

# 2009 MICHIGAN BUSINESS TAX FORMS AND INSTRUCTIONS FOR FINANCIAL INSTITUTIONS

[www.michigan.gov/taxes](http://www.michigan.gov/taxes)

This MBT booklet includes forms and instructions for financial institutions. Forms are designed for calendar year 2009 and for the fiscal years ending in 2010.

[www.Mlfastfile.org](http://www.Mlfastfile.org)

⚡ *Easy*

⚡ *Fast*

⚡ *Secure*



See pages 2 and 6 for more information, or visit the State of Michigan E-file Web site.

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**Jennifer M. Granholm, Governor**

**Robert J. Kleine, State Treasurer**

This booklet is intended as a guide to help complete the Michigan Business Tax (MBT) return.  
It does not take the place of the law.

# File with confidence. E-file.

✚ **It's Accurate.** E-filed returns have much less chance of error compared to paper returns. The computer program checks for math errors before the return is accepted, and detailed explanations pinpoint the location of any errors in the return.

✚ **It's Fast.** E-filed returns are processed much faster than paper returns. Paper-filed returns take considerably longer to process.

✚ **It's Convenient.** Prepare and submit your Michigan Business Tax (MBT) return electronically using software approved by the Michigan Department of Treasury, and receive electronic proof from both the Internal Revenue Service and State of Michigan that your returns were accepted.

✚ **It's Secure.** Only tax preparers and their clients see the returns. Confidential information is protected by Secure Socket Layer (SSL) 128-bit encryption.



[www.MIfastfile.org](http://www.MIfastfile.org)

## E-file Software Companies

The following companies have indicated their commitment to develop software for MBT e-file. They may need to be contacted to determine when their software will be available. Additional company contact information is available on Treasury's e-file Web site at [www.MIfastfile.org](http://www.MIfastfile.org).

**1040 Works**  
[www.1040works.com](http://www.1040works.com)

**CCH Small Firms Services - ATX**  
[www.atxinc.com](http://www.atxinc.com)

**CCH Small Firms Services - TaxWise**  
[www.taxwise.com](http://www.taxwise.com)

**CCH, a Wolters Kluwer Business**  
[www.CCHGroup.com](http://www.CCHGroup.com)

**CORPTAX, Inc.**  
[www.corptax.com](http://www.corptax.com)

**Data Technology Group**  
[www.taxdimensions.com](http://www.taxdimensions.com)

**Drake Enterprises**  
[www.drakesoftware.com](http://www.drakesoftware.com)

**Express Tax**  
[www.expresstaxservice.com](http://www.expresstaxservice.com)

**Greatland**  
[www.greataxpro.com](http://www.greataxpro.com)

**Lacerte**  
[www.lacertesoftware.com](http://www.lacertesoftware.com)

**ProSeries**  
[www.proseries.com](http://www.proseries.com)

**Rhodes Computer Services**  
[www.taxslayerpro.com](http://www.taxslayerpro.com)

**Taxsation Inc.**  
[www.taxsation.com](http://www.taxsation.com)

**TAX\$IMPLE, INC.**  
[www.taxsimple.us](http://www.taxsimple.us)

**Tax Technologies, Inc.**  
[www.taxtechnologies.com](http://www.taxtechnologies.com)

**TaxVision**  
[www.ntslink.com](http://www.ntslink.com)

**TaxWorks, Inc.**  
[www.taxworks.com](http://www.taxworks.com)

**Thomson Reuters Tax & Accounting**  
[www.es.thomsonreuters.com](http://www.es.thomsonreuters.com)  
[www.Onesource.ThomsonReuters.com](http://www.Onesource.ThomsonReuters.com)  
[www.cs.thomsonreuters.com](http://www.cs.thomsonreuters.com)

**TriTech**  
[www.tritechsoft.com](http://www.tritechsoft.com)

**TurboTax**  
<http://turbotax.intuit.com/small-business-taxes/business.jsp>

**Vertex, Inc.**  
[www.vertexinc.com](http://www.vertexinc.com)

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STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

ROBERT J. KLEINE  
STATE TREASURER

December 2009

Dear Taxpayer:

Enclosed are forms and instructions needed to file your 2009 Michigan Business Tax (MBT) annual return.

Many forms and instructions have changed since 2008. Please read instructions carefully. Notable differences include:

- The creation of the *Unitary Business Group (UBG) Combined Filing Schedule for Financial Institutions* (Form 4752).
- Significant changes to the *Annual Return for Financial Institutions* (Form 4590).
- The inclusion of new credits on the *Miscellaneous Nonrefundable Credits* (Form 4573), the *Refundable Credits* (Form 4574), and the *Election of Refund or Carryforward of Credits* (Form 4584).

Please see page 4 of this book which details Important Information for 2009 as well as Legislative Changes for 2009.

If you have questions about your MBT obligations, please call the Michigan Department of Treasury's Customer Contact Division at (517) 636-4657, or visit [www.michigan.gov/mbt](http://www.michigan.gov/mbt).

Sincerely,

Robert J. Kleine  
State Treasurer

## Important Information for 2009

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### Michigan Business Tax (MBT) Form Changes

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Many of the forms and instructions have changed since 2008, so please read the instructions carefully. Some of the differences include:

- The creation of the *MBT Unitary Business Group (UBG) Combined Filing Schedule for Financial Institutions* (Form 4752). Information on Form 4752 formerly was reported on the *MBT UBG Combined Filing Schedule for Standard Members* (Form 4580).
- Significant changes to the *MBT Annual Return for Financial Institutions* (Form 4590)
- The inclusion of new credits on the *MBT Miscellaneous Nonrefundable Credits* (Form 4573), the *MBT Refundable Credits* (Form 4574), and the *MBT Election of Refund or Carryforward of Credits* (Form 4584).

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### Legislative Changes for 2009

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#### Revisions to Historic Preservation Credit

Public Act (PA) 448 of 2008 amended the Historic Preservation Credit by adding two additional “tiers” of credits for tax years beginning after December 31, 2008, and making certain changes to the existing credit. The additional “tiers” of credits effectively allow eligible taxpayers to “stack” State and federal historic preservation credits, thus negating the effect of the

provision in the MBT Act requiring taxpayers to subtract their federal credit from the available State credit amount. For completed projects certified in tax years beginning after December 31, 2008, the credit may be partially or wholly assigned, and may be reassigned. If the credit is less than \$250,000, the taxpayer may now elect to receive a refund of 90 percent of the amount of the credit that exceeds the taxpayer’s MBT liability.

#### MEGA Photovoltaic Technology Credit

PA 270 of 2008 amended the MBT to create a Michigan Economic Growth Authority (MEGA) certified credit for a qualified taxpayer that agrees to construct and operate a new facility in Michigan which serves to develop and manufacture photovoltaic energy, photovoltaic systems, or other photovoltaic technology relying on solar power. A taxpayer certified to take the credit under Michigan Compiled Law 208.1432 is disqualified from taking this credit. This credit is available to a financial institution as an assignee only.

#### Net Equity for UBGs in Financial Institutions

PA 470 of 2008 amended the MBT to modify the tax base for UBGs made up of financial institutions. Under the act, any investment made by one member of a financial institution UBG in another group member will be excluded from the UBG’s net capital tax base. This essentially allows the equivalent of the intercompany eliminations that are permitted for UBGs consisting of standard taxpayers.

## 2009 General Information for Financial Institutions

**Standard Taxpayers and Insurance Companies:** See the *Michigan Business Tax (MBT) Instruction Booklet for Standard Taxpayers* (Form 4600) or the *MBT Instruction Booklet for Insurance Companies* (Form 4592) at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

*This booklet is intended as a guide to help complete the MBT return. It does not take the place of the law.*

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### Who Files a Financial Return?

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File an *MBT Annual Return for Financial Institutions* (Form 4590) if the taxpayer is any of the following:

- A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 USC 1467a(a)(F).
- Any person, other than an insurance company subject to the tax imposed under Chapter 2A of the MBT Act, who is directly or indirectly owned by an entity described above and is a member of the Unitary Business Group (UBG) (see definition on page 7). This generally refers to all non-insurance taxpayers that are owned by and unitary with financial institutions.
- A UBG of entities described above, or both.

