

**MICHIGAN SBT
INSURANCE COMPANY
2005**

Insurance Company Single Business Tax



Tax Forms and Instructions

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For questions or information, contact us at:

Customer Contact Division, SBT Unit
Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909
(517) 636-4700

Important News for 2005....

Tax Rate: The tax rate for the 2005 tax year remains at 1.0735%.

Credit Percentage: The credit percentage for the 2005 tax year is 100%.

Qualified Start-Up Business Credit. PA 126 of 2004 adds a credit for a “qualified start-up business.” The credit equals the taxpayer’s SBT liability for the year. Compensation, director’s fees and distributive shares of an owner or officer may not exceed \$135,000. If the taxpayer leaves the state within three years after taking the credit, some or all of the credit is recaptured. See form C-8000MC.

A taxpayer must obtain Michigan Economic Development Corporation (MEDC) certification that it satisfies the following criteria, and attach the certification to its SBT return:

- Fewer than 25 full-time equivalent (FTE) employees
- No business income in the credit year and preceding year
- Sales of less than \$1,000,000
- Not publicly traded
- At least 15% of expenses are research and development
- During the past seven years it was in one of its first two years of unemployment insurance contributions.

Created Jobs Credit. For a tax year beginning in 2005, PA 319 of 2004 adds a nonrefundable credit to employers with gross receipts of \$10 million or less, equal to a percentage of compensation paid to employees performing “created jobs” in Michigan. The percentage varies from 0.5% to 2%, based on the taxpayer’s capital investment in Michigan this year. See form C-8000MC. A “created job” must meet the following criteria:

- Involves high technology or manufacturing
- Did not exist in Michigan in the preceding tax year
- Represents an increase in taxpayer’s FTE employees in Michigan from the preceding year
- Employee did not transfer into the job from other Michigan employment for the taxpayer or a related entity
- Benefits include prescription, primary health care, and hospitalization coverage
- Not a qualified new job used to calculate a MEGA credit under MCLA 208.37c or MCLA 208.37d.

Donated Automobile Credit. PA 302 of 2004 adds a nonrefundable credit equal to 50% of the fair market value of an auto donated to a qualified organization (certified by Treasury) that intends to provide the auto to a low-income person for transportation to work. The maximum credit for a year is \$100. See form C-8000MC.

Foreign and alien insurers complete lines 31 - 47. Domestic insurers go to line 47.

31. Enter the amount from line 30 31. _____

TAXES

32. State of incorporation tax 32. _____
 33. Michigan single business tax from line 31..... 33. _____

FEES AND ASSESSMENTS

34. Annual statement filing fee 34. _____
 35. Certificate of Authority renewal fee 35. _____
 36. Certificate of Compliance..... 36. _____
 37. Certificate of Deposit..... 37. _____
 38. Certificate of Valuation..... 38. _____
 39. Enter the **total** of other fees paid in the state of incorporation. Attach a detailed schedule of fees 39. _____
 40. Fire Marshall Tax..... 40. _____
 41. Second Injury Fund..... 41. _____
 42. Silicosis & Dust Disease Fund..... 42. _____
 43. Safety Education and Training Fund..... 43. _____
 44. Enter the total of all other assessments. Attach a detailed schedule of assessments..... 44. _____

	Column A State of Incorporation	Column B Michigan
32.		
33.		
34.		25.00
35.		
36.		
37.		
38.		
39.		
40.		
41.		
42.		
43.		
44.		
45.		

TOTAL

45. Total taxes and assessments. Add lines 32 - 44 45. ▶ _____
 46. Retaliatory amount. Subtract line 45 column B from column A; not less than 0 ▶ 46. _____
 47. Amount due. Add lines 31 and 46. Domestic insurers enter the amount from line 30 ▶ 47. _____

PAYMENTS, REFUNDABLE CREDITS AND TAX DUE

48. Credit forward from 12/31/2004 SBT return, line 60 48. _____
 49. Estimated tax payments 49. _____
 50. Tax paid with request for extension 50. _____
 51. Refundable Credits from C-8000MC, line 14 51. _____

52. Total Payments. Add lines 48 through 51 ▶ 52. _____

53. Complete this line only if amending a return.

a. Add to line 52 any payment of tax made with the original return OR b. Subtract from line 52 any refund of tax received with the original return c. Net payments ▶ 53. _____ Amended filers use line 53 instead of line 52 for all references below.

54. TAX DUE. Subtract line 52 from line 47. If less than zero, leave blank ▶ 54. _____
 55. Underpaid estimate penalty and interest. See instructions 55. _____
 56. Annual return penalty at ____% = _____00 and interest at ____% = _____00 56. _____
 57. **PAYMENT DUE.** Add lines 54 - 56. Enter this amount here and on page 1, line 61 57. _____

OVERPAYMENT - REFUND OR CREDIT FORWARD

58. OVERPAYMENT. If line 52 is more than line 47, subtract line 47 from line 52 58. _____
 59. Enter the amount of overpayment on line 58 to be **refunded** ▶ 59. _____
 60. Enter the amount of overpayment on line 58 to be **credited forward** ▶ 60. _____

This return must be filed by March 1, 2006.

SIGNATURE AND PREPARER AUTHORIZATION			
TAXPAYER'S DECLARATION		PREPARER'S DECLARATION	
I declare under penalty of perjury that this return is true and correct to the best of my knowledge.		I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No		Preparer's Signature	Date
Taxpayer's Signature	Date	Business Address and Telephone	
Title			

Instructions for Form 1366, Insurance Company Annual Return for SBT and Retaliatory Tax

General Information

❶ The effective tax rate for the 2005 tax year is 1.0735%.

This return is due March 1, 2006.

Who Must File

All insurance companies must file this return.

If apportioned or allocated gross receipts are less than \$350,000, then it is not necessary to complete the SBT portion of this return. Foreign or alien insurers whose gross receipts are less than \$350,000 must still complete the retaliatory section of the return on lines 32-46.

All insurers, domestic and foreign, must submit copies of *Schedule T* and the *Michigan Business Page* when filing this return.

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. If someone else has prepared the return, the preparer must also sign it and give his or her business address and telephone number in the space provided.

Rounding Figures

Report all amounts in whole dollars. Round amounts of 50 cents or more up. Carry all percentages to six decimal places. Do not round percentages. For example, 24.154256 percent becomes 24.1542 percent (.241542).

Filing Estimated Tax Returns

Estimates must be paid in any year that the annual tax liability is expected to be more than \$600. Estimates must equal at least 85 percent of the current year tax liability, or equal the tax liability for the previous year if the tax was less than \$20,000, provided these payments are made in four timely equal payments. If they are not, the taxpayer will be charged penalty and interest. Quarterly estimate payments are due on April 30, July 31, October 31 and January 31.

Computing Penalty and Interest

Penalty is 5% of tax due, for the first two months. Penalty increases by an additional 5% per month, or fraction thereof, after the second month, to a maximum of 25%. This applies to annual and estimated returns.

The interest rate is adjusted by Treasury January 1 and July 1 of each year, to 1 percent above the prime rate. For a complete list of interest rates, see Revenue Administrative Bulletin (RAB) 2005-4 on Treasury's Web site at www.michigan.gov/treasury.

