

**PARTNERSHIP  
SCHEDULE RZ OF GR-1065  
CITY OF GRAND RAPIDS INCOME TAX**

TAX YEAR: \_\_\_\_\_

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

INSTRUCTIONS ON OTHER SIDE

1. Partnership name as shown on GR-1065	2. Federal Employer Identification Number -
3. Address of each location in a Grand Rapids Renaissance Zone	
4. Dates qualified to claim Renaissance Zone deduction this tax year :                      Starting date                      /                      /                      Ending date                      /                      /	

<b>DISQUALIFICATION SECTION</b>			
<b>A PARTNERSHIP IS NOT QUALIFIED TO CLAIM THE RENAISSANCE ZONE DEDUCTION IF ANY OF THE FOLLOWING TAXES ARE DELINQUENT:</b>			
Grand Rapids 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	Industrial Facilities Tax (IFT)	Neighborhood Enterprise Zone Tax	Commercial Forest Tax

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

RENAISSANCE ZONE APPORTIONMENT PERCENTAGE	COLUMN 1 LOCATED IN GRAND RAPIDS	COLUMN 2 LOCATED IN RENAISSANCE ZONE	COLUMN 3 PERCENTAGE  (Column 2 divided by column 1)
5a. Average net book value of real and tangible personal property (If qualified for less than a full tax year, use monthly average)	5a		
5b. Gross rents paid on real property multiplied by 8	5b		
5c. Total property (Add lines 5a and 5b of columns 1 and 2)	5c		%
6. Total wages, salaries and other compensation	6		%
7. Total percentages (Add column 3 lines 5c and 6)		7	%
8. Renaissance Zone deduction percentage (Divide line 7 by 2)		8	%

RENAISSANCE ZONE DEDUCTION FOR BUSINESS INCOME							
	COLUMN 1 ALLOCATED BUSINESS INCOME FROM GR-1065, SCHEDULE C COLUMN 5	COLUMN 2 NET OPERATING LOSS DEDUCTION CLAIMED ON PARTNERS GRAND RAPIDS RETURN, GR-1040R OR GR-1040NR	COLUMN 3 RETIREMENT PLAN DEDUCTION CLAIMED ON PARTNERS GRAND RAPIDS RETURN, GR-1040R OR GR-1040NR	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 8)	
9. (a)						9. (a)	
9. (b)						9. (b)	
9. (c)						9. (c)	
9. (d)						9. (d)	
9. (e)						9. (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 AND ROYALTIES (See instructions)	COLUMN 5 INCOME FROM OTHER PARTNERSHIPS ETC. (See instructions)
10. (a)					
10. (b)					
10. (c)					
10. (d)					
10. (e)					
Totals					

TOTAL RENAISSANCE ZONE DEDUCTION	
	TOTAL RENAISSANCE ZONE DEDUCTION (Add line 9, column 5 and line 10, columns 2- 5 Enter here and on GR-1065, page 1, col. 2)
11. (a)	
11. (b)	
11. (c)	
11. (d)	
11. (e)	
Totals	

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

## GENERAL INFORMATION

Six geographic areas within Grand Rapids were designated as Renaissance Zones. This designation grants tax relief to qualified partnerships located and conducting business activity within a Grand Rapids Renaissance Zone. In conjunction with the designation of these zones, the Grand Rapids Income Tax Ordinance was amended effective January 1, 1997, to include a Renaissance Zone deduction.

## WHO MAY CLAIM A RENAISSANCE ZONE DEDUCTION

A partnership that is located and conducting business activity in a Grand Rapids Renaissance Zone is qualified to claim the Renaissance Zone 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. Partners claim the deduction by filing Schedule RZ of GR-1040R and GR-1040NR with their individual returns.

## HOW TO CLAIM A RENAISSANCE ZONE DEDUCTION

To claim or pass through the Grand Rapids Renaissance Zone deduction, a partnership must file Schedule RZ with their Grand Rapids partnership 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 Grand Rapids 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 Grand Rapids outside of a Renaissance Zone and moves to a location within a Renaissance Zone in Grand Rapids 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 Grand Rapids Renaissance Zone. The qualification continues until the partnership ceases to be located and conducting business activity in a Grand Rapids 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 Grand Rapids Renaissance Zone. Business activity consists of two components, business income and non-business income. Business income from activity conducted within a Grand Rapids 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 GR-1065 through Schedule E, before doing Schedule RZ.

- Line 1. Enter partnership's name as shown on the Grand Rapids income tax return, Form GR-1065.
- Line 2. Enter the partnership's Federal Employer Identification Number.
- Line 3. Enter the address of each location in a Grand Rapids Renaissance Zone.

Line 4. Enter the beginning date and ending date the partnership was qualified to claim the Grand Rapids 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 Grand Rapids in a Renaissance Zone and outside the Renaissance Zones.

Line 5a. In column 1, enter the average net book value of all real and tangible personal property owned and located in Grand Rapids. In column 2, enter the average net book value of the real and tangible personal property owned and located in a Grand Rapids 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 5b. Enter in column 1 the gross annual rent multiplied by 8 for all rented real property located in Grand Rapids. In column 2, show the gross annual rent multiplied by 8 for rented real property located in a Grand Rapids Renaissance Zone.

Line 6. Enter in column 1 compensation paid to employees for work or services performed within Grand Rapids. In column 2, enter compensation paid to employees for work or services performed within a Grand Rapids Renaissance Zone. In column 3, enter the percentage, column 2 divided by column 1.

Lines 9a - 9e.

Column 1. Enter the allocated income from the partnership return, Form GR-1065, Schedule C, column 5.

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

Column 3. Enter the retirement plan deduction claimed on each partner's individual Grand Rapids income tax return that was based upon income from the partnership.

## ALLOCATED NON-BUSINESS INCOME

Lines 10a - 10e.

Column 1. For partners who were qualified residents domiciled in a Grand Rapids Renaissance Zone during the tax year, enter the beginning and ending dates of qualification. For other partners leave blank.

Column 2. For each partner who was a resident domiciled in a Grand Rapids 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 Grand Rapids Renaissance Zone, enter the partner's share of the income from sale and exchange of property. For all other partners enter a zero.

Column 4. For each partner who was a resident domiciled in a Grand Rapids 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 Grand Rapids Renaissance Zone.

Column 5. For each partner who was a resident domiciled in a Grand Rapids Renaissance Zone, enter the partner's share of other income. For all other partners enter a zero.

## ASSISTANCE

If you have questions not answered in these instructions, or if you need assistance in preparing your return call (616) 456-3415. Questions by mail should be directed to: Grand Rapids Income Tax Department, PO Box 2528, Grand Rapids, Michigan 49501-2528.

## WEBSITE

Income tax forms, instructions and additional information are available under the Income Tax Department section of the City of Grand Rapids website, [www.ci.grand-rapids.mi.us/income\\_tax/inctax.html](http://www.ci.grand-rapids.mi.us/income_tax/inctax.html).

**NOTICE**

These instructions are interpretations of the Grand Rapids Income Tax Ordinance. The Ordinance will prevail in any disagreement between the instructions and the Ordinance.