If the taxpayer is not any of the above, check to see if filing either the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588) or the *MBT Annual Return* (Form 4567) for standard filers is required.

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### Using This Booklet

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This MBT financial institution booklet includes forms and instructions for financial institutions. These forms are designed for calendar year 2009 and for fiscal years ending in 2010.

Read the General Information first. It is recommended that taxpayers and tax preparers also briefly review the instructions for all forms.

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### Overview of MBT for Financial Institutions

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Every financial institution with nexus in Michigan is subject to a franchise tax. The franchise tax is imposed upon the tax base of the financial institution after allocation or apportionment to Michigan at the rate of 0.235 percent.

In addition, there is an annual surcharge imposed at the rate of 23.4 percent.

**NOTE:** Trust-only banks do not pay a surcharge.

Nonrefundable and refundable credits are available for financial institutions to help reduce the initial MBT liability. This includes a limited allowance for SBT credit carryforwards.

**Forms listed below are available on the Web at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).**

Nonrefundable Credits:

- SBT Credit Carryforwards (claimed on *Single Business Tax (SBT) Credit Carryforwards* (Form 4569))
- Compensation Credit (claimed on *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570))

- Renaissance Zone Credit (claimed on *MBT Renaissance Zone Credit Schedule* (Form 4595))
- Brownfield Redevelopment Credit (calculated on the *MBT Election of Refund or Carryforward of Credits* (Form 4584))
- Individual or Family Development Account Credit (claimed on the *MBT Miscellaneous Nonrefundable Credits* (Form 4573))
- Historic Preservation Credit (calculated on the *Michigan Historic Preservation Tax Credit* (Form 3581))
- Film Infrastructure Credit (as assignee only).

Refundable Credits:

- Michigan Economic Growth Authority (MEGA) Employment Tax Credit (claimed on *MBT Refundable Credits* (Form 4574))
- Historic Preservation Credit (calculated on Form 3581)
- MEGA Photovoltaic Technology Credit (as assignee only)
- Brownfield Redevelopment Credit (calculated on Form 4584)
- Film Production Credit (as assignee only).

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### Filing MBT Quarterly Tax Estimates for 2010

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If estimated combined MBT liability for the year (including surcharge) is reasonably expected to exceed \$800, a taxpayer must file estimated returns either monthly or quarterly. Payments can be made with either of the following returns:

- *Michigan Business Tax Quarterly Return* (Form 4548), or
- *Combined Return for Michigan Taxes* (Form 160) (if registered for Sales, Use, and Withholding Taxes).

If paying quarterly, estimates are due on the 15th of the month following the end of the quarter. If paying monthly using Form 160, monthly payments may be filed on the 20th day of the month. For example, a taxpayer may file monthly MBT estimated tax payments using Form 160 on February 20, March 20, and April 20 rather than a single quarterly payment on April 15 provided the combined estimated tax payments for those months are calculated using the instructions provided with the form. For taxpayers electing to make monthly remittances by Electronic Funds Transfer (EFT) where the requirement to file a paper Form 160 has been waived, MBT estimates remain due on 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 an International ACH Transaction (IAT) under NACHA Rules. Contact your bank for questions about the status of your bank account. Contact the Michigan Department of Treasury's (Department's) EFT Unit at (517) 636-4730 for alternate payment methods.

The estimated payment made with each quarterly return must be computed on the tax base for the quarter, or 25 percent of the

estimated annual total liability, plus the annual surcharge imposed. To avoid interest and penalty charges, estimated payments must equal at least 85 percent of the total liability for the tax year and the amount of each estimated payment must reasonably approximate the tax liability for that quarter. If the prior year's tax is \$20,000 or less, estimated tax may be based on the prior year's total tax liability paid in four equal installments. 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" on page 9 for more information. 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.

### Amending Estimates

If, after making payments, the estimated tax is substantially different than originally estimated, recompute the tax and adjust the payment in the next quarter.

### Electronic Filing of MBT Returns

Effective January 1, 2010, for the 2009 tax year, software developers producing MBT tax preparation software must support electronic filing (e-file) for all eligible MBT forms that are included in their tax preparation software. All eligible MBT returns prepared using software must be e-filed.

The Department will continue to accept certain Portable Document Format (PDF) attachments with MBT e-filed returns. A current list of defined attachments is available in the MBT "Electronic Filing Tax Preparer Handbook," which is available on our Web site at [www.Mifastfile.org](http://www.Mifastfile.org) by selecting "Business Taxpayer," then "Michigan Business Tax E-File," and looking under "Tax Preparer Resources." Follow your software instructions for submitting attachments with an e-filed return.

If the MBT return includes supporting documentation or attachments that are not on the predefined list of attachments, the return can still be e-filed. Follow your software instructions for including additional attachments. The tax preparer or taxpayer should retain file copies of all documentation or attachments.

For more information and program updates, including exclusions from e-file, visit the e-file Web site at [www.Mifastfile.org](http://www.Mifastfile.org).

The taxpayer may be required to e-file its federal return. Visit the Internal Revenue Service (IRS) Web site at [www.irs.gov](http://www.irs.gov) for more information on federal e-file requirements and the IRS Federal/State Modernized e-File (MeF) program.

### Complete Federal Tax Forms First

Before preparing MBT returns, complete all federal tax forms. These forms may include:

- Fiduciaries—U.S. Form 1041, 1065, and related Schedules C, C-EZ, D, E, K, 4797, and 8825.
- Corporations—U.S. Form 1120, 1120-S, and Schedules D, K, 851, 940, 4562, 4797, and 8825.
- Limited Liability Companies (LLCs)—federal forms listed above, depending on how federal returns have been filed.

Reference these federal forms to complete Form 4590.

Copies of these forms must also be attached to the annual return filed. See the instructions for Form 4590 for further details.

### Completing Michigan Forms

The Department captures the information from paper MBT returns using an Intelligent Character Recognition process. If completing a paper return, avoid unnecessary delays caused by manual processing by following the guidelines below so the return is processed quickly and accurately.

- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **Print using capital letters (UPPER CASE).** Capital letters are easier to recognize.
- **Print numbers like this:** 012345678. Do not put a slash through the zero (∅) or seven (7).
- **Fill check boxes with an [X].** Do not use a check mark [✓].
- **Leave lines/boxes blank** if they do not apply or if the amount is zero, unless otherwise instructed.
- **Do not enter data in boxes filled with Xs.**
- **Do not write extra numbers, symbols, or notes** on the return, such as cents, dashes, decimal points (excluding percentages), or dollar signs, unless otherwise instructed. Enclose any explanations on a separate sheet unless instructed to write explanations on the return.
- **Date format**, unless otherwise specified, should be in the following format: MM-DD-YYYY. Use dashes (-) rather than slashes (/).
- **Enter phone numbers using dashes** (e.g., 517-555-5555); do not use parentheses.
- **Stay within the lines** when entering information in boxes.
- **Report losses and negative amounts** with a negative sign in front of the number (do not use parentheses). For example, a loss in the amount of \$22,459 should be reported as -22,459.
- **Percentages should be carried out four digits** to the right of the decimal point. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266 percent becomes 0.241542.
- **Report all amounts in whole dollars.** Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

### Suggested Order of Analysis and Preparation of an MBT Annual Return

First, determine whether the taxpayer has nexus with Michigan. *Nexus* is a legal term that expresses whether a taxpayer has sufficient connection to Michigan to justify subjecting the taxpayer to Michigan tax. If there is any question about the existence of nexus for MBT purposes, see Revenue Administrative Bulletins (RABs) 2007-6 and 2008-4 for further guidance.

For a taxpayer using Form 4590, first complete lines 1 through 26, which is sufficient to calculate total liability before all credits. At that point, if any nonrefundable credits will be claimed, begin the *MBT Nonrefundable Credits Summary* (Form 4568), which serves several important functions:

- Acts as a checklist of nonrefundable credits
- Identifies the order in which nonrefundable credits must be claimed
- Identifies the form on which each nonrefundable credit is calculated
- Tracks tax liability as it is reduced by each credit in proper order
- Identifies (where applicable) the point at which tax liability reaches zero and no further nonrefundable credits may be claimed in the current filing period.

