



**PART 3: FIGURING PENALTY**

	A	B	C	D
27. Enter the amount from line 12 .....				
28. Payment due dates from line 3 (MM-DD-YYYY) .....				
29. Annual return due date or the date payment was made, whichever is earlier.....				
30. Number of days from date on line 28 to date on line 29.				
31. If line 30 is greater than 0 but less than 61, multiply line 27 by 5% (0.05) ..				
32. If line 30 is greater than 60, but less than 91, multiply line 27 by 10% (0.10)				
33. If line 30 is greater than 90, but less than 121, multiply line 27 by 15% (0.15)				
34. If line 30 is greater than 120, but less than 151, multiply line 27 by 20% (0.20)				
35. If line 30 is greater than 150, multiply line 27 by 25% (0.25).....				
36. Add lines 31 through 35.....				
37. Total Penalty. Add line 36, columns A through D .....			37.	00
38. <b>Total Penalty and Interest.</b> Add lines 26 and 37. Enter here and on Form 4567, line 65, or Form 4583, line 29, or Form 4588, line 52, or Form 4590, line 38.....			38.	00

**PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES**

(If filing Forms 4583, 4588, or 4590, see instructions.)

Complete worksheet if liability is not evenly distributed throughout year.

	A	B	C	D
	First 3 Months	First 6 Months	First 9 Months	Full 12 Months
39. Gross receipts (GR).....				
40. Subtractions.....				
41. Modified GR. Subtract line 40 from line 39.....				
42. Apportionment percentage from Form 4567, line 11c .....	%	%	%	%
43. Apportioned GR Tax Base. Multiply line 41 by line 42.....				
44. Multiply line 43 by 0.8% (0.008) .....				
45. Enrichment Prohibition for dealers of boats/new motor vehicles ...				
46. GR Tax Before Credits. Enter the greater of lines 44 or 45				
47. Business Income (BI) .....				
48. Additions.....				
49. Add lines 47 and 48.....				
50. Subtractions.....				
51. BI Tax Base. Subtract line 50 from line 49.....				
52. Apportioned BI Tax Base. Multiply line 51 by line 42.....				
53. MBT business loss carryforward .....				
54. Qualified Affordable Housing Deduction.....				
55. Subtract line 54 and line 53 from line 52. If less than zero, enter zero.....				
56. BI Tax Before Credits. Multiply line 55 by 4.95% (0.0495)				
57. Total MBT Before Credits. Add lines 46 and 56.....				
58. Annual Surcharge. Multiply line 57 by 21.99% (0.2199) (surcharge for the year should not exceed \$6,000,000)..				
59. MBT (including surcharge) Before Credits. Add lines 57 and 58.				
60. Nonrefundable Credits.....				
61. Subtract line 60 from line 59. If less than zero, enter zero				
62. Recapture of certain MBT credits and deductions.....				
63. Net Tax Liability. Add lines 61 and 62 .....				
64. Annualization ratios .....	4	2	1.3333	1
65. Annualized tax. Multiply line 63 by line 64.....				
66. Applicable percentage .....	21.25%	42.5%	63.75%	85%
67. Multiply line 65 by line 66 .....				
68. Combined amounts of line 69 from all preceding columns	X X X X X			
69. <b>ESTIMATE REQUIREMENTS BY QUARTER.</b> Subtract line 68 from line 67. If less than zero, enter zero. Enter here and on page 1, line 4.....				

**NOTE:** Totals on line 69 must equal 85% of the current year tax liability on page 1, line 1.

# Instructions for Form 4582, Michigan Business Tax (MBT) Penalty and Interest Computation for Underpaid Estimated Tax

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## Purpose

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To compute penalty and interest for underpaying, late filing, or late payment of quarterly estimates. If a taxpayer prefers not to file this form, the Department of Treasury (Department) will compute any applicable penalty and interest and bill the taxpayer.

**NOTE:** Penalty and interest for late filing or late payment on the annual return is computed separately. See “Computing Penalty and Interest” on page 15.

