_\_\_\_

Employer Identification or Social Security Number Spouse Social Security Number

Nature of Contract: \_\_\_\_\_ BID/CONTRACT AMOUNT (if known):  
Labor: \$ \_\_\_\_\_ Material: \$ \_\_\_\_\_  
Contract # (if known) \_\_\_\_\_

C. ALL QUESTIONS MUST BE ANSWERED TO EXPEDITE APPROVAL PROCESS. ANY QUESTION NOT ANSWERED MAY RESULT IN A DENIAL OF INCOME TAX CLEARANCE

Check One:  Individual  Corporation  Partnership

**INDIVIDUALS ANSWER QUESTIONS 1,2,3,4.**

1. Have you filed joint returns with spouse during the last seven (7) years? (If yes, include spouse SSN above)  Yes  No
2. Are you a student, and/or claimed as a dependent on someone else's tax return?  Yes  No
3. Were you employed during the last seven (7) years?  Yes  No
4. Were you a resident of Detroit during the last seven (7) years?  Yes  No

**CORPORATIONS AND PARTNERSHIPS ANSWER QUESTIONS 5,6,7.**

5. Is the company a new business in Detroit? If yes, attach Employer Registration (Form DSS-4).  Yes  No
6. Will the company have employees working in Detroit?  Yes  No
7. Will the company use sub-contractors or independent contractors in Detroit?  Yes  No

D. FOR INCOME TAX USE ONLY

Has the contractor complied with the provisions of the City Income Tax Ordinance?

Yes  No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_

Yes  No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_

Yes  No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_

To check the status of a clearance, please call (313) 224-7266

VISIT OUR WEBSITE FOR INFORMATION AND TAX FORMS AT [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us)



**CITY OF DETROIT — FINANCE DEPARTMENT — INCOME TAX DIVISION  
EMPLOYER'S WITHHOLDING REGISTRATION**

**IMPORTANT**

**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. KIND OF OWNERSHIP OF THIS BUSINESS (Check applicable box(es).)

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> (1) Individual                          | <input type="checkbox"/> (4) Domestic Corporation | <input type="checkbox"/> (6) Trust or Estate (Fiduciary)        |
| <input type="checkbox"/> (2) Husband - Wife                      | <input type="checkbox"/> (1) Subchapter S         | <input type="checkbox"/> (7) Joint Stock Club or Investment Co. |
| <input type="checkbox"/> (3) Partnership                         | <input type="checkbox"/> (2) Professional         | <input type="checkbox"/> (8) Social Club or Fraternal Org.      |
| <input type="checkbox"/> (3) Registered Partnership, Date: _____ | <input type="checkbox"/> (5) Foreign Corporation  | <input type="checkbox"/> (9) Other (Explain)                    |
| <input type="checkbox"/> (3) Limited Partnership                 | <input type="checkbox"/> (1) Subchapter S         |   |

Corporations Only: Which federal income tax returns will you file?

- 1120    1120S    990C    990T    Other \_\_\_\_\_

State of  
Incorporation

--	--

Federal  
I.D. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2a. GIVE DATE THAT LIABILITY WILL BEGIN FOR DETROIT INCOME TAX WITHHOLDING.

Mo. Day Year

2b. GIVE DATE THAT YOU FIRST PAID WAGES SUBJECT TO DETROIT INCOME TAX WITHHOLDING.

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

A. NAME (Last, First, Middle) (Jr./Sr., III, etc.)

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

B. NAME (Last, First, Middle) (Jr./Sr., III, etc.)

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

C. NAME (Last, First, Middle) (Jr./Sr., III, etc.)

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 TAX DIVISION will send all tax forms, if different from 7.)

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

9. ACTUAL LOCATION 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  
Finance Department  
Income Tax Division  
Coleman A. Young Municipal Center  
2 Woodward Ave., Suite 512  
Detroit, Michigan 48226-3456



# 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)