Complete Form 4568 from top to bottom. For each credit the taxpayer qualifies for, calculate the credit as identified on the appropriate form and bring the result back to the appropriate line on Form 4568.

After total nonrefundable credits are determined on Form 4568, line 40, carry the figure to Form 4590, line 27. The lines following are straightforward, but take care to consider any available refundable credits on Form 4590, Part 2.

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### Further General Guidance

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For purposes of MBT, *person* means an individual, firm, bank, financial institution, insurance company, limited partnership, limited liability partnership, copartnership, partnership, joint venture, association, corporation, S corporation, LLC, receiver, estate, trust, or any other group or combination of groups acting as a unit.

A *taxpayer* includes a single person or a UBG liable for tax, interest, or penalty. A UBG must file a combined MBT return (addressed in further detail on page 8).

**LLC.** An LLC is classified for MBT purposes according to its federal tax classification. The following terms, whenever used in MBT forms, instructions, and statute, include LLCs as indicated:

- *S Corporation* includes an LLC federally taxed as an S Corporation, and a member of this LLC is a shareholder.
- *C Corporation*, which is occasionally referred to simply as a Corporation, includes an LLC federally taxed as a C Corporation, and a member of this LLC is a shareholder. A member or other person performing duties similar to those of an officer in a true corporation is an officer in this LLC.

**NOTE:** In this booklet, the term “corporation,” used without a C or S, generally refers to both types.

• An LLC with a single owner that is disregarded for federal tax purposes will also be disregarded for MBT purposes. The consequence of being disregarded is that tax classifications are based on the organizational type of the owner. Activity of the LLC will be combined with activity of the owner on a single return.

**EXCEPTION:** A foreign corporation that is a disregarded subsidiary of a U.S. parent cannot be a member of a UBG, even one that includes its U.S. parent. In this case, the foreign entity must file a separate return.

**Fiduciaries** filing for Trusts engaged in business activity must file an MBT return and report the total business activity.

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### UBGs and Combined Filing

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**NOTE:** UBGs are addressed here, in general, and further in the instructions for each form. “Special Instructions for Unitary Business Groups” are located directly before “Line-by-Line Instructions.” The areas in the “Line-by-Line Instructions” that apply only to UBGs are labeled “**UBGs.**” Additional direction is found in the “Supplemental Instructions for Standard Members in UBGs” on page 31.

#### General Information About UBGs

*Unitary Business Group* means a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- **Control Test.** One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights or ownership interests that confer rights comparable to voting rights of the other persons; AND
- **Relationship Test.** The UBG has business activities or operations which result in a flow of value between or among persons included in the UBG or has business activities or operations that are integrated with, are dependent upon, or contribute to each other. *Flow of value* is determined by reviewing the totality of facts and circumstances of business activities and operations.

*United States person*, as defined in the Internal Revenue Code (IRC) § 7701(a)(30), means:

- A citizen or resident of the United States,
- A domestic Partnership,
- A domestic Corporation,
- Any estate (other than a foreign estate, within the meaning of IRC § 7701(a)(31)), and
- Any Trust where:
  - A court within the United States is able to exercise primary supervision over the administration of the Trust; AND
  - One or more United States persons have the authority to control all substantial decisions of the Trust.

**NOTE:** The IRC defines Partnership and Corporation to include an LLC taxed federally as such.

A *Foreign operating entity* is a United States person that satisfies each of the following:

- Would otherwise be a part of a UBG that has at least one person included in the UBG who is taxable in Michigan.
- Has substantial operations outside the United States, the District of Columbia, any territory or possession of the United States except for the commonwealth of Puerto Rico, or a political subdivision of any of the foregoing.
- At least 80 percent of its income is active foreign business income as defined in IRC § 861(c)(1)(B).

**Control Test.** The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting

rights of another persons if that person owns or controls:

- More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or
- More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

**Parent-Subsidiary Controlled Group of Entities.** A parent-subsidiary controlled group of entities satisfies the control test. A *parent-subsidiary controlled group of entities* means any group of one or more chains of entities connected through ownership with a common parent if:

- The common parent directly owns more than 50 percent of the ownership interest with voting or comparable rights of at least one other entity, and
- More than 50 percent of the ownership interest with voting or comparable rights of each entity other than the common parent is owned directly by one or more of the other entities.

**Brother-Sister Controlled Group of Entities.** A brother-sister group of entities may also satisfy the control test. An Individual that is not a sole proprietor or owner of a disregarded entity or otherwise engaged in a trade or business resulting in business income or gross receipts under the MBT is not unitary with the entities in which that Individual has a controlling interest. However, a brother-sister group of entities may satisfy the control test through indirect ownership rules. This is referred to as a brother-sister controlled group of entities.

**Combined Controlled Group of Entities.** A combined controlled group of entities satisfies the control test. A *combined controlled group of entities* means three or more entities, each of which is a member of a parent-subsidiary controlled group of entities or brother-sister controlled group of entities and one of which is a common parent entity of a parent-subsidiary controlled group of entities and also is included in a brother-sister controlled group of entities.

**Excluded Ownership Interests.** For purposes of determining ownership or control under the control test, the Department will apply IRC § 1563(c) to exclude certain ownership interests from determination of ownership and control, except that the Department will apply IRC § 1563(c) to all forms of ownership interests and not just corporate stock.

**Relationship Tests.** *Flow of value* is established when members of the group demonstrate one or more of functional integration, centralized management, and economies of scale. Examples of functional integration include common programs or systems and shared information or property. Examples of centralized management include common management or directors, shared staff functions, and business decisions made for the group rather than separately by each member. Examples of economies of scale include centralized business functions and pooled benefits or insurance. Groups that commonly exhibit a flow of value include vertically or horizontally integrated businesses, conglomerates, parent companies with their wholly owned subsidiaries, and entities in the same general line of business. Flow of value must be more than the mere flow of funds arising out of passive investment.

Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exists intercompany transactions, including financing.

### **Special Instructions for the Annual Return**

By definition, a UBG can include standard taxpayers, insurance companies, and financial institutions. However, in some cases not all members of the UBG will be included on the same return. All standard taxpayer members in a UBG (except those owned by and unitary with a financial institution) file a single combined return on Form 4567. Financial institution members of a UBG (and any standard taxpayer owned by and unitary with a financial institution in the group) file a combined return on Form 4590. Insurance company members of a UBG each file separately on Form 4588.

Before completing a combined return, UBGs should first complete the *MBT Unitary Business Group Combined Filing Schedule for Standard Taxpayers* (Form 4580) or the *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752). These forms are used to gather and combine data from each member included in the combined filing schedule, and eliminate intra-group transactions where appropriate, to support the primary return. Insurance companies that are part of a UBG will each file a separate Form 4588, but should be listed as an excluded affiliate with an incompatible tax base on Form 4580 or Form 4752, as applicable.

### **The Designated Member (DM)**

A UBG combined return is filed under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the DM of the standard taxpayer group. *Designated Member* means a UBG member that has nexus with Michigan and will file the combined MBT return on behalf of the taxpayer group. If the member that owns or controls the other group members has nexus with Michigan, that controlling member must serve as the DM. If the controlling member does not have nexus with Michigan, the controlling member may appoint any group member with nexus to serve as the DM. That DM must continue to serve as such every year, unless it ceases to be a group member or the controlling member attains Michigan nexus. The filing period of a combined return is based on the tax year of the DM.

If a UBG is comprised of both standard taxpayers and financial institutions, the UBG will have two DMs (one for the standard taxpayer members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms).

**Role of the DM:** The DM speaks, acts, and files the MBT return on behalf of the group for MBT purposes. Only the DM may file a valid extension request for the group. The Department maintains the group's MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM's name and account number.

## Special Instructions for Supporting Forms

Most forms are completed by UBGs on a group basis. However, the following forms used by financial institutions must be completed with entity-specific data, rather than groupwide data:

- *Michigan Historic Preservation Credit* (Form 3581)
- *MBT Renaissance Zone Credit Schedule* (Form 4595)

If more than one member completes one of these forms, multiple copies of that form must be included in the group's combined return.

