### RENAISSANCE ZONE DEDUCTION, SCH RZ - FORM CF-1040, PAGE 2, DEDUCTIONS SCHEDULE, LINE 6

#### DISQUALIFICATION CRITERIA

Revised 06/15/2017

An individual is not qualified to claim the Renaissance Zone deduction if any of the following taxes are delinquent:

- City Income Tax
- Personal Property Tax
- Commercial Facilities Tax (CFT)
- City (Detroit) Utilities Users Tax
- Michigan Income Tax
- Michigan Single Business Tax
- Enterprise Zone Tax
- Technology Park Development Tax
- General Property Tax
- Neighborhood Enterprise Zone Tax
- Commercial Forest Tax

#### DEDUCTION ALLOWANCE FACTOR

The Renaissance Zone deduction is phased out during the final three years of a Renaissance Zone's designation. The Deduction Allowance Factor is: 75% for the tax year that is 2 years before the final year of designation; 50% for the tax year immediately preceding the final year of designation; 25% for the final year of designation; and 100% for all other years of designation.

#### RESIDENT DOMICILED IN A RENAISSANCE ZONE

Complete this section if you were a resident of the city domiciled in a Renaissance Zone.

A 183 day residence requirement must be completed before qualifying to claim the Renaissance Zone Deduction.

1. **Address of domicile in Renaissance Zone**

2. **Date domicile established at this residence**

3. **Dates of domicile this year:**

<table>
<thead>
<tr>
<th>Starting date</th>
<th>Ending date</th>
<th>Total number of days</th>
</tr>
</thead>
</table>

4. **Percentage of year as a qualified resident of a Renaissance Zone**

5. **Gross income from Form CF-1040, page 1, line 18, column C**

6. **Capital gains reported on Form CF-1040, page 1, line 7, column C**

7. **Lottery winnings included in income reported on Form CF-1040, page 1, lines 1 or 16, column C**

8. **Total deductions related to income included in line 5 (Add amounts reported on CF-1040, pg. 2, Deductions Sch., Lines 1 - 5)**

9. **Base income for Renaissance Zone deduction (Line 5 less lines 6, 7 and 8)**

10. **Total qualified ordinary income**

11. **Portion of capital gains from sale or exchange of property occurring after qualification date**

12. **Lottery winnings from an instant lottery game or an online game won after becoming a qualified taxpayer**

13. **Renaissance Zone deduction base**

14. **Enter Deduction Allowance Factor on line 14a, 100%, 75%, 50% or 25%; multiply line 13 by 14a; enter deduction on line 14b and on Form CF-1040, page 2, Deduction schedule, line 6.)**

#### OTHER INDIVIDUALS WITH INCOME FROM RENTAL REAL ESTATE, BUSINESS, PROFESSION OR PARTNERSHIP LOCATED AND DOING BUSINESS IN A RENAISSANCE ZONE

Complete this section if you are a resident or nonresident individual with income from rental real estate, a business, profession or partnership with business activity in a Renaissance Zone.

15. **Business name (D.B.A.) and address of each location in a Renaissance Zone**

16. **Business and farming income reported on Form CF-1040, page 1, line 6 or 13, column C**

17. **Net operating loss deduction claimed on Form CF-1040, page 1, line 16, column C**

18. **Retirement plan deduction claimed on Form CF-1040, page 2, Deductions schedule, line 2, related to income reported on line 17, column C**

19. **Base for Renaissance Zone deduction (Line 16 less lines 17 and 18)**

20. **Renaissance Zone Apportionment Percentage**

<table>
<thead>
<tr>
<th>COLUMN 1 IN CITY</th>
<th>COLUMN 2 IN REN. ZONE</th>
<th>COLUMN 3 PERCENTAGE (Column 2 divided by column 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>20a. Average net book value of real &amp; personal property</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>20b. Gross rents paid on real property multiplied by 8</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **20c. Total property (Add line 20a and 20b)** | % |%
| **20d. Total wages, salaries and other compensation** | % |%
| **20e. Total percentages (Add column 3, line 20c and 20d)** | % |%
| **20f. Renaissance Zone deduction percentage (Line 20e divided by 2)** | % |%

21. **Renaissance Zone deduction for business (Line 19 multiplied by line 20f)**

22. **Renaissance Zone deduction from partnership return; enter Partnership FEIN on line 22a and deduction amount on line 22b**

23. **Address of each parcel of rental real estate located in a Renaissance Zone**

24. **Income from rental real estate located within a Renaissance Zone**

25. **Renaissance Zone deduction base (Add lines 21, 22b and 24)**

26. **Enter Deduction Allowance Factor on line 26a, 100%, 75%, 50% or 25%; multiply line 25 by 26a; enter result on line 26b and on CF-1040, pg. 2, Deduction schedule, line 6.)**

<table>
<thead>
<tr>
<th>COLUMN 2</th>
<th>COLUMN 3</th>
<th>COLUMN 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>26a.</strong></td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>