How to Get Forms

If additional forms are needed, visit Treasury's Web site at www.michigan.gov/treasury.

Contacting Treasury

For general questions, call the Customer Contact Division, Single Business Tax Unit, at (517) 636-4700.

Line-By-Line Instructions

Lines not listed are explained on the form.

Line 2: Enter the Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) number. If the taxpayer doesn't have an account number, one will be assigned. This number must appear on all documents sent to Treasury.

Line 3: Check the box to indicate the company's status. Alien insurance companies check "foreign," unless the port of entry is Michigan, in which case the company is considered "domestic" for the filing of this return.

Adjusted Receipts

Line 5: Enter the amount of total company adjusted receipts for the period.

Gross Receipts Checklist

1. Rental and royalty receipts, unless received from an affiliated insurance company or an insurance agent for the company.
2. Gross direct premiums received.
3. Receipts from administrative services only (ASO) contracts with a person who is not an affiliated insurance company or an affiliated nonprofit corporation.
4. Receipts from a business activity other than the business of insurance.
5. Charges attributable to premiums paid on a deferred or installment basis.
6. Servicing carrier fees received from the Michigan auto insurance placement facility.

Excluded Receipts

1. Receipts from interest, dividends or proceeds from the sale of assets.
2. Receipts on the sale of annuities.
3. Receipts on all reinsurance transactions.
4. Any income which is a flow-through from a partnership or other entity whose business activities would be taxable under the Single Business Tax Act.

Apportionment

Line 6: Enter Michigan gross direct premiums received excluding annuity considerations and reinsurance assumed.

Line 7: Enter total gross direct premiums received everywhere excluding annuity considerations and reinsurance assumed.

Disability Insurance Exemption

Line 12: Subtract \$180,000,000 from the amount entered on line 11. If the result is less than zero, enter zero on line 12.

Credits

Line 17: Enter the amounts paid to the listed facilities or associations from 1/1/2004 to 12/31/2004, the year immediately preceding the 2005 tax year, including special assessments. Net amounts paid and refunds received during the 2004 tax year for the same facility. If refunds received exceed the amount paid in the year for the same facility, enter zero.

Line 19: This year's credit percentage is 100%. Carry the amount on line 18 here.

Line 20: Enter the amount of Michigan regulatory fees paid in 2005 (under MCL 500.224). Multiply this amount by 50 percent and enter the result on line 20.

Line 22: Subtract line 21 from line 16. If line 21 is greater than line 16, enter zero. The credit on line 21 may not be carried forward to another taxable year.

Line 23, Community Foundation Credit: To be eligible for this credit, the taxpayer must have donated to a Michigan foundation that has been certified by the Michigan Department of Treasury. For a complete list of certified foundations, see page 21. Enter the code for the foundation contributed to. The credit will not be received if the proper code is not entered. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16, or \$5,000.

Line 25, Homeless Shelter/Food Bank Credit: A partial credit is allowed when making a cash donation to a qualifying shelter for homeless persons, food kitchen, food bank or other entity whose primary purpose is to provide overnight accommodations, food or meals to indigent persons. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 16 or \$5,000. For more information, request *Revenue Administrative Bulletin 1992-10*.

Line 27, Public Contribution Credit (Public Colleges and Libraries): A partial credit is allowed when donating during the taxable year to institutions of higher learning located in Michigan, Michigan public libraries, the Michigan colleges foundation, public broadcasting stations located in Michigan and any nonprofit corporation, fund, foundation, trust or association organized and operated exclusively for the benefit of institutions of higher learning located in Michigan. The credit is limited to the smallest of 50 percent of the contribution, 5 percent of tax on line 26, or \$5,000.

Line 29, Nonrefundable Credits: If claiming other nonrefundable credits, complete Form C-8000MC, *SBT Miscellaneous Credits*, enter the amount from line 28 of this form on C-8000MC, line 17. Enter the amount from Form C-8000MC, line 99, here. Attach Form C-8000MC to the return.

Note: Form C-8000MC is historically filed as a schedule with Form C-8000, *SBT Annual Return*. The line references on Form C-8000MC will not apply to this return.

Retaliatory Instructions

(For foreign and alien insurers only; domestic insurers skip lines 31-46.)

Include with the return a copy of the State of Incorporation tax form on which Michigan premiums were reported.

Do not mail this return with the Michigan annual financial statement, and do not send the annual statement filing fee with this return. The taxpayer will be billed separately for the annual statement filing fee by the Michigan Insurance Bureau.

Enter all items that are required of a Michigan insurance company. In some instances, there will be taxes and obligations imposed in other states for which Michigan has no corresponding requirement. Because of the manner of this calculation, completing these items on a Michigan basis may be difficult. Nonetheless, difficulty of calculation does not excuse a foreign insurer from paying to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile.

Do not include the following Michigan assessments, or comparable assessments in the company's state of incorporation, in the retaliatory calculation:

- The Michigan Workers' Compensation Placement Facility
- The Michigan Basic Property Insurance Association
- The Catastrophic Claims Association
- The Michigan Auto Insurance Placement Facility
- The Michigan Life and Health Insurance Guaranty Association
- The Property and Casualty Guaranty Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies **must file** and pay a tentative retaliatory tax to Michigan by the annual due date, March 1, 2006. An **amended** return must be filed 30 days after the actual CT33 return is filed with New York. Do not submit a photocopy of the actual CT33 return. We cannot process them and will return them. Transfer the CT33 numbers onto the amended Form 1366.

Lines 32 - 47. In the Michigan column, enter actual payments made to Michigan. In the State of Incorporation column, enter the payments that would have been payable by a similar Michigan company doing business in the company's home state.

Line 32: Enter the tax a Michigan company would pay in the state of incorporation for the company's Michigan business. Attach a copy of the state's tax form on which Michigan premiums were reported.

Lines 40 - 44: Attach proof of payment for any items listed in the Michigan column. Itemize any other assessments not listed. Attach a separate list if necessary.

Line 46: Subtract line 45, column B from line 45, column A. This amount can't be less than zero. If line 45, column B is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

Payments

Line 49: Enter the total tax paid with the quarterly tax returns.

Line 50: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 51, Refundable Credits. If claiming a Michigan Economic Growth Authority (MEGA) Employment Tax Credit, a Workers' Disability Supplemental Benefit (WDSB) Credit or an Apprenticeship Credit, see Form C-8000MC, *SBT Miscellaneous Credits*. **Enter the amount from Form C-8000MC, line 14, here.** Attach Form C-8000MC to the return.

Line 55 and 56, Penalty and Interest. See "Computing Penalty and Interest" under General Information.

Mailing instructions

Mail the return to:

With payment:

**Michigan Department of Treasury
Dept. 77229
Detroit, MI 48277-0229**

Without payment:

**Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909**

Make checks payable to "State of Michigan." Write the FEIN or TR number on the remittance.

2005 MICHIGAN SBT Miscellaneous Credits

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
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Read the instructions to determine eligibility before claiming any of these credits.