In addition, many credits require an entity-specific calculation of a credit amount. The following table provides a summary of UBG credit calculations, where:

- A) The test or criteria to qualify for the credit should be applied on a group basis (G) or a separate entity basis (E),
- B) If the qualification test is satisfied, the calculation of the credit amount should be on a group basis (G) or a separate entity basis (E),
- C) Calculation of the credit should be done after elimination of intercompany transactions (Y or N). **NOTE:** This applies only to the calculation of the credit. The tax liability of the UBG against which the credit will be applied is calculated after elimination of all intercompany transactions from the tax bases and apportionment.

Credit	(A)	(B)	(C)
Brownfield Redevelopment Credit	E	E	N
Compensation Credit	G	G	N
Film Infrastructure Credit	*	*	*
Film Production Credit	*	*	*
Historic Preservation Credit	E	E	N
Individual or Family Development Account Credit	G	G	N
MEGA Employment Tax Credit	E	E	N
MEGA Photovoltaic Technology Credit	*	*	*
Renaissance Zone Credit	E	E	N

\* Financial institutions may claim film and photovoltaic credits as assignees only.

The above credits are taken against the financial institution group's entire tax liability. Additional UBG instructions are provided on forms where these credits are calculated. A small number of credits will require a pro forma calculation of a UBG member's tax liability. Where a pro forma calculation is required, the underlying objective is to determine what the tax liability of the UBG member generating the credit would have been if that member was not included in the UBG. Therefore, the UBG member generating the credit must calculate its pro forma tax liability as if it was a singular, stand-alone taxpayer in all aspects. This supporting calculation should be submitted along with Form 4580 or Form 4752, as applicable.

If the UBG is comprised of both standard taxpayers and financial institutions, two copies of supporting forms will be completed (one group of supporting forms for the standard taxpayers' annual return, and one group of supporting forms for the financial institutions' annual return).

## Filing the Correct Form

A different primary return and instruction booklet are available for standard taxpayers (Form 4567) and insurance companies (Form 4588).

## Filing if Tax Year Is Less Than 12 Months

Generally, annual returns must be filed for the same period as federal income tax returns.

*Tax year* means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the tax base of a taxpayer is computed. If a return is made for a fractional part of a year, tax year means the period for which the return is made.

A taxpayer that has a 52- or 53-week tax year beginning not more than seven days before December 31 of any year is considered to have a tax year beginning after December of that tax year.

**Example 1:** A taxpayer with a federal tax year beginning on Monday, December 29, 2008, will be treated as follows:

- 2008 tax year end of December 31, 2008.
- Due date of April 30, 2009.
- 2009 tax year beginning January 1, 2009.

**Example 2:** A taxpayer with a federal tax year ending on Sunday, January 3, 2010, will be treated as follows:

- 2009 tax year end of December 31, 2009.
- Due date of April 30, 2010.
- 2010 tax year beginning on January 1, 2010.

**Example 3:** A 52- or 53-week year closing near the end of January is common in the retail industry. Such a taxpayer will be treated as follows:

- 2008-09 fiscal year end will be January 31, 2009.
- Due date will be May 31, 2009.
- 2009-10 fiscal year will begin on February 1, 2009.

## Annualizing

If the filing period is less than 12 months, annualize the prior year's tax liability to determine whether estimates may be based on that liability. If the prior year's annualized liability is \$20,000 or less, estimates may be based on the annualized amount if paid in four equal installments.

If annualization is required, multiply the prior year's tax liability by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

**EXAMPLE:** A fiscal year taxpayer with a tax year ending in June files a six-month return ending June 2009 reporting a tax liability of \$9,000. Estimates for the tax year ending June 2010 may be based on the annualized liability of \$18,000. Estimates must be paid in four equal installments of \$4,500.

**Fiduciaries:** A business registered as a Fiduciary that is in business less than 12 months is not required to annualize.

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## Due Dates of Annual Returns

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Annual returns are due on or before the last day of the fourth month after the end of the tax year. For example, a return for calendar year 2009 is due April 30, 2010. A return for a short year ending October 31, 2009, is due February 28, 2010.

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## Additional Filing Time

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If additional time is needed to file an annual tax return, request a Michigan extension by filing an *Application for Extension of Time to File Michigan Tax Returns* (Form 4).

Filing a federal extension request with the IRS does not automatically grant an MBT extension. The IRS does not notify state governments of extensions. A request for a Michigan extension must be received and approved to avoid penalty on the tax due.

Extension applications must be postmarked on or before the original due date of an annual return.

Although the Department may grant extensions for filing MBT returns, it will not extend the time to pay. Extension applications received without proper payment will not be processed. Penalty and interest will accrue on the unpaid tax from the original due date of the return.

Properly filed and paid estimates along with the amount included on the extension application will be accepted as payment on a tentative return, and an extension may be granted. It is important that the application is completed correctly.

Once a properly prepared and timely filed application along with appropriate estimated tax payments is received, the Department will grant an extension of eight months to file the tax return.

Any estimated tax that may be due with the request should be paid in the same manner as estimated payments were paid during the year.

A written response will be sent to the legal address on file when a valid extension application is received.

If an MBT extension is filed on time but the total payments received by the original due date are less than 90 percent of the tax liability, a 10 percent negligence penalty may apply.

**IMPORTANT:** If no tax is owed, there is no need to file an extension with Michigan by the due date of the return to avoid penalty. However, without an approved extension, it is necessary to file an annual return as soon as the information is available to do so. An extension of time to file will also extend the statute of limitations.

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## Amending a Return

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To amend a current or prior year annual return, complete the Form 4590 that is applicable for that year and check the box in the upper-right corner of the return. Include all schedules filed with the original return, even if not amending that schedule. Enter the figures on the amended return as they should be. There is no longer a separate form for amending a return.

See page 11 for how to request copies of current or past forms.

To amend a return to claim a refund, file within four years of the due date of the original return. Interest will be paid beginning 45 days after the claim is filed or the due date, whichever is later.

If amending a return to report a deficiency, penalty and interest may apply from the due date of the original return.

If any changes are made to a federal income tax return that affect an MBT tax base, filing an amended return is required. To avoid penalty, file the amended return within 120 days after the final determination by the IRS.

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## Computing Penalty and Interest

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Annual and estimated returns filed late or without sufficient payment of the tax due are subject to a penalty of 5 percent of the 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.

Compute penalty and interest for underpaid estimates using the *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582). If a taxpayer prefers not to file this form, the Department will compute the penalty and interest and send a bill.

The following chart shows the interest rate that applies to each filing period. A new interest rate is set at 1 percent above the adjusted prime rate for each six-month period.

Beginning Date	Rate	Daily Rate
January 1, 2009	6.0%	0.0001644
July 1, 2009	4.7%	0.0001288
January 1, 2010	4.25%	0.0001164

For a complete list of interest rates, see RAB 2009-7 on the Department's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

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## Signing the Return

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All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. This may be the owner, partner, corporate officer, or association member. The corporate officer may be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign the corporation's tax return.

If someone other than the above prepared the return, the preparer must give his or her business address and telephone number.

Print the name of the authorized signer and tax preparer in the appropriate area on the return.

Assemble the returns and attachments (in sequence order) and staple in the upper-left corner. (Do not staple a check to the return.)

**IMPORTANT REMINDER:** Failure to include all the required attachments with the return will delay processing and may result in reduced or denied refund or credit carryforward or a bill for tax due.

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## Mailing Addresses

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**Postage Changes:** The U.S. Post Office calculates postage based on the weight, size, and thickness of an envelope. Consult with the Post Office before mailing to avoid delays in delivery; items with insufficient postage will be returned by the Post Office.

Mail the annual return and all necessary schedules to:

With payment:

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

Without payment:

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

Mail an extension application (Form 4) to:

Michigan Department of Treasury  
P.O. Box 30774  
Lansing, MI 48909-8274

Mail MBT quarterly estimate payments (Form 4548) to:

Michigan Department of Treasury  
P.O. Box 30774  
Lansing, MI 48909-8274

Courier delivery service mail should be sent to:

Michigan Department of Treasury  
7285 Parsons Dr.  
Dimondale, MI 48821

Make all checks payable to "State of Michigan." Print taxpayer's FEIN or TR Number, the taxpayer's name, and "MBT" on the front of the check. Do not staple the check to the return.