Estimated returns and payments are required from any taxpayer who expects an annual MBT liability of more than \$800. Exceptions are listed below. If a taxpayer owes estimated tax and the estimated return with full payment is not filed or is filed late, penalty is added at 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent. If the taxpayer made no estimated tax payments and none of the exceptions below apply, compute the interest due (Part 2) and the penalty for non-filing (Part 3).

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## Exceptions

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If any of the conditions listed below apply, do not pay penalty and interest. If a business operated less than 12 months in the current or preceding year, annualize figures (as applicable) to determine if the exceptions apply. See page 14 for complete annualizing instructions.

- The annual tax on the current annual return is \$800 or less.
- The estimated quarterly payments reasonably approximate the tax liability incurred for each quarter and the total of all payments equals at least 85 percent of the annual liability. Complete the Annualization Worksheet (Part 4) if the liability is not evenly distributed through the tax year.
- The sum of estimated payments equals the annual tax on the preceding year’s return, providing these payments were made in four timely equal payments, or 12, if paid on Sales, Use, and Withholding (SUW) returns, and the preceding year’s tax was \$20,000 or less. If the prior year’s tax liability was reported for a period less than 12 months, this amount must be annualized. See “Filing if Tax Year Is Less Than 12 Months” in the general information section on page 14 for more information.
- The taxpayer is a farmer, fisherman, or seafarer and files the *MBT Annual Return* (Form 4567) by March 1, or a tentative annual return with payment by January 15, and the final return on or before April 15.

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## Line-by-Line Instructions

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*Lines not listed are explained on the form.*

Do not enter data in boxes filled with Xs.

Dates must be entered in MM-DD-YYYY format.

**Name and Account Number:** Enter name and account number as reported on page 1 of the applicable MBT annual return (either Form 4567 or the *MBT Simplified Return* (Form 4583)

for standard taxpayers, the *MBT Annual Return for Financial Institutions* (Form 4590), or the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

## PART 1: ESTIMATED TAX REQUIRED

**Line 2:** Enter 85 percent of the annual tax amount from line 1.

**Line 3:** Enter the due date for each quarterly return. For calendar year filers these dates are April 15, July 15, October 15, and January 15. For fiscal year filers, these dates are 4<sup>th</sup>, 7<sup>th</sup>, 10<sup>th</sup> and 13<sup>th</sup> months after the start of the fiscal year. Payment is due on the 15<sup>th</sup> day of the month.

**Line 4:** Divide the amount of the estimated tax required for the year on line 4 by four and enter this as estimated tax for each quarter. If the business operated less than 12 months, divide by the number of quarterly returns required and enter this as the estimated tax for each quarter.

**Actual Quarterly Tax.** If a taxpayer computes quarterly tax due based on the actual tax base for each quarter, complete Part 4 first, then bring the tax from line 69 of the annualization worksheet to line 4. See Part 4 instructions for taxpayers filing a return other than Form 4567. The total of the four computed amounts cannot be less than line 2.

**Line 5:** Complete column A only. Enter the amount of prior year overpayment credited to the current tax year estimates.

**Line 6:** Amount Paid.

- **Column A:** Enter estimated payments made by the due date for the first quarterly return. Also enter in column A the total refundable credits from line 25 of the *MBT Refundable Credits* (Form 4574).
- **Column B:** Enter payments made after the due date in column A and by the due date in column B.
- **Column C:** Enter payments made after the due date in column B and by the due date in column C.
- **Column D:** Enter payments made after the due date in column C and by the due date in column D.

If quarterly payments are made after the due date, penalty and interest will apply until the payment is received. If less than full payment is made with a late filing, the taxpayer will need to compute multiple penalty and interest calculations for each column. Attach a separate schedule if necessary.

## PART 2: FIGURING INTEREST

Compute the interest due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as the interest amount is different for each quarter.

**Line 15:** Enter the due date of the next quarter or the date the tax was paid, whichever is earlier. In column D, enter the earlier of the due date for the annual return or the date the tax was paid. An approved extension does not change the due date of the annual return (column D) for this computation.

### PART 3: FIGURING PENALTY

Compute the penalty due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as the penalty amount is different for each quarter.