PART 1: REFUNDABLE CREDITS

3. Enter the **MEGA Employment Tax Credit** from the *Annual Tax Credit Certificate* 3. _____ .00
 4. Enter the amount of **WDSB Credit** allowed by the Bureau of Worker's Disability Compensation 4. _____ .00

APPRENTICESHIP CREDIT. ENTER NAICS CODE _____

- | | A | B | C |
|------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| 5. Enter all payroll and wages paid to each apprentice or special apprentice. Include the value of fringes and other payroll expenses 5. | | | |
| 6. Multiply line 5 by 50% 6. | | | |
| 7. Enter all educational costs paid for each apprentice or special apprentice during the tax year 7. | | | |
| 8. Add lines 6 and 7 8. | | | |
| 9. Enter the amount on line 8 - limited to \$1,000, \$2,000 or \$4,000 (see instructions) 9. | | | |
10. **Apprenticeship Credit.** Add line 9 across 10. _____ .00

NEXT ENERGY PAYROLL CREDIT. Available only to businesses located within an alternative energy renaissance zone.

Enter the street address of property or parcel number: _____

11. Enter the total payroll of research, development or manufacturing employees who work primarily within the zone 11. _____ .00
 12. **Payroll Credit.** Multiply line 11 by the income tax rate for the tax year 12. _____ .00
 13. **Subtotal for Apprenticeship and Next Energy Payroll Credit.** Add lines 10 and 12 13. _____ .00

TOTAL REFUNDABLE CREDITS

14. Add lines 3, 4 and 13. Enter here and on Form C-8000, line 53 or C-8044, line 19 14. _____ .00

PART 2: NONREFUNDABLE CREDITS

15. Enter the amount from Form C-8000, line 45 15. _____ .00
 16. Amount of the Unincorporated Credit from Form C-8000, line 46 16. _____ .00
 17. **Tax after Unincorporated Credit.** Subtract line 16 from line 15 17. _____ .00

ENTERPRISE ZONE CREDIT. This credit is available only to certified firms located in Benton Harbor.

If this credit is not being claimed, carry the amount from line 17 to line 31.

Enter the street address of the property or parcel number: _____

18. Enter the average value of property located within the zone. 18. _____ .00
 19. Multiply rentals within the zone by 8 and enter the result 19. _____ .00
 20. Total property value within the zone. Add lines 18 and 19 20. _____ .00
 21. Enter the average value of all Michigan property 21. _____ .00
 22. Multiply Michigan rentals by 8 and enter the result 22. _____ .00
 23. Add lines 21 and 22 23. _____ .00
 24. Divide line 20 by line 23 24. _____ .00
 25. Enter the total payroll within the zone 25. _____ .00
 26. Enter total Michigan payroll 26. _____ .00
 27. Divide line 25 by line 26 27. _____ .00
 28. Add lines 24 and 27 28. _____ .00
 29. Divide line 28 by 2. If there is only one factor, enter the amount from line 28 29. _____ .00
 30. **Enterprise Zone Credit.** Multiply line 17 by line 29 30. _____ .00
 31. **Tax After Enterprise Zone Credit.** Subtract line 30 from line 17. If less than zero, enter zero 31. _____ .00

MICHIGAN HISTORIC PRESERVATION CREDIT. If this credit will not be claimed, carry the amount from line 31 to line 36.

32. Total available credit. Enter the amount from Form 3581, line 11	32.	_____	.00
33. Recapture of Michigan Historic Preservation Credit.	33.	_____	.00
34. Subtotal. Subtract line 33 from line 32	34.	_____	.00
35. Michigan Historic Preservation Credit. Enter amount from line 31 or 34, whichever is smaller	35.	_____	.00
36. Tax After Michigan Historic Preservation Credit. Subtract line 35 from line 31. (If line 35 is negative, add its positive value to line 31)	36.	_____	.00
37. Credit forward. If line 34 is greater than line 31, enter the difference	37.	_____	.00

LOW-GRADE HEMATITE PELLETT CREDIT. If this credit will not be claimed, carry the amount from line 36 to line 42.

38. Current year credit. Enter the number of long tons _____ x \$1.00	38.	_____	.00
39. Enter any unused credit from the previous year	39.	_____	.00
40. Total available credit. Add lines 38 and 39	40.	_____	.00
41. Low-grade Hematite Pellet Credit. Enter the amount from line 36 or line 40, whichever is smaller	41.	_____	.00
42. Tax After Low-grade Hematite Pellet Credit. Subtract line 41 from line 36. If less than zero, enter zero	42.	_____	.00
43. Credit forward. If line 40 is greater than line 36, enter the difference	43.	_____	.00

NEXT ENERGY BUSINESS ACTIVITY CREDIT. If this credit will not be claimed, carry the amount from line 42 to line 46.

44. Available Credit. Enter the Next Energy Business Activity Credit from the Certificate issued by the MEDC	44.	_____	.00
45. Next Energy Credit. Enter amount from line 42 or line 44, whichever is smaller	45.	_____	.00
46. Tax After Next Energy Credit. Subtract line 45 from line 42. If less than zero, enter zero	46.	_____	.00

PHARMACEUTICAL CREDIT. If this credit will not be claimed, carry the amount from line 46 to line 61.

47. Qualified Research Expenses (QRE) for pharmaceutical business activity in Michigan for 2005	47.	_____	.00
48. QRE for pharmaceutical business activity in Michigan (2004)	48.	_____	.00
49. QRE for pharmaceutical business activity in Michigan (2003)	49.	_____	.00
50. QRE for pharmaceutical business activity in Michigan (2002)	50.	_____	.00
51. Add lines 48, 49 and 50	51.	_____	.00
52. Average QRE for 3 preceding years. Divide line 51 by 3	52.	_____	.00
53. Increased QRE. Subtract line 52 from line 47	53.	_____	.00
54. Multiply line 53 by 6.5% (0.065)	54.	_____	.00
55. Multiply line 52 by 200% (2.00)	55.	_____	.00
56. Available Credit. Enter the lesser of lines 54 or 55	56.	_____	.00
57. Enter any unused credit from the previous year	57.	_____	.00
58. Enter amount of credit assigned to taxpayer from another taxpayer	58.	_____	.00
59. Total available credit. Add lines 56, 57 and 58	59.	_____	.00
60. Pharmaceutical Credit: Enter the amount from line 46 or line 59, whichever is smaller	60.	_____	.00
61. Tax After Pharmaceutical Credit. Subtract line 60 from line 46. If less than zero, enter zero	61.	_____	.00
62. Credit Forward. If line 59 is greater than line 46, enter the difference	62.	_____	.00

QUALIFIED START-UP BUSINESS CREDIT. To claim this credit you must attach a certification letter from MEDC.

If this credit will not be claimed, carry the amount from line 61 to line 66.

63. If a certification letter is attached, enter the amount from line 61	63.	_____	.00
64. Recapture of Qualified Start-Up Business Credit	64.	_____	.00
65. Subtotal. Subtract line 64 from line 63	65.	_____	.00
66. Tax After Qualified Start-Up Business Credit. Subtract line 65 from line 61 (If line 65 is negative, add its positive value to line 61.)	66.	_____	.00

DONATED AUTOMOBILE CREDIT. If this credit will not be claimed, carry the amount from line 66 to line 68.