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## Correspondence

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Address changes and business discontinuance can be reported by using the *Notice of Change or Discontinuance* (Form 163), which can be found online at [www.michigan.gov/treasuryforms](http://www.michigan.gov/treasuryforms) or inside the Sales, Use, and Withholding Tax booklet.

Mail correspondence to:

Customer Contact Division, MBT Unit  
Michigan Department of Treasury  
P.O. Box 30059  
Lansing, MI 48909

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## To Request Forms

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### Internet

Current and past year forms are available on the Department's Web site at [www.michigan.gov/treasuryforms](http://www.michigan.gov/treasuryforms).

### Alternate Format

Assistance in obtaining printed material in an alternate format may be requested by calling 1-800-827-4000 and pressing options 1, 4, and 223.

## TTY

Teletypewriter assistance is available by calling (517) 636-4999.

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# 2009 MICHIGAN Business Tax Annual Return for Financial Institutions

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

Issued under authority of Public Act 36 of 2007.

1. Return is for calendar year 2009 or for tax year beginning: (MM-DD-YYYY)		and ending: (MM-DD-YYYY)	
2. Name (print or type)		7. Federal Employer Identification Number (FEIN) or TR Number	
Doing Business As (DBA)		8. Organization Type  <input type="checkbox"/> Fiduciary <input type="checkbox"/> S Corporation / LLC S Corporation  <input type="checkbox"/> C Corporation / LLC C Corporation	
Street Address			
City	State		
3. Principal Business Activity		4. Business Start Date in Michigan	
5. NAICS (North American Industry Classification System) Code		6. If Discontinued, Effective Date	
		8a. <input type="checkbox"/> Check if taxpayer (or any UBG member) has authority to exercise trust powers only.	
		9. <input type="checkbox"/> Check if Filing Michigan Unitary Business Group Return. (Attach Form 4752.)	

<b>10. Apportionment Calculation:</b>	a. Michigan Gross Business (if no Michigan gross business, enter zero) ..10a.	00
	b. Total Gross Business..... 10b.	00
	c. Apportionment Percentage. Divide line 10a by line 10b..... 10c.	%

**PART 1: FRANCHISE TAX**

	A 2005	B 2006	C 2007	D 2008	E 2009
11. Equity Capital .....					
12. Goodwill.....					
13. Average daily book value of Michigan obligations .....					
14. Average daily book value of U.S. obligations .....					
15. Subtotal. Add lines 12 through 14 .....					
16. Net Capital. Subtract line 15 from line 11 .....					
17. a. Authorized insurance co. subsidiary: Enter actual capital fund amount .....					
b. Minimum regulatory amount required .....					
c. Multiply line 17b by 125% (1.25).....					
d. Subtract line 17c from 17a. If less than zero, enter zero .....					
18. Add lines 16 and 17d.....					
19. Add lines 18A, 18B, 18C, 18D and 18E. If less than zero, enter zero.....					00
20. Net Capital for Current Taxable Year. Divide line 19 by number of years reported above.....					00
21. Apportioned Tax Base. Multiply line 20 by percentage on line 10c .....					00
22. Tax Before Surcharge. Multiply line 21 by 0.235% (0.00235).....					00
23. Tax liability for entities with authority to exercise trust powers only (see instructions) .....					00
24. Tax subject to surcharge. Subtract line 23 from line 22.....					00
25. Surcharge. Multiply line 24 by 23.4% (0.234).....					00
26. Total Liability Before All Credits. Add lines 22 and 25.....					00
27. Nonrefundable credits from Form 4568, line 40 .....					00
28. <b>Total Tax After Nonrefundable Credits.</b> Subtract line 27 from line 26. If less than zero, enter zero.....					00

FEIN or TR Number

29. Recapture of Certain Business Tax Credits from Form 4587, line 12..... 29.   00  
 30. **Total Tax Liability.** Add lines 28 and 29 ..... 30.   00

**PART 2: PAYMENTS, REFUNDABLE CREDITS AND TAX DUE**

31. Overpayment credited from prior return ..... 31.   00  
 32. Estimated tax payments ..... 32.   00  
 33. Tax paid with request for extension ..... 33.   00  
 34. Refundable credits from Form 4574, line 25 ..... 34.   00  
 35. Total Payments. Add lines 31 through 34. (If not amending, then skip to line 37)..... 35.   00  

<b>AMENDED RETURN ONLY</b>	a. Payment made with the original return .....	36a. <input type="text"/> <input type="text"/> 00
	b. Overpayment received on the original return .....	36b. <input type="text"/> <input type="text"/> 00
	c. Add lines 35 and 36a and subtract line 36b from the sum .....	36c. <input type="text"/> <input type="text"/> 00

37. **TAX DUE.** Subtract line 35 (or line 36c, if amending) from line 30. If less than zero, leave blank..... 37.   00  
 38. Underpaid estimate penalty and interest from Form 4582, line 38..... 38.   00  
 39. Annual return penalty (a)   % = (b)   00 plus interest of (c)   00. Total..... 39d.   00  
 40. **PAYMENT DUE.** If line 37 is blank, go to line 41. Otherwise, add lines 37, 38 and 39d..... 40.   00

**PART 3: REFUND OR CREDIT FORWARD**

41. Overpayment. Subtract lines 30, 38 and 39d from line 35 (or line 36c, if amending). If less than zero, leave blank (see instructions)..... 41.   00  
 42. **CREDIT FORWARD.** Amount of overpayment on line 41 to be credited forward ..... 42.   00  
 43. **REFUND.** Amount of overpayment on line 41 to be refunded..... 43.   00

<b>Taxpayer Certification.</b> I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		<b>Preparer Certification.</b> 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%;" type="text"/>	
Authorized Signature for Tax Matters  <input style="width: 100%; height: 40px;" type="text"/>		Preparer's Business Name (print or type) <input style="width: 100%;" type="text"/>	
Authorized Signer's Name (print or type)		Preparer's Business Address and Telephone Number (print or type)	
Title	Date	Telephone Number	

**Return is due April 30 or on or before the last day of the 4th month after the close of the tax year.**

**WITHOUT PAYMENT** - Mail return to:

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

**WITH PAYMENT** - Pay amount on line 40 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 taxpayer's FEIN or TR Number, the taxpayer's name, and "MBT" on the front of the check. Do not staple the check to the return.

# Instructions for Form 4590

## Michigan Business Tax (MBT) Annual Return for Financial Institutions

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### Purpose

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To calculate a tax liability and claim credits for a financial institution for MBT.

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### Special Instructions for Unitary Business Groups

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A *Unitary Business Group (UBG)* is a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights (or rights comparable to voting rights) of the other United States persons; AND
- The UBG has operations which result in a flow of value between persons in the UBG or has operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations.

All financial institution members of a UBG must file a combined Form 4590 for the group with a Designated Member (DM) who must be the controlling member of the group, unless the controlling member does not have nexus with Michigan. If that is the case, the controlling member may appoint a group member with nexus to serve as the DM.

**NOTE:** The *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752) must be filed before filing Form 4590.

For more information on UBG's, see the instructions for Form 4752 available online at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

**NOTE:** Under the foregoing definition, a UBG may include financial institutions, insurance companies, and standard taxpayers. A group containing a mixture of these three taxpayer types may be required to file two or three returns to properly report the activities of the different taxpayer types within the group.

Under Michigan Compiled Law (MCL) 208.1261(f), *financial institution* means any of the following:

- i. A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 USC 1467a(a)(F).
- ii. Any entity, other than an entity subject to the tax imposed under Chapter 2A (insurance company), who is directly or indirectly owned by an entity described in (i) and is a member of the UBG.
- iii. A UBG of entities described in (i) or (ii), or both.

