

AccountingAidSociety

Detroit Taxable and Non-Taxable Income Guide

Taxable Income

Residents

- Wages, bonuses, etc.
- Business and Rental Income
- Gambling winnings, including the Lottery
- Early retirement distributions
- Interest, Dividends, and Capital Gains

Non-Residents

- Wages, bonuses, etc. which are earned in the city
 - If part of the work is done outside the city, then the income is apportioned.
 - For example, if John works in Detroit, but 10% of his days are spent at an office in Roseville, then he only needs to show 90% of the amount from his W-2 on the Detroit Nonresident return
- Business and Rental Income from the city

Non-Taxable Income

- Gifts, inheritances and bequests.
- Pensions and annuities, including disability pensions. (Pre-retirement distributions are taxable.)
- Proceeds from insurance (except 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).
- Unemployment compensation, Welfare relief payments, supplemental unemployment benefits (sub-pay).