67. Enter 50% of the Value of Donated Vehicle from attached Form 4284, <i>Donor Tax Credit Certificate for Donated Automobile</i> , or \$100, whichever is smaller	67.	_____	.00
68. Tax After Donated Automobile Credit. Subtract line 67 from line 66. If less than zero, enter zero	68.	_____	.00

CREATED JOBS CREDIT. If this credit will not be claimed, carry the amount from line 68 to line 71. If claiming this credit, complete and attach the Created Jobs Credit Worksheet I on page 5 of this form.

69. Total available credit. Enter the amount from the Created Jobs Credit Worksheet I, line 5i	69.	_____	.00
70. Created Jobs Credit. Enter the amount from line 68 or 69, whichever is smaller	70.	_____	.00
71. Tax After Created Jobs Credit. Subtract line 70 from line 68	71.	_____	.00
72. Credit Forward. If line 69 is greater than line 68, enter the difference	72.	_____	.00
73. Enter the subtotal of the Apprenticeship and Next Energy Payroll Credits from line 13	73.	_____	.00
74. Tax After Apprenticeship and Next Energy Payroll Credit. Subtract line 73 from line 71. If less than zero, enter zero	74.	_____	.00

“OLD” BROWNFIELD CREDIT. If this credit will not be claimed, carry the amount from line 74 to line 79.

Enter the street address of the property or parcel number: _____

75. Enter any unused credit from the previous years	75.	_____	.00
76. Recapture of Old Brownfield Credit.	76.	_____	.00
77. Subtotal. Subtract line 76 from line 75.	77.	_____	.00
78. Old Brownfield Credit. Enter the amount from line 74 or line 77, whichever is smaller	78.	_____	.00
79. Tax After Old Brownfield Credit. Subtract line 78 from line 74. (If line 78 is negative, add its positive value to line 74.)	79.	_____	.00
80. Credit Forward. If line 77 is greater than line 74, enter the difference	80.	_____	.00

RENAISSANCE ZONE CREDIT. If this credit will not be claimed, carry the amount from line 79 to line 82. If claiming this credit, complete the Renaissance Zone Worksheet on page 4 of this form.

81. Renaissance Zone Credit. Enter the amount from the Renaissance Zone Worksheet, line 24	81.	_____	.00
82. Tax After Renaissance Zone Credit. Subtract line 81 from line 79. If less than zero, enter zero	82.	_____	.00
83. If a WDSB Credit is being claimed, enter the amount from line 4	83.	_____	.00
84. Tax After WDSB Credit. Subtract line 83 from line 82. If less than zero, enter zero.	84.	_____	.00

“NEW” BROWNFIELD CREDIT. If this credit will not be claimed, carry the amount from line 84 to line 91.

85. Enter the amount of available credit from the <i>SBT Brownfield Redevelopment Credit Certificate of Completion</i> , or the amount of credit from the <i>SBT Brownfield Credit Assignment</i> form	85.	_____	.00
86. Enter any unused credit from the previous years	86.	_____	.00
87. Total Available Credit. Add lines 85 and 86	87.	_____	.00
88. Recapture of New Brownfield Credit.	88.	_____	.00
89. Subtotal. Subtract line 88 from line 87.	89.	_____	.00
90. New Brownfield Credit. Enter the amount from line 84 or 89, whichever is smaller	90.	_____	.00
91. Tax After New Brownfield Credit. Subtract line 90 from line 84. (If line 90 is negative, add its positive value to line 84.)	91.	_____	.00
92. Credit Forward. If line 89 is greater than line 84, enter the difference	92.	_____	.00

MEGA BUSINESS ACTIVITY CREDIT. If this credit will not be claimed, carry the amount from line 91 to line 97.

93. Enter the MEGA Business Activity Credit from the Annual Tax Credit Certificate	93.	_____	.00
94. Enter any unused credit from the previous years	94.	_____	.00
95. Total Available Credit. Add lines 93 and 94	95.	_____	.00
96. MEGA Business Activity Credit. Enter the amount from line 91 or line 95, whichever is smaller	96.	_____	.00
97. Tax After MEGA Business Activity Credit. Subtract line 96 from line 91. If less than zero, enter zero	97.	_____	.00
98. Credit Forward. If line 95 is greater than line 91, enter the difference	98.	_____	.00

TOTAL NONREFUNDABLE CREDITS

99. Add lines 30, 35, 41, 45, 60, 65, 67, 70, 78, 81, 90 and 96. Enter here and on Form C-8000, line 47	99.	_____	.00
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RENAISSANCE ZONE CREDIT WORKSHEET

1. Tax liability before Renaissance Zone Credit. Enter the amount from C-8000MC, line 79	1.	.00
Enter the street address of the property or parcel number: _____		
Business Activity Factor:		
2. Enter the average value of property located within the zone	2.	.00
3. Multiply rentals within the zone by 8 and enter the result	3.	.00
4. Total property value within the zone. Add lines 2 and 3	4.	.00
5. Enter the average value of all Michigan property	5.	.00
6. Multiply Michigan rentals by 8 and enter the result	6.	.00
7. Add lines 5 and 6	7.	.00
8. Divide line 4 by line 7	8.	%
9. Enter total payroll for services performed within the zone	9.	.00
10. Enter total Michigan payroll	10.	.00
11. Divide line 9 by line 10	11.	%
12. Add lines 8 and 11	12.	%
13. Business Activity Factor. Divide line 12 by 2. If there is only one factor, enter the amount from line 12	13.	%
14. Credit based on the Business Activity Factor. Multiply line 13 by line 1	14.	.00
Adjusted services performed in the Renaissance Zone:		
15. Enter the amount on line 9	15.	.00
16. Enter the depreciation added to tax base for property exempt under MCL 211.7ff. Claim property exempt in the tax year; claim new property* that will be exempt in the immediately following tax year	16.	.00
17. Add lines 15 and 16	17.	.00
18. Partnerships, LLCs, S Corporations and individuals only:		
A. Enter business income	18A.	.00
B. Enter apportionment factor	18B.	%
C. Enter amount from line 13	18C.	%
D. Multiply line 18A by line 18B by line 18C	18D.	.00
E. Add lines 17 and 18D	18E.	.00
19. Adjusted Services:		
A. Enter the amount from line 17, or, if taxpayer is a Partnership, LLC, S Corp or Individual, amount from line 18E	19A.	.00
B. Multiply line 19A by 10% (.10)	19B.	.00
20. Credit for businesses first located within a Renaissance Zone after November 30, 2002. Enter lesser of line 14 or line 19B	20.	.00
Renaissance Zone Credit for Businesses first located within a Renaissance Zone before December 1, 2002 ONLY		
21 A. Enter Renaissance Zone Credit allowed in 2002	21A.	.00
B. Total payroll for services performed within the Zone in 2002	21B.	.00
C. Depreciation for property exempt under MCL 211.7ff claimed in 2002	21C.	.00
D. Add lines 21B and 21C	21D.	.00
E. Subtract line 21D from line 17. If less than zero, enter zero	21E.	.00
F. Multiply line 21E by 2% (.02)	21F.	.00
G. Add lines 21A and 21F	21G.	.00
22. Enter the lesser of line 14 or line 21G	22.	.00
23. Enter the amount from line 20	23.	.00
24. Renaissance Zone Credit. Enter the greater of lines 22 or 23 here and on C-8000MC, line 81	24.	.00

**i.e., property that has not been subject to, or exempt from the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property.*

CREATED JOBS CREDIT - WORKSHEET I

Part 1: Gross Receipts Qualifier

(Include all members of a controlled group whether or not a member is required to file an SBT annual return. NOTE: If not a controlled group member, enter line 10 from C-8000 as total.)