**NOTE:** Because the definition of financial institution for MBT purposes includes any entity (except an insurance company) that is owned by a bank or other entity (as described above) and is a member of a UBG with its parent, this may cause an entity that is not commonly thought of as a financial institution to be defined

as one for return filing purposes. A UBG of financial institutions must file a combined return on this Form 4590 that includes each member of the group that is a financial institution.

### Taxpayer Certification

A return filed by a UBG must be signed by an individual authorized to sign on behalf of the DM. Provide the telephone number of that individual at the DM's office.

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### Line-by-Line Instructions

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*Lines not listed are explained on the form.*

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

See page 9 for periods less than 12 months.

Every taxpayer engaged in business activity in Michigan must file an annual return. **There is no minimum filing threshold for financial institutions.** The MBT Act is found at MCL 208.1101 et seq. Sections specific to financial institutions are in Chapter 2B. General provisions elsewhere in the act also apply to financial institutions.

**UBGs:** Complete Form 4752 before beginning Form 4590.

**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.

**Line 1:** Unless a calendar year, enter the beginning and ending dates (MM-DD-YYYY) that correspond to the taxable period as reported to the IRS.

*Tax year* means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the tax base of a taxpayer is computed. If a return is made for a fractional part of a year, tax year means the period for which the return is made. A taxpayer's tax year is normally for the same period as is covered by its federal income tax return. A taxpayer that has a 52- or 53-week tax year beginning not more than seven days before December 31 of any year is considered to have a tax year beginning after December of that tax year.

**Example 1:** A taxpayer with a federal tax year beginning on Monday, December 29, 2008, will be treated as follows:

- 2008 tax year end of December 31, 2008.
- Due date of April 30, 2009.
- 2009 tax year beginning January 1, 2009.

**Example 2:** A taxpayer with a federal tax year ending on Sunday, January 3, 2010, will be treated as follows:

- 2009 tax year end of December 31, 2009.
- Due date of April 30, 2010.
- 2010 tax year beginning on January 1, 2010.

**Example 3:** A 52- or 53-week year closing near the end of January is common in the retail industry. Such a taxpayer will be treated as follows:

- 2008-09 fiscal year end will be January 31, 2009.
- Due date will be May 31, 2009.
- 2009-10 fiscal year will begin on February 1, 2009.

**Line 2:** Country Code. If other than the United States, enter a two-digit abbreviation for a state or province and the ZIP or postal code, as appropriate, and the country code. See the list of country codes on page 34.

Correspondence regarding this return will be sent to the address used here. The taxpayer's legal address in Department of Treasury (Department) files will not change unless the taxpayer files a *Notice of Change or Discontinuance* (Form 163).

**UBGs:** In the Name field, enter the name of the DM for the financial institutions.

**Line 3:** Enter a brief description of the principal types of financial services in which the taxpayer is engaged.

**Line 4:** Enter the start date of first business activity in Michigan.

**Line 5:** Enter the entity's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/), or enter the same NAICS code used when filing the entity's U.S. Form 1120, *Schedule K*, U.S. Form 1120S, or U.S. Form 1065.

**Line 6:** Enter the date, if applicable, on which the taxpayer went out of existence. To complete the discontinuance for Michigan taxes, file Form 163, which is available on the Department Web site at [www.michigan.gov/treasuryforms](http://www.michigan.gov/treasuryforms). If this taxpayer continues to exist, DO NOT use this line to report that this member has stopped doing business in Michigan.

**Line 7:** 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 **MUST** register before filing this form. Taxpayers are encouraged to register online at [www.michigan.gov/business taxes](http://www.michigan.gov/business taxes). The Web site provides information on obtaining an FEIN, which is required to submit taxes through e-file. Taxpayers usually can obtain an FEIN from the IRS within 48 hours. Taxpayers registering with the State online usually receive an account number within seven days.

Returns received without a registered account number will not be processed until such time as a number is provided.

**UBGs:** Enter the FEIN or TR Number for the DM of the financial group.

**Line 8:** Check the box that describes the DM's organization type. A Trust or a Limited Liability Company should check the appropriate box based on its federal return.

**Line 8a:** If the taxpayer meets the definition of financial institution and is filing this form, but is authorized to exercise only trust powers, check this box. See line 23 for additional instructions.

**UBG:** If any member of a UBG is a financial institution that is authorized to exercise only trust powers, the UBG should check this box.

**Line 9:** Check this box if filing a Michigan UBG return and attach Form 4752. For MBT, *taxpayer* means a person or a UBG liable for tax, interest, or penalty.

**Lines 10a through 10c:** A taxpayer may apportion on lines 10a through 10c only if its business activities are subject to tax both within and outside of Michigan. A financial institution is *subject to tax in another state*, as that term is used here, only if:

- It is subject to a Business Privilege Tax, a Net Income Tax, a Franchise Tax measured by net income, a Franchise Tax for the privilege of doing business, or a corporate stock tax or a tax of the type imposed under the MBT Act in that other state; OR
- That other state has jurisdiction to subject the financial institution to one or more of the taxes listed above regardless of whether that state does or does not subject the financial institution to such a tax.

Under MCL 208.1261(g), *gross business* means the sum of the following less transactions between those entities included in a UBG:

- Fees, commissions, or other compensation for financial services.
- Net gains, not less than zero, from the sale of loans and other intangibles.
- Net gains, not less than zero, from trading in stocks, bonds, or other securities.
- Interest charged to customers for carrying debit balances of margin accounts.
- Interest and dividends received.
- Any other gross proceeds resulting from the operation as a financial institution.

For a UBG that includes financial institutions, gross business includes gross business in Michigan of every financial institution included in that UBG without regard to whether the financial institution has nexus in Michigan. Gross business between financial institutions included in a UBG must be eliminated in calculating the gross business factor.

Gross business is determined to be in Michigan under extensive guidelines found at MCL 208.1269. These guidelines are summarized as follows:

- Receipts from credit card receivables including interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to credit card holders such as annual fees are in Michigan if the billing address of the credit card holder is located in Michigan.
- Credit card issuer's reimbursement fees are in Michigan if the billing address of the credit card holder is located in Michigan.
- Receipts from merchant discounts are in Michigan if the commercial domicile of the merchant is in Michigan.
- Loan servicing fees are in Michigan under any of the following circumstances:
  - For a loan secured by real property, if the real property for which the loan is secured is in Michigan.
  - For a loan secured by real property, if the real property for which the loan is secured is located both in Michigan and in one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan.

- For a loan secured by real property, if more than 50 percent of the fair market value of the real property for which the loan is secured is not located within any one state but the borrower is located in Michigan.
- For a loan not secured by real property, the borrower is located in Michigan.
- Receipts from services are in Michigan if the recipient of the services receives all of the benefit of the services in Michigan. If the recipient of the services receives some of the benefit of the services in Michigan, the receipts are included in the numerator of the apportionment factor in proportion to the extent that the recipient receives benefit of the services in Michigan.
- Receipts from investment assets and activities and trading assets and activities, including interest and dividends, are in Michigan if the financial institution's customer is in Michigan. If the location of the financial institution's customer cannot be determined, both of the following apply:
  - Interest, dividends, and other income from investment assets and activities and from trading assets and activities, including, but not limited to, investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions are in Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. Interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements are in Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. The amount of receipts and other income from investment assets and activities is in Michigan if assets are assigned to a regular place of business of the taxpayer in Michigan.
  - The amount of receipts from trading assets and activities, including, but not limited to, assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, but excluding amounts otherwise sourced in this section, are in Michigan if the assets are assigned to a regular place of business of the taxpayer in Michigan.
- Interest charged to customers for carrying debit balances on margin accounts without deduction of any costs incurred in carrying the accounts is in Michigan if the customer is located in Michigan.
- Interest from loans secured by real property is in Michigan if the property is located in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan, and if more than 50 percent of the fair market value of the real property is not located within any one state but the borrower is located in Michigan.
- Interest from loans not secured by real property is in Michigan if the borrower is located in Michigan.
- Net gains from the sale of loans secured by real property or mortgage service rights relating to real property are in Michigan if the property is in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real

property is located in Michigan, or if more than 50 percent of the fair market value of the real property is not located in any one state, but the borrower is located in Michigan.