#### Avoiding Penalty and Interest Under MBT

If estimated MBT liability for the year is over \$800, a taxpayer must file estimated quarterly returns and payments. The taxpayer may make payments with any of the following:

- *MBT Quarterly Return* (Form 4548) or
- *Combined Return for Michigan Taxes* (Form 160) (if registered for SUW Taxes), or
- Electronic Funds Transfer (EFT). To learn more about this option, see [www.michigan.gov/biztaxpayments](http://www.michigan.gov/biztaxpayments).

If filing monthly using Form 160, monthly payments may be filed on the 20th day of the month. If filing quarterly via Form 160, payment for MBT is due on the 15th. For example, a calendar year taxpayer may file a monthly MBT estimate using Form 160 on April 20 rather than April 15 so long as the estimate for that month is consistent with the instructions below.

For taxpayers electing to make monthly remittances by EFT where the requirement to file a paper Form 160 has been waived, MBT estimates can be made by the 20th day of the month following the month's end. The estimated MBT for the quarter must also reasonably approximate the liability for the quarter.

**NOTE:** Your debit transaction will be ineligible for EFT if the bank account used for the electronic debit is funded or otherwise associated with a foreign bank account to the extent that the payment transaction would qualify as a International ACH Transaction (IAT) under NACHA Rules. Contact your bank for questions about the status of your bank account. Contact the Department's Electronic Funds Transfer Unit at (517) 636-4730 for alternate payment methods.

The estimated payment made with each quarterly return must be for the total estimated Business Income Tax and Modified Gross Receipts Tax for the quarter plus surcharge, or 25 percent of the estimated annual liability. To avoid interest and penalty charges, estimated payments must equal at least 85 percent of the liability for the tax year and the amount of each estimated payment must reasonably approximate the tax liability for that quarter or the sum of estimated payments must equal the annual tax on the preceding year's return, providing these payments were made in four timely equal payments, or 12, if paid on SUW returns, and the preceding year's tax was \$20,000 or less. If the year's tax liability is \$800 or less, estimated returns are not required. Estimates can no longer be based on 1 percent of gross receipts.

### PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES

Standard taxpayers may use the annualization worksheet to determine the amount of estimates due when income is not evenly distributed through the tax year.

If filing the *MBT Simplified Return* (Form 4583), the *Insurance*

*Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588), or *MBT Annual Return for Financial Institutions* (Form 4590), submit a schedule showing the entity's computations for each quarter. Enter the total amounts on line 63 and follow the instructions for lines 64 through 69.

Each column represents a quarterly three-month filing period.

The annualization worksheet essentially leads filers through the steps required to calculate the actual MBT due for the tax year to date. The net tax liability is then annualized and multiplied by the percentage of estimates required for that quarter.

**NOTE:** For a taxpayer that calculates and pays estimated payments for federal income tax purposes pursuant to section 6655(e) of the Internal Revenue Code, that taxpayer may use the same methodology as used to calculate the annualized income installment or the adjusted seasonal installment, whichever is used as the basis for the federal estimated payment, to calculate the estimated payments required each quarter under this section.

**Line 42:** If not subject to apportionment, enter 100 percent.

**Line 58:** Multiply line 57 by 21.99 percent (0.2199). The surcharge for the year should not exceed \$6,000,000.

For example, if 21.99 percent of line 58 is equal to \$4,000,000 in the first quarter, in the second quarter there is additional tax on line 57 that would add another \$1,000,000, the third quarter there was no additional tax, and the fourth quarter the additional tax would add another \$2,000,000, enter as follows:

- **Column A:** \$4,000,000
- **Column B:** \$5,000,000
- **Column C:** \$5,000,000
- **Column D:** \$6,000,000

**Line 69:** The totals for line 69, columns A, B, C, and D, must equal 85 percent of the current year tax liability on page 1, line 1.

***Include completed Form 4582 as part of the tax return filing.***

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#### For More Information

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For more comprehensive information regarding MBT, visit the MBT Web site at [www.michigan.gov/mbt](http://www.michigan.gov/mbt). The Web site contains information taxpayers may find helpful in determining their estimated tax liability.