	Member Name	Date Tax Year Ends	FEIN or TR Number	Gross Receipts
1a.				
1b.				
1c.				
1d.				
1e.				
TOTAL				

If Gross Receipts Total (above) exceeds \$10 million, taxpayer is **not** eligible for this credit. **Do not** complete this worksheet.

Part 2: Employee Requirement Qualifier

In 2005, did taxpayer have at least one employee who meets **all** of the following requirements:

- (i) Employee worked in Michigan for taxpayer in a job that did not exist in the state in 2004; and
- (ii) Employee received health, welfare and noninsured benefit plan from taxpayer; and
- (iii) Employee's 2005 compensation is not being used to calculate a MEGA credit; and
- (iv) Employee did not transfer into this job from a previous position in Michigan with the taxpayer, a related entity [see MCL 208.37f(8)(f)] of the taxpayer, or an entity with which the taxpayer files a consolidated return; and
- (v) Employee performs high-tech activity as defined under MCL 207.803, OR taxpayer's business activity is included in NAICS 33, 321 or 322.

Yes No - If you answered "No" to Part 2, taxpayer is **not** eligible for this credit. **Do not** complete this worksheet.

Part 3: Individual Employee Calculation

Complete Created Jobs Credit Worksheet II for each employee (do not attach Worksheet II, but save it for your records.)

Part 4: Capital Investment Information

4a. Total capital investment made in 2005 at Michigan locations which are the principal place of employment of a qualified employee. (See Created Jobs Credit Worksheet II, Part 2). Capital investments must qualify for SBT ITC and the amount cannot be higher than line 10 from C-8000ITC. Use this figure to determine the credit percentage (see Table below). 4a. _____ .00

Capital Investment	Percentage to be Used in Line 5i of this Worksheet
Less than \$150,000	0.5% (.005)
\$150,000 - \$749,999	1.5% (.015)
\$750,000 or above	2.0% (.020)

Part 5: Created Jobs Credit Calculation

- 5a. Total 2005 FTE: Add total from line 1j of Created Jobs Credit Worksheet II for all employees 5a. _____
- 5b. Total 2004 FTE: Add total from line 1e of Created Jobs Credit Worksheet II for all employees 5b. _____
- 5c. 2004-2005 FTE increase: Subtract 5b from 5a. If zero or less, taxpayer is not eligible. 5c. _____
- 5d. 2005 Qualified Employee Compensation: Add total of 3b from Created Jobs Credit Worksheet II for all qualified employees 5d. _____ .00
- 5e. 2005 Qualified FTE: Add the total of line 3a from Created Jobs Credit Worksheet II for all qualified employees 5e. _____
- 5f. 2005 Average Compensation for Qualified Employee: Divide 5d by 5e 5f. _____ .00
- 5g. FTE Eligible for Created Jobs Credit: Enter the lesser of 5c or 5e 5g. _____
- 5h. Total Compensation Eligible for Created Jobs Credit: Multiply 5f by 5g 5h. _____ .00
- 5i. Created Jobs Credit: Multiply 5h by _____% (from table in Part 4 of this Worksheet).
Enter this amount on line 69 of C-8000MC. 5i. _____ .00

CREATED JOBS CREDIT - WORKSHEET II

**Complete one Created Jobs Credit Worksheet II for each employee and save it for your records.
Do not attach them to your C-8000MC.**

Employee Name or ID

Part 1: Calculation of Full-Time Equivalent (FTE) for 2004 and 2005:

- 1a. Enter the number of weeks employee worked in Michigan in 2004 1a. _____
- 1b. Employee's 2004 Employment Period Ratio: Divide 1a by 52 1b. _____

- 1c. Enter the number of hours employee worked in Michigan in 2004 1c. _____
- 1d. Employee's 2004 Hours Worked Ratio: Divide 1c by _____ the FTE annual
hours of work standard set by taxpayer (1750-2080 hours) 1d. _____

- 1e. Employee's 2004 FTE: Take smaller of 1b and 1d 1e. _____

- 1f. Enter the number of weeks employee worked in Michigan in 2005 1f. _____
- 1g. Employee's 2005 Employment Period Ratio: Divide 1f by 52 1g. _____

- 1h. Enter the number of hours employee worked in Michigan in 2005 1h. _____
- 1i. Employee's 2005 Hours Worked Ratio: Divide 1h by the FTE annual
hours of work standard set by taxpayer and reported in 1d above 1i. _____

- 1j. Employee's 2005 FTE: Take smaller of 1g and 1i 1j. _____

Part 2: Employee Information

- (i) Was employee hired by taxpayer in 2005 to perform a job in Michigan? Yes No
- (ii) Was employee provided with health, welfare and noninsured benefit plans? Yes No
- (iii) Is the employee's job used in the calculation of a MEGA credit? Yes No
- (iv) Did the employee transfer into this job from a previous position in Michigan with the taxpayer, a
related entity [see MCL 208.37f(8)(f)] of the taxpayer, or an entity with which the taxpayer files a
consolidated return? Yes No
- (v) Did the employee perform high-tech activities as defined under MCL 207.803? Yes No
- (vi) Enter your NAICS code: _____

Complete Part 3 of this Worksheet only if you answered:

- (A) **Yes** to questions (i), (ii) and (v), and **No** to questions (iii) and (iv); **OR**
- (B) **Yes** to questions (i), (ii) and **No** to questions (iii), (iv) and (v), and your NAICS code is 33, 321 or 322.

Part 3: Calculation of Compensation and FTE for this Qualified Employee in 2005:

- 3a. Employee's 2005 Qualified FTE: Copy figure from 1j in Part 1 of this worksheet 3a. _____
- 3b. Employee's 2005 Qualified Compensation: Enter compensation paid to Qualified
employee in 2005 (enter \$85,000 if more than \$85,000) 3b. _____ .00

Note: For purposes of determining compensation paid to employees, you may not include compensation paid to a spouse, parent, sibling, child, stepchild, adopted child, or stepparent of an active shareholder or officer (as defined in MCL 208.36), a shareholder of an S corporation, partner of a partnership, a member of a limited liability company, or an individual who is a sole proprietor.

Instructions for Form C-8000MC, Miscellaneous Credits

Purpose: To allow eligible taxpayers to claim the Michigan Economic Growth Authority (MEGA), Workers' Disability Supplemental Benefit (WDSB), Apprenticeship, Next Energy, Enterprise Zone, Michigan Historic Preservation, Low Grade Hematite Pellet, Pharmaceutical, Renaissance Zone and Brownfield credits. Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

PART 1: Refundable Credits

The MEGA Employment Tax Credit promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. For more information, call the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at medc.michigan.org/miadvantage/incentives.