- Net gains from the sale of loans not secured by real property or any other intangible assets are in Michigan if the depositor or borrower is located in Michigan.
- Receipts from the lease of real property are in Michigan if the property is located in Michigan.
- Receipts from the lease of tangible personal property are in Michigan if the property is located in Michigan when it is first placed in service by the lessee.
- Receipts from the lease of transportation tangible personal property are in Michigan if the property is used in Michigan or if the extent of use of the property in Michigan cannot be determined but the property has its principal base of operations in Michigan.

**UBGs:** Carry amount from Form 4752, line 2C, to line 10a, and the amount from Form 4752, line 3C, to line 10b.

### **PART 1: FRANCHISE TAX**

The following tax base calculation involves a five-year average of net capital. Enter data from the current year and four most recent MBT and SBT tax years to complete the five-year table. For purposes of this table, treat a partial year as a full year. If the current and four preceding tax periods include any short periods, the years printed in column headings for this part will not apply accurately. For example, assuming no short periods reported for federal purposes, a financial institution with a fiscal year-end of August 31 would average the net capital for tax years ending August 31, 2005, August 31, 2006, August 31, 2007, December 31, 2007, and August 31, 2008.

**UBGs:** If all members have the same year end and all have four or more years of operating history prior to the current filing period, the UBG must enter its combined data on all lines of Form 4590. Otherwise, leave lines 11 through 19 blank, complete line 20 with combined data from Form 4752, line 25, and proceed with the rest of the lines on Form 4590.

**Line 11:** Enter equity capital as of the last day of the filing period, as computed in accordance with generally accepted accounting principles. If the financial institution does not maintain its books and records in accordance with generally accepted accounting principles, net capital must be computed in accordance with the books and records used by the financial institution, so long as the method fairly reflects the financial institution's net capital for purposes of MBT. If the financial institution owns a subsidiary that is an authorized insurance company, the equity capital of the insurance subsidiary is not included in the financial institution's equity capital. Attach supporting schedules.

**Line 13:** Under MCL 208.1261(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit described in Section 3 of the Shared Credit Rating Act, Public Act 227 of 1985, MCL 141.1053.

**Line 14:** Under MCL 208.1261(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations

of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States constitution or any statute of the United States.

**Line 17a:** If this taxpayer owns a subsidiary that is an authorized insurance company, enter the actual amount of the capital fund maintained within that subsidiary. This does not include a captive insurance company.

**Line 17b:** Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

**Line 23:** If qualified to check box 8a and not part of a UBG, enter the amount from line 22.

**UBGs:** Calculate the pro forma tax liability of all members not subject to the surcharge to determine the amount of tax to enter on this line. A copy of this calculation must be attached to the tax filing.

**Line 27:** Enter nonrefundable credits from the *MBT Nonrefundable Credits Summary* (Form 4568), line 40. If claiming nonrefundable credits, see Form 4568. Note that these credits have strict eligibility requirements, and only the following are available to a financial institution:

- SBT credit carryforwards (*Single Business Tax (SBT) Credit Carryforwards* (Form 4569))
- Compensation Credit (claimed on the *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570))
- Renaissance Zone Credit (claimed on the *MBT Renaissance Zone Credit Schedule* (Form 4595))
- Individual or Family Development Account Credit (claimed on the *MBT Miscellaneous Nonrefundable Credits* (Form 4573))
- Brownfield Redevelopment Credit (calculated on the *MBT Election of Refund or Carryforward of Credits* (Form 4584))
- Historic Preservation Credit (calculated on Form 4584)
- Film Infrastructure Credit (as assignee only)

**Line 29:** Recapture of certain credits is entered on *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587). For a financial institution, these are the Michigan Economic Growth Authority (MEGA) Employment Tax Credit and Brownfield Redevelopment Credit. If the taxpayer experienced recapture of either of these credits during the filing period, complete Form 4587 and carry the result to this line.

**PART 2: PAYMENTS, REFUNDABLE CREDITS, AND TAX DUE**

**UBGs:** On lines 31 through 36, enter combined data for all members included on this combined return. Unlike tax base data earlier on this form, there is no place on Form 4752 to combine payment data before transferring it to this form.

**Line 31:** Enter overpayment credited from prior MBT return.

**Line 32:** Enter total payments made with the *MBT Quarterly Return* (Form 4548), the MBT estimates paid with the *Combined Return for Michigan Taxes* (Form 160) or with Electronic Funds Transfer (EFT). Include all payments made toward the current filing period.

**Line 34:** Enter refundable credits from the *MBT Refundable Credits* (Form 4574), line 25. If claiming a Michigan refundable credit, see Form 4574.

Only the following are available to a financial institution:

- MEGA Employment Tax Credit (claimed on Form 4574)
- Historic Preservation Credit (calculated on Form 4584)
- Brownfield Redevelopment Credit (calculated on Form 4584)
- Film Production Credit (as assignee only)
- MEGA Photovoltaic Technology Credit (as assignee only).

**Amended Returns Only:**

**Line 36a:** Enter payment made with original return.

**Line 36b:** Enter overpayment calculated on the original return (regardless of whether it was refunded or applied as a credit forward)

**Line 36c:** Add lines 35 and 36a and subtract line 36b from the sum.

**Line 38:** 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 this form, the Department will compute penalty and interest and bill for payment. (Form 4582 is available on the Web at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).)

**Line 39:** Enter the annual return penalty rate in line 39a. Add the overdue tax penalty in line 39b to the overdue tax interest in line 39c. Enter total in line 39d.

Refer to “Computing Penalty and Interest” on page 10 to determine the annual return penalty rate and use the Overdue Tax Penalty and Overdue Tax Interest worksheets below.

<b>WORKSHEET – OVERDUE TAX PENALTY</b>		
A. Tax due from Form 4590, line 37 .....		<b>00</b>
B. Late/extension or insufficient payment penalty percentage .....		<b>%</b>
C. Multiply line A by line B .....		<b>00</b>

Carry amount from line C to Form 4590, line 39b.

<b>WORKSHEET – OVERDUE TAX INTEREST</b>		
A. Tax due from Form 4590, line 37 .....		<b>00</b>
B. Applicable daily interest percentage .....		<b>%</b>
C. Number of days return was past due .....		
D. Multiply line B by line C .....		
E. Multiply line A by line D .....		<b>00</b>

Carry amount from line E to Form 4590, line 39c.

**Line 39c: NOTE:** If the late period spans more than one interest rate period, divide the late period into the number of days in each of the interest rate periods identified under “Computing Penalty and Interest” on page 10 and apply the calculations in the Overdue Tax Interest worksheet separately to each portion of the late period.

Combine these interest subtotals and carry the total to Form 4590, line 39c.

### **PART 3: REFUND OR CREDIT FORWARD**

**Line 41:** If the amount of the overpayment, less any penalty and interest due on lines 38 and 39d, is less than zero, enter the difference (as a positive number) on line 40. If the amount is greater than zero, enter on line 41.

**Line 42:** If the taxpayer anticipates an MBT liability in the filing period subsequent to this return, some or all of any overpayment from line 41 may be credited forward to the next period. Enter the desired credit forward amount here.

**Reminder:** Taxpayers must sign and date returns. Tax preparers must provide a Preparer Taxpayer Identification Number (PTIN), FEIN or Social Security number (SSN), a business name, and a business address and phone number.

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### **Attachments**

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**Federal Forms:** Attach copies of these forms to the return.

- **Corporations:** U.S. Form *1120* (pages 1 through 4), *Schedule D*, Form *851*, Form *4562* and Form *4797*. If filing as part of a consolidated federal return, attach a pro forma or consolidated schedule.
- **S Corporations:** U.S. Form *1120-S* (pages 1 through 4)\*, *Schedule D*, Form *851*, Form *4562*, Form *4797*, Form *8825*.
- **Fiduciaries:** U.S. Form *1041* (pages 1 through 4), *Schedule D* and Form *4797*.
- **Limited Liability Companies:** Attach appropriate schedules shown above based on federal return filed.

\* Do not send copies of K-1s. The Department will request them if necessary.

