

2008 Insurance Company Annual Return for Michigan Business and Retaliatory Taxes

Issued under authority of Public Act 36 of 2007.

Check if this is an amended return.
Attach supporting documents.

| | | | | | |
|--------------------------|-------|----------|--------------|---|--|
| 1. Company Name | | | | 2. Federal Employer Identification Number (FEIN) or TR Number | |
| Address (Number, Street) | | | | 3. <input type="checkbox"/> Check if Foreign Insurer | |
| City | State | ZIP Code | Country Code | 4. State of Incorporation (use 2 letter abbreviation) | |

GROSS DIRECT PREMIUMS WRITTEN IN MICHIGAN

| | | | | | |
|--|-----|--|--|--|---|
| 5. Gross direct premiums written in Michigan..... | | | | | 5. <input style="width:80px;" type="text"/> <input style="width:30px;" type="text"/> <input style="width:30px;" type="text"/> |
| 6. Premiums on policies not taken..... | 6. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 7. Returned premiums on cancelled policies..... | 7. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 8. Receipts on sales of annuities..... | 8. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 9. Receipts on reinsurance assumed..... | 9. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 10. Add lines 6 through 9..... | 10. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 11. Direct Premiums Written in Michigan. Subtract line 10 from line 5. If less than zero, enter zero..... | 11. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |

DISABILITY INSURANCE EXEMPTION

| | | | | | |
|---|-----|--|--|--|--|
| 12. Disability insurance premiums written in Michigan, not including credit or disability income insurance, OR \$190,000,000, whichever is smaller..... | | | | | 12. <input style="width:80px;" type="text"/> <input style="width:30px;" type="text"/> <input style="width:30px;" type="text"/> |
| 13. Gross direct premiums from all lines of insurance carrier services received everywhere..... | 13. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 14. Phase out..... | 14. | 280,000,000 | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 15. Subtract line 14 from line 13. If less than zero, enter zero..... | 15. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 16. Exemption reduction. Multiply line 15 by 2..... | 16. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 17. Subtract line 16 from line 12. If less than zero, enter zero..... | 17. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 18. Adjusted Tax Base. Subtract line 17 from line 11..... | 18. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 19. Michigan Business Tax Before Credits. Multiply line 18 by 1.25% (0.0125)..... | 19. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |

CREDITS

| | | | | | |
|--|------|--|--|--|--|
| 20. Enter amounts paid from 1/1/2007 to 12/31/2007 to each of the following | | | | | |
| a. Michigan Workers' Compensation Placement Facility..... | 20a. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| b. Michigan Basic Property Insurance Association..... | 20b. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| c. Michigan Automobile Insurance Placement Facility..... | 20c. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| d. Property and Casualty Guaranty Association..... | 20d. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| e. Life and Health Guaranty Association..... | 20e. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 21. Add lines 20a through 20e..... | 21. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 22. a. Michigan Examination Fees..... | 22a. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| b. Credit. Multiply line 22a by 50% (0.50)..... | 22b. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 23. Tax Before Miscellaneous Nonrefundable Credits. Subtract lines 21 and 22b from line 19..... | 23. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 24. Miscellaneous Nonrefundable Credits from Form 4596, line 33..... | 24. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 25. Michigan Business Tax After Nonrefundable Credits. Subtract line 24 from line 23. If less than zero, enter zero.. | 25. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 26. Recapture of Certain Business Tax Credits and Deductions from Form 4587, line 10..... | 26. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |
| 27. Total Michigan Business Tax. Add lines 25 and 26..... | 27. | <input style="width:80px;" type="text"/> | <input style="width:30px;" type="text"/> | <input style="width:30px;" type="text"/> | |

Return is due March 1, 2009.

WITHOUT PAYMENT: Mail return to:

Michigan Department of Treasury
P.O. Box 30783
Lansing, MI 48909

WITH PAYMENT: Pay amount on line 54 and mail check and return to:

Michigan Department of Treasury
P.O. Box 30113
Lansing, MI 48909

Make check payable to "State of Michigan." Print the FEIN or TR Number and "MBT" on the front of the check. Do not staple the check to the return.