The WDSB Credit is available to self-insured employers only for the amount authorized by the Department of Labor and Economic Growth (DLEG) during the tax year. The authorization date and the amount of credit are on the credit list (LW06401-Z04) given to taxpayers by DLEG. Attach a copy of the credit list(s) to the return to substantiate claims. For more information on WDSB credit eligibility, call DLEG, Bureau of Workers' Disability Compensation, at (517) 322-1879 or (888) 396-5041 or visit the DLEG Web site at www.michigan.gov/wca.

The Apprenticeship Credit encourages businesses to hire and provide training to qualified students. The credit equals 50 percent of the payroll expenses paid for the benefit of an apprentice in a qualified program *plus* 100 percent of the cost of classroom instruction and related expenses. Apprentices must be 16-19 years old and enrolled in either high school or a GED program. For tax years beginning after December 31, 2003, the maximum credit allowed annually per apprentice is \$4,000 for companies classified as a tool and die company under the North American Industrial Classification System (NAICS), and \$2,000 for all other companies. In addition, NAICS classified tool and die companies will be allowed a credit of up to \$1,000 annually for qualified expenses incurred in the training of each special apprentice. A special apprentice is not an apprentice as defined above, but is a Michigan resident, 16 - 24 years of age, and is trained through a program that meets all statutory criteria.

To substantiate claims, attach a copy of an approved federal form *ETA 671* to the return for each apprentice. For more information, call the U.S. Department of Labor, Bureau of Apprenticeship and Training, at (517) 377-1746 or visit Michigan's School-to-Registered Apprenticeship Program and Tax Credit Web site at www.michigan.gov/mdcd and click on "Program Fact Sheets."

The Next Energy Payroll Credit provides a payroll credit to qualified businesses located within an alternative energy renaissance zone. Qualified businesses must be engaged solely in the research, development or manufacturing of an alternative energy technology. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development or manufacturing and whose regular place of employment is within the zone, multiplied by the income tax rate for that year.

PART 2: Nonrefundable Credits

The Enterprise Zone Credit was created to encourage businesses to locate and expand in areas with high unemployment, low income, high property taxes and low property value. A certified business is eligible for a credit equal to the amount of tax liability attributable to business activity in the enterprise zone for 10 years from the date the business was certified. The only certified enterprise zone eligible for this credit is in Benton Harbor. No new applications are being accepted for this credit. Be sure to enter the street address or the parcel number of the property before beginning the calculation. For more information, see Revenue Administrative Bulletin 1993-10 or call the MEDC at (517) 373-9808.

The Michigan Historic Preservation Credit provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic resources located in Michigan. The credit is based upon the qualified expenditures made for rehabilitating historic resources.

Form 3581, *Michigan Historic Preservation Tax Credit*, must be attached as well as all attachments requested on that form. Complete and attach Form 3614, *Michigan Historic Preservation Tax Credit Assignment*, if the credit is being assigned.

① **Note:** If the resource is sold or the Certification of Completed rehabilitation is revoked less than five years after the credit is claimed, a percentage of the credit will be subject to recapture. If the credit has been assigned, the recapture is the responsibility of the assignee. The percentages below apply to the years subsequent to the year in which the credit was claimed.

- 100% - If less than 1 year
- 80% - If at least 1 year, but less than 2 years

- 60% - If at least 2 years, but less than 3 years
- 40% - If at least 3 years, but less than 4 years
- 20% - If at least 4 years, but less than 5 years

Questions regarding federal and state certification may be directed to the State Historic Preservation Office (SHPO) at (517) 373-1630. For additional information, visit the SHPO Web site at www.michigan.gov/shpo. Information about Federal Historic Preservation Tax Incentives is available at www2.cr.nps.gov.

The Low-Grade Hematite Pellet Credit provides a credit equal to \$1 per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process that is the business activity of the taxpayer. This credit shall be based on low-grade hematite pellets consumed on or after January 1, 2000. If the credit exceeds the tax liability, the difference may be carried forward for the next five tax years.

The Next Energy Business Activity Credit allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

“Qualified business activity” is research, development or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle or alternative energy technology (as defined in the Act) or renewable fuel. The credit for a tax year is equal to the amount by which the taxpayer’s SBT liability attributable to qualified business activity for the tax year exceeds the taxpayer’s baseline tax liability attributable to qualified business activity. Attach the certificate issued by MEDC for this credit to the return to substantiate a claim.

For more information, call the MEDC at (517) 373-9808 or visit their Web site at medc.michigan.org/miadvantage/incentives.

The Pharmaceutical Credit provides a credit for qualified research expenses (as defined in section 41 of the IRC) related to the taxpayer’s pharmaceutical-based business activity in Michigan. Eligible taxpayers must be primarily engaged in manufacturing, research, development and sale of pharmaceuticals; have at least 8,500 employees in Michigan whose primary place of employment is within a 100-mile radius of each other, where at least 5,000 of these Michigan employees must be engaged primarily in research and development of pharmaceuticals. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next seven tax years. Complete and attach Form 4079, *Michigan Pharmaceutical Credit Assignment*, if the credit is being assigned.

The Qualified Start-Up Business Credit provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer’s SBT

liability for the year. To qualify, a taxpayer must apply to and obtain certification from MEDC, and attach that certificate to its SBT return. The application form is on the MEDC Web site (medc.michigan.org/miadvantage/incentives); call (517) 373-9808 for more information. Criteria generally are as follows:

- Fewer than 25 full-time equivalent employees
- Sales of less than \$1,000,000 in the year for which the credit is claimed
- Not publicly traded
- Research and development make up at least 15% of its expenses in the year of the credit
- During the immediately preceding seven years was in one of the first two years of contribution liability under the Michigan Employment Security Act.

Ⓢ **Note:** A company claiming the Qualified Start-Up Business Credit must pay back a portion of the credit if they move out of the state within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100% of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67% of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33% of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

The Donated Automobile Credit is a nonrefundable credit equal to 50% of the fair market value of an automobile donated to a qualified organization that intends to provide the auto to a qualified recipient for transportation to work. A qualified organization is one certified by the Department of Treasury for this credit. The maximum credit for a year is \$100. Attach Form 4284, *Donor Tax Credit Certificate*, to substantiate this credit.

The Created Jobs Credit applies only to tax years beginning in 2005. It is a nonrefundable credit to employers with gross receipts of \$10 million or less, equal to a percentage of compensation paid to employees who performed “created jobs” in Michigan. The percentage varies from 0.5% to 2%, depending on the taxpayer’s capital investment in Michigan this year. A “created job” must meet the following criteria:

- Involve high-technology or manufacturing
- Did not exist in Michigan in the preceding tax year
- Represents an increase in taxpayer’s FTE employees in Michigan from the preceding year
- Employee did not transfer into the job from other Michigan employment for the taxpayer or a related entity

- Benefits include prescription, primary health care, and hospitalization coverage
- Not a qualified new job used to calculate a MEGA Employment Tax Credit or MEGA Business Activity Tax Credit.

Complete and attached the Created Jobs Credit - Worksheet I to claim this credit. Created Jobs Credit - Worksheet II must also be completed for each employee. Do not submit Worksheet II with your return, but retain it for your records.

The Old Brownfield Credit was available for tax years that began after December 31, 1996 and before January 1, 2001. The credit carryforwards from credits that were previously approved may still be applied against the current tax liability until the credit is used up or the 10-year limitation has been reached.

① **Note:** A partial recapture of the credit is required if tangible assets used in the calculation of the credit are sold, disposed of, or transferred from the property. The recapture is equal to 10% of the federal basis used for determining gain or loss as of the date of the sale, disposition or transfer.

The Renaissance Zone Credit encourages businesses and individuals to move into a designated zone to help revitalize the area. A business located and conducting business activity within the Zone may claim a credit for tax years beginning after December 31, 1996. Beginning with the 2003 tax year, the method of calculating the credit is different for businesses first locating and conducting business activity within a Renaissance Zone before December 1, 2002, and those businesses first locating and conducting business activity within a Renaissance Zone after November 30, 2002. Be sure to enter the street address or the parcel number of the property before beginning the calculation.

Business activities relating to a casino, including operating a parking lot, hotel, motel or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying property tax, single business tax or city income tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed. Complete the Renaissance Zone Credit Worksheet to claim this credit.

For more information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at medc.michigan.org/miadvantage/incentives. For information on the SBT credit, contact the Michigan Department of Treasury, Customer Contact Division, SBT Unit, at (517) 636-4700.

The New Brownfield Credit, extended through 2007, encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial or residential purposes and is

either a facility (environmentally contaminated property), functionally obsolete or blighted. Functionally obsolete or blighted property must be located in a qualified local governmental unit. For the purpose of this credit, the local Brownfield Redevelopment Financing Authority designates eligible property in an approved Brownfield plan.

For the credit to be valid, attach the *Certificate of Completion*, issued after the completion of the approval process, to the return. If the credit is being assigned, attach documentation verifying that the credit is valid. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years.

① **Note:** The sale, disposal, or transfer to another location of **personal** property used to calculate this credit will result in an addition to the tax liability of the qualified taxpayer who was originally awarded the credit in the year in which the sale, disposal or transfer occurs. This is true even if the credit was assigned to someone else. This additional liability will be calculated by multiplying the same percentage as is used to calculate the credit (e.g., 10%) times the federal basis of the property used to calculate gain or loss as of the date of the sale, disposition or transfer.

PA 249 of 2003 transferred the administration of the SBT Brownfield credit program from the Department of Treasury to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

The MEGA Business Activity Tax Credit promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Each year, approved businesses receive a certificate from MEGA showing the total of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years. For more information, contact MEDC at (517) 373-9808 or visit medc.michigan.org/miadvantage/incentives.

Attach this schedule to the return.

2006 Insurance Company Quarterly Return for SBT and Retaliatory Tax

Issued under authority of P.A. 218 of 1956 and 228 of 1975.
See instructions for filing guidelines.

4th QUARTER DUE: January 31, 2007

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$ _____ .00	
City, State, ZIP Code		
Taxpayer's Signature	Make checks payable to "State of Michigan." Write the FEIN or TR Number on the check.	Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229

2006 Insurance Company Quarterly Return for SBT and Retaliatory Tax

Issued under authority of P.A. 218 of 1956 and 228 of 1975.
See instructions for filing guidelines.

3rd QUARTER DUE: October 31, 2006

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$ _____ .00	
City, State, ZIP		
Taxpayer's Signature	Make checks payable to "State of Michigan." Write the FEIN or TR Number on the check.	Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229

2006 Insurance Company Quarterly Return for SBT and Retaliatory Tax

Issued under authority of P.A. 218 of 1956 and 228 of 1975.
See instructions for filing guidelines.

2nd QUARTER DUE: July 31, 2006

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$ _____ .00	
City, State, ZIP		
Taxpayer's Signature	Make checks payable to "State of Michigan." Write the FEIN or TR Number on the check.	Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229

2006 Insurance Company Quarterly Return for SBT and Retaliatory Tax

Issued under authority of P.A. 218 of 1956 and 228 of 1975.
See instructions for filing guidelines.

1st QUARTER DUE: April 30, 2006

Business Name	NAICS Number	Federal Employer ID Number (FEIN) or TR Number
Address (Number and Street)	WRITE PAYMENT AMOUNT HERE  \$ _____ .00	
City, State, ZIP		
Taxpayer's Signature	Make checks payable to "State of Michigan." Write the FEIN or TR Number on the check.	Mail to: Michigan Department of Treasury Dept. 77229 Detroit, MI 48277-0229

Place this form in a window envelope so the address is showing.

Mail To:

Michigan Department of Treasury
Dept. 77229
Detroit, MI 48277 - 0229

Place this form in a window envelope so the address is showing.

Mail To:

Michigan Department of Treasury
Dept. 77229
Detroit, MI 48277 - 0229

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Dept. 77229
Detroit, MI 48277 - 0229

Instructions for Form 1988, Insurance Company Quarterly Return for SBT and Retaliatory Tax

Important: Use only 2006 returns to file estimated payment for 2006.

Who Must Make Quarterly Tax Payments

If annual liability is expected to be more than \$600, quarterly estimates must be filed. If the tax year was less than 12 months, e.g., opened or closed a business during the year, annualize the tax to see if it is necessary to file estimates.

If there was business activity in Michigan in the previous year and the tax was \$20,000 or less, that tax liability may be used as the estimate for the current year annual tax. **To avoid penalty and interest**, divide the previous year's tax by 4, e.g., \$20,000 ÷ 4 = \$5,000, and pay that amount on the current year quarterly due date(s).

If there was business activity in Michigan in the previous year but no tax liability was reported or a return was not required to be filed, estimated payments are not required for the current year.

Amending estimates. If, after making payments, it is found that the estimated tax is substantially different than the original estimate, recompute the tax and adjust the payment in the next quarter.

Computing The Estimated Tax For The Quarter

Use one of the following methods:

- 25 percent of the preceding year's tax liability, only if preceding year's tax is \$20,000 or less, or
- 25 percent of the estimated annual SBT for the year, or
- Tax computed on the actual business activity for the quarter. If computing quarterly payments based on actual activity for the quarter then the four computed amounts cannot be less than 85 percent of the current tax year liability.

Note: The effective tax rate for the 2005 tax year was 1.0735%.

Example

Estimated annual liability: \$60,000 x 85% = \$51,000
 Estimate required: \$51,000 ÷ 4 = \$12,750
 Tax due per quarter: \$12,750

	1st	2nd	3rd	4th
Tax due	\$12,750	\$12,750	\$12,750	\$12,750
Credit forward	\$15,000	\$2,250	0	0
Payment due	0*	\$10,500	\$12,750	\$12,750

*If the calculated estimate for any quarter is zero, do not send a quarterly estimate.