Foreign and alien insurers complete lines 28 through 43. Domestic insurers complete line 28, then go to line 44.

28. Enter amount from line 27 28. 00

TAXES

- 29. State of incorporation tax.....
- 30. Michigan Business Tax from line 28

| A State of Incorporation | B Michigan |
|-----------------------------|-----------------|
| 29. | X X X X X X X X |
| 30. | X X X X X X X X |
| 31. | 25 |
| 32. | X X X X X X X X |
| 33. | X X X X X X X X |
| 34. | X X X X X X X X |
| 35. | X X X X X X X X |
| 36. | |
| 37. | X X X X X X X X |
| 38. | |
| 39. | |
| 40. | |
| 41. | |
| 42. | |

FEES AND ASSESSMENTS

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

TOTAL

42. Total Taxes, Fees and Assessments. Add lines 29 through 41.....

43. Retaliatory Amount. Subtract line 42, column B, from column A. If less than zero, enter zero..... 43. 00

44. **Total Tax Liability.** Add lines 28 and 43. Domestic insurers, enter amount from line 28 44. 00

PAYMENTS, REFUNDABLE CREDITS AND TAX DUE

- 45. Credit forward from 12/31/2007 Single Business Tax Insurance Return, Form 1366, line 60..... 45. 00
- 46. Estimated tax payments
- 47. Tax paid with request for extension
- 48. Refundable Credits from Form 4596, line 5.....
- 49. Total Payments. Add lines 45 through 48. (Then, if not amending, skip to line 51.)..... 49. 00

| | | |
|------------------------------------|--|---|
| AMENDED RETURN ONLY | a. Payment made with the original return | 50a. <input style="width: 100%; height: 20px;" type="text"/> 00 |
| | b. Overpayment received on the original return | 50b. <input style="width: 100%; height: 20px;" type="text"/> 00 |
| | c. Add lines 49 and 50a and subtract line 50b from the sum | |

- 50c. 00
- 51. **TAX DUE.** Subtract line 49 (or line 50c, if amending) from line 44. If less than zero, leave blank..... 51. 00
- 52. Underpaid estimate penalty and interest from Form 4582, line 38..... 52. 00
- 53. Annual return penalty % = 00 plus interest of 00. Enter total 53. 00
- 54. **PAYMENT DUE.** If line 51 is blank, go to line 55. Otherwise add lines 51 through 53..... 54. 00

OVERPAYMENT, REFUND OR CREDIT FORWARD

- 55. Overpayment. Subtract lines 44, 52 and 53 from line 49 (or line 50c, if amending). If less than zero, leave blank. (See instructions.)..... 55. 00
- 56. **CREDIT FORWARD.** Amount of overpayment on line 55 to be credited forward 56. 00
- 57. **REFUND.** Amount of overpayment on line 55 to be refunded..... 57. 00

| | | | |
|---|--|---|--|
| Taxpayer Certification. I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge. | | Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge. | |
| <input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer. | | Preparer's PTIN, FEIN or SSN <input style="width: 100%; height: 20px;" type="text"/> | |
| Taxpayer Signature | | Preparer's Business Name (print or type) <input style="width: 100%; height: 20px;" type="text"/> | |
| Taxpayer Name (print or type) | | Preparer's Business Address and Telephone Number (print or type) | |
| Title | | Telephone Number | |

Instructions for Form 4588

Insurance Company Annual Return for Michigan Business and Retaliatory Taxes

Purpose

To calculate the tax liability and to claim credits for Insurance Companies for both Michigan Business and Retaliatory Taxes.

Line-by-Line Instructions

Lines not listed are explained on the form.

Do not enter data in boxes filled with Xs.

Amended Returns: Check the box (upper-right corner, page 1) if this is an amended return, and attach a separate sheet explaining the reason for the changes. Include any supporting documents including an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document.

Country Code: If other than the United States, enter the country code. See the list of country codes on page 18.

Line 2: Use the taxpayer's Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) assigned number. Be sure to use the same account number on all forms. If the taxpayer does not have an FEIN or TR number, the taxpayer is encouraged to register online at www.michigan.gov/businessstaxes before filing this form. By registering online, an account number is usually assigned within seven days. The Department will notify the taxpayer when a TR number is assigned. Use that number on all future MBT filings and correspondence until the entity obtains its FEIN. If the taxpayer does not have the number by the time it files, leave this line blank.