Penalty and Interest

If the sum of the estimated payments is less than 85 percent of the annual liability, or the amount of the estimated payment doesn't equal the quarter's liability, interest accrues at 1 percent above prime per month.

Penalty is 5% of tax due, for the first two months. Penalty increases by an additional 5% per month or fraction thereof, after the second month, to a maximum of 25%.

Due Dates

<u>Quarter</u>	<u>Period</u>	<u>Due Date</u>
1st	Jan. - Mar.	April 30
2nd	Apr. - June	July 31
3rd	July - Sept.	October 31
4th	Oct. - Dec.	January 31

Mailing Information

Mail quarterly payments to:

Michigan Department of Treasury
Dept. 77229
Detroit, Michigan 48277-0229

Visit the Treasury Web site at: www.michigan.gov/treasury

Certified Community Foundations and Component Funds

A component fund serves donors and nonprofit organizations in a specific geographic area as a restricted fund of a neighboring community foundation. The following are certified for the Community Foundations Credit for 2005.

- | | |
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| <p>01 Albion Community Foundation
56 Allegan County Community Foundation
 Saugatuck/Douglas Area Community Fund
63 Anchor Bay Community Foundation
02 Ann Arbor Area Community Foundation
 Ypsilanti Area Community Fund
49 Baraga County Community Foundation
58 Barry Community Foundation
17 Battle Creek Community Foundation
 Athens Area Community Foundation
 Homer Area Community Foundation
 Springfield Community Foundation
03 Bay Area Community Foundation
 Arenac County Fund
04 Berrien Community Foundation
45 Branch County Community Foundation
36 Cadillac Area Community Foundation
 Missaukee Area Community Foundation Fund
64 Canton Community Foundation
06 Capital Region Community Foundation
 Eaton County Community Foundation
66 Central Montcalm Community Foundation
44 Charlevoix County Community Foundation
28 Community Foundation for Muskegon County
 Mason County Community Foundation
 Oceana County Community Foundation
29 Community Foundation for Northeast Michigan
 Iosco County Community Foundation
 North Central Michigan Community Foundation
 Straits Area Community Foundation
09 Community Foundation for Southeast Michigan
 Chelsea Community Foundation
 Community Foundation for Livingston County
10 Community Foundation of Greater Flint
 Clio Area Community Fund
 Fenton Community Fund
 Flushing Area Community Fund
 Grand Blanc Community Fund
19 Community Foundation of Greater Rochester
11 Community Foundation of Monroe County
 Greater Milan Area Fund
 The Bedford Foundation
35 Community Foundation of St. Clair County
20 Community Foundation of the Holland/Zeland Area
72 Community Foundation of Troy
54 Community Foundation of the Upper Peninsula
 Alger Regional Community Foundation
 Chippewa County Community Foundation
 Community Foundation for Delta County
 Gogebic-Ontonagon Community Foundation
 Les Chenaux Area Community Fund
 Schoolcraft County Community Foundation
 St. Ignace Area Community Foundation
 Tahquamenon Falls Area Community Foundation
 West Iron County Area Community Fund
50 Dickinson County Area Community Foundation
 Crystal Falls/Forest Park Area Community Fund
 Norway Affiliate Fund
13 Four County Community Foundation
14 Fremont Area Community Foundation
 Lake County Community Foundation</p> | <p> Mecosta County Community Foundation
 Osceola County Community Foundation
15 Grand Haven Area Community Foundation
 Allendale Community Foundation
 Coopersville Area Community Foundation
16 Grand Rapids Community Foundation
 Cascade Community Foundation
 Ionia County Community Foundation
 Southeast Ottawa Community Foundation
 Sparta Community Foundation
 Wyoming Community Foundation
46 Grand Traverse Regional Community Foundation
48 Gratiot County Community Foundation
18 Greater Frankenmuth Area Community Foundation
37 Greenville Area Community Foundation
 Lakeview Area Community Foundation
 Montcalm Panhandle Community Fund
43 Hillsdale County Community Foundation
60 Huron County Community Foundation
21 Jackson County Community Foundation
22 Kalamazoo Community Foundation
 Bangor Community Foundation
 Covert Township Community Foundation
 South Haven Community Foundation
67 Keweenaw Community Foundation
77 Lapeer County Community Foundation
23 Leelanau Township Community Foundation
62 Lenawee Community Foundation
55 Livonia Community Foundation
25 M & M Area Community Foundation
65 Mackinac Island Community Foundation
24 Manistee County Community Foundation
39 Marquette Community Foundation
 Greater Ishpeming Area Community Fund
 Gwinn Area Community Fund
 Negaunee Area Community Fund
26 Marshall Community Foundation
05 Michigan Gateway Community Foundation
27 Midland Area Community Foundation
 Clare County Community Foundation
 Gladwin County Endowment Fund
42 Mt. Pleasant Area Community Foundation
 Shepherd Community Fund
68 Northville Community Foundation
75 Otsego County Community Foundation
47 Petoskey-Harbor Springs Area Community Foundation
76 Roscommon County Community Foundation
30 Saginaw Community Foundation
 Chesaning Area Community Foundation Fund
61 Sanilac County Community Foundation
71 Shelby Community Foundation
31 Shiawassee Community Foundation
57 Southfield Community Foundation
74 Sterling Heights Community Foundation
40 Sturgis Area Community Foundation
 Constantine Area Community Foundation
 White Pigeon Community Foundation
62 Tecumseh Community Fund Foundation
32 Three Rivers Area Community Foundation
73 Tuscola County Community Foundation</p> |
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Revenue Administrative Bulletins

For a complete list go to www.michigan.gov/bustax.

<u>Number</u>	<u>Title</u>		
2005-4	Interest Rate	1993-10	Enterprise Zone Act. Sales and Use Tax Exemptions and Single Business Tax Credit
2005-3	Penalty Provisions		
2002-16	Single Business Tax - Financial Organizations Defined	1992-10	Income and Single Business Taxes - Credit for Cash Donations to Eligible Shelters for the Homeless, Food Kitchens and Food Banks
2002-14	Apportionment Sourcing for Financial Organizations	1992-3	Single Business Tax, Capital Acquisition Deduction
2001-06	List of Certified Community Foundations for Tax Year 2001 Single Business Tax Credit and Income Tax Credit	1990-35	Single Business Tax Treatment of Terminated Pension Plans
1998-1	Single Business Tax Nexus Standards	1989-54	Single Business Taxation of Real Estate Mortgage Investment Conduits (REMICs)
1996-4	Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest	1989-51	Single Business Tax, Small Business Credit and Statutory Exemption for Part-Year Shareholders/Partners
1995-10	Income Tax - Single Business Tax Community Foundation Credit Extended	1989-49	Single Business Tax, Consolidated or Combined Reporting
1994-12	Single Business Tax and Individual Income Tax Treatment of an Election Under Internal Revenue Code Section 338	1989-48	Single Business Tax, Entities Under Common Control
1994-1	Challenge of Assessment, Decision or Order Limited by Statute	1989-47	Single Business Tax, Agriculture Exemption
1993-14	Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest	1989-38	Officer Liability
		1987-6	Single Business Tax Estimates