Line 3: Check this box if company is a foreign insurer. Alien insurers are considered foreign insurers, unless their port of entry is Michigan, in which case the company is considered domestic for the filing of this return.

Line 5: Enter all gross direct premiums written on property or risk located or residing in Michigan.

Line 6: Enter premiums on policies not taken to the extent these premiums were included in line 5.

Line 7: Enter returned premiums on canceled policies to the extent these premiums were included in line 5.

Line 8: Enter receipts on sales of annuities to the extent these receipts were included in line 5.

Line 9: Enter receipts on reinsurance premiums assumed to the extent these receipts were included in line 5, and only if tax was paid on the original premiums.

CREDITS

Line 20: Enter the amounts paid to the listed facilities or associations from January 1, 2007, to December 31, 2007, the year immediately preceding the 2008 tax year, including special assessments. Net amounts paid and refunds received during the 2007 tax year for the same facility or association. If refunds received exceed the amount paid in the year for the same facility or association, enter zero.

Line 22a: Enter the amount of Michigan Examination Fees paid in 2008 (under Michigan Compiled Law (MCL) 500.224).

Line 24: Miscellaneous Nonrefundable Credits from *Michigan Business Tax Miscellaneous Credits for Insurance Companies* (Form 4596), line 33.

Retaliatory Instructions

For foreign and alien insurers only; domestic insurers skip lines 29 through 43.

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.

Foreign insurers must pay to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile. Enter all items that are required of a Michigan insurance company. Some taxes and obligations imposed in other states may have no corresponding requirement in Michigan, however, this does not relieve the foreign insurer from the obligation of computing and paying the tax.

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

- Michigan Workers' Compensation Placement Facility
- Michigan Basic Property Insurance Association
- Michigan Automobile Insurance Placement Facility
- Property and Casualty Guaranty Association
- Michigan Life and Health Insurance Guaranty Association
- Catastrophic Claims 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, 2009. An amended Form 4588 must be filed after the actual CT33 is filed with New York. Transfer the CT33 numbers onto the amended Form 4588 and attach a copy of the CT33 to substantiate the taxpayer's claim.

Line 29: 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 30 through 42: In column A, "State of Incorporation," enter the payments that would have been payable by a similar Michigan company doing business in the company's home state. In column B, "Michigan," enter actual payments made to Michigan.

Lines 37 through 41: 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 43: Subtract line 42, column B, from line 42, column A. This amount cannot be less than zero. If line 42, column B, is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

PAYMENTS, REFUNDABLE CREDITS, AND TAX DUE

Line 46: Enter the total tax paid with the quarterly tax returns.

Line 47: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 48: If claiming a credit, enter the amount from Form 4596, line 5.

Amended Returns Only:

Line 50a: Enter payment made with the original return.

Line 50b: Enter overpayment received on the original return.

Line 50c: Add lines 49 and 50a and subtract line 50b from the sum.

Line 52: If penalty and interest are owed for not filing estimated returns or for underestimating tax, complete the *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582) to compute penalty and interest due. If a taxpayer chooses not to file Form 4582, the Department will compute penalty and interest and bill for payment. (Form 4582 is available on the Web at www.michigan.gov/taxes.)

Line 53: See “Computing Penalty and Interest” on page 6.

Line 55: If the amount of the overpayment, less any penalty and interest due on lines 52 and 53 is less than zero, enter the difference (as a positive number) on line 54. If the amount is greater than zero, enter on line 55.

Reminder: Taxpayers must sign and date returns.

Attachments

The following forms and their requested attachments should be attached to this return, as applicable:

- *Michigan Historic Preservation Tax Credit* (Form 3581)
- *MBT Single Business Tax (SBT) Credit Carryforwards* (Form 4569)
- *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582)
- *MBT Election of Refund or Carryforward Credits* (Form 4584)
- *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587)
- *MBT Renaissance Zone Credit Schedule* (Form 4595)
- *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).