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**PART 2B: MEMBER DATA FOR COMBINED RETURN**

Complete a separate copy of Part 2B for each UBG member listed in Part 1. After completing Part 2A and 2B, if all group members reporting on a combined financial institution return have the same year end, and have four or more years of operating history prior to the current filing period, enter the combined group data on Form 4590. Otherwise, enter the combined totals of line 25 of this form on Form 4590, line 20, and skip lines 11 through 19 on Form 4590.

4. Member Name			7. Organization Type	
5. Member FEIN or TR Number			<input type="checkbox"/> Fiduciary	<input type="checkbox"/> S Corporation / LLC S Corporation
6. Member Address (Street)			<input type="checkbox"/> C Corporation / LLC C Corporation	<input type="checkbox"/> Partnership / LLC Partnership
City	State	ZIP/Postal Code		
8. Federal Tax Period Included in Return (MM-DD-YYYY) .....	Beginning	Ending	12. <input type="checkbox"/> Check if Nexus with Michigan	
9. If part year member, enter membership dates (MM-DD-YYYY) .....			13. <input type="checkbox"/> Check if Registered for MBT	
10. NAICS Code	11. If discontinued, effective date		14. <input type="checkbox"/> Check if New Member	
15. Nature of business activities or operations resulting in a flow of value between members, or integration, dependence or contribution to other members				

		A 2005	B 2006	C 2007	D 2008	E 2009
16. Equity Capital .....	16.					
17. Goodwill.....	17.					
18. Average daily book value of Michigan obligations.....	18.					
19. Average daily book value of U.S. obligations .....	19.					
20. Subtotal. Add lines 17 through 19 .....	20.					
21. Net Capital. Subtract line 20 from line 16.....	21.					
22. a. Authorized insurance co. subsidiary: enter actual capital fund amount.....	22a.					
b. Minimum regulatory amount required .....	22b.					
c. Multiply line 22b by 125% (1.25).....	22c.					
d. Subtract line 22c from 22a. If less than zero, enter zero .....	22d.					
23. Add lines 21 and 22d.....	23.					
24. Add lines 23A, 23B, 23C, 23D and 23E. If less than zero, enter zero.....	24.					00
25. Net Capital for Current Taxable Year. Divide line 24 by number of years reported above.....	25.					00

Designated Member FEIN or TR Number  
 Member FEIN or TR Number


**CREDIT CARRYFORWARDS AND PAYMENTS.** See instructions

26. Unused SBT Investment Tax Credit carryforward.....	26.		00
27. Unused SBT Historic Preservation Credit carryforward.....	27.		00
28. Unused SBT Created Jobs Credit carryforward .....	28.		00
29. Unused SBT "Old" Brownfield Credit carryforward.....	29.		00
30. Unused SBT "New" Brownfield Credit carryforward .....	30.		00
31. Unused SBT MEGA Business Activity Credit carryforward .....	31.		00
32. Unused MBT Basic/Enhanced Historic Preservation Credit carryforward.....	32.		00
33. Unused MBT Special Consideration Historic Preservation Credit carryforward.....	33.		00
34. Unused MBT Individual or Family Development Credit carryforward.....	34.		00
35. Unused MBT Brownfield Redevelopment Credit carryforward .....	35.		00
36. Unused MBT Film Infrastructure Credit carryforward .....	36.		00
37. Overpayment credited from prior MBT return.....	37.		00
38. Estimated tax payments .....	38.		00
39. Tax paid with request for extension .....	39.		00



# Instructions for Form 4752

## Michigan Business Tax (MBT) Unitary Business Group Combined Filing Schedule for Financial Institutions

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### Purpose

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The purpose of this form is to:

- Identify all members of a Unitary Business Group (UBG)
- Gather tax return data for each member included in the financial institution's combined return on a separate basis, make appropriate eliminations, and determine combined UBG data for the tax return.

**NOTE:** This is not the primary return. It is designed to support the *MBT Annual Return for Financial Institutions* (Form 4590) submitted on behalf of the UBG by the Designated Member (DM). Even if there is only one financial institution member in a UBG, that member must file this form in support of its Form 4590.

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### General Information About UBGs in MBT

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*Unitary Business Group* means a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- **Control Test.** One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights or ownership interests that confer comparable rights to voting rights of the other persons.
- **Relationship Test.** The UBG has business activities or operations which result in a flow of value between or among persons included in the UBG or has business activities or operations that are integrated with, are dependent upon, or contribute to each other. *Flow of value* is determined by reviewing the totality of facts and circumstances of business activities and operations.

*United States person*, as defined in Internal Revenue Code (IRC) § 7701(a)(30), means:

- A citizen or resident of the United States,
- A domestic Partnership,
- A domestic Corporation,
- Any estate (other than a foreign estate, within the meaning of IRC § 7701(a)(31)), and
- Any Trust if:
  - A court within the United States is able to exercise primary supervision over the administration of the Trust; AND
  - One or more United States persons have the authority to control all substantial decisions of the Trust.

**NOTE:** The IRC defines Partnership and Corporation to include a Limited Liability Company (LLC) taxed federally as such.

A *foreign operating entity* is a United States person that satisfies each of the following:

- Would otherwise be a part of a UBG that has at least one person included in the UBG who is taxable in Michigan.

- Has substantial operations outside the United States, the District of Columbia, any territory or possession of the United States except for the commonwealth of Puerto Rico, or a political subdivision of any of the foregoing.

- At least 80 percent of its income is active foreign business income as defined in IRC § 861(c)(1)(B).

**Control Test.** The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting rights of another person if that person owns or controls:

- More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or
- More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

**Parent-Subsidiary Controlled Group of Entities.** A parent-subsidiary controlled group of entities satisfies the control test. A *parent-subsidiary controlled group of entities* means any group of one or more chains of entities connected through ownership with a common parent if:

- The common parent directly owns more than 50 percent of the ownership interest with voting or comparable rights of at least one entity, and
- More than 50 percent of the ownership interest with voting or comparable rights of each entity other than the common parent is owned directly by one or more of the other entities.

**Brother-Sister Controlled Group of Entities.** A brother-sister group of entities may also satisfy the control test. An individual that is not a sole proprietor or owner of a disregarded entity or otherwise engaged in a trade or business resulting in business income or gross receipts under the MBT is not unitary with the entities in which that individual has a controlling interest. However, a brother-sister group of entities may satisfy the control test through indirect ownership rules. This is referred to as a brother-sister controlled group of entities.

**Combined Controlled Group of Entities.** A combined controlled group of entities satisfies the control test. A *combined controlled group of entities* means three or more entities, each of which is a member of a parent-subsidiary controlled group of entities or brother-sister controlled group of entities and one of which is a common parent entity of a parent-subsidiary controlled group of entities and also is included in a brother-sister controlled group of entities.

**Excluded Ownership Interests.** For purposes of determining ownership or control under the control test, the Department will apply IRC § 1563 to exclude certain ownership interests from determination of ownership and control, except that the

Department will apply IRC § 1563 to all forms of ownership interests and not just corporate stock.

**Relationship Tests.** *Flow of value* is established when members of the group demonstrate one or more of functional integration, centralized management, and economies of scale. Examples of functional integration include common programs or systems and shared information or property. Examples of centralized management include common management or directors, shared staff functions, and business decisions made for the UBG rather than separately by each member. Examples of economies of scale include centralized business functions and pooled benefits or insurance. Groups that commonly exhibit a flow of value include vertically or horizontally integrated businesses, conglomerates, parent companies with their wholly owned subsidiaries, and entities in the same general line of business. Flow of value must be more than the mere flow of funds arising out of passive investment.

Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exist intercompany transactions, including financing.

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### Filing Procedures for UBGs

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By definition, a UBG can include standard taxpayers, insurance companies, and financial institutions. (Note that an entity that is standard but is owned by and unitary with a financial institution is defined by statute to be a financial institution.) In some cases, however, not all members of the UBG will be included on the same return. Financial institution members file a combined return on Form 4590, with Form 4752 filed in support.

Form 4752 is used to gather and combine data from each financial institution member of the UBG to support the group's Form 4590 and related forms. This form must be completed before the group's Form 4590 and related forms are completed. If this UBG also includes standard and/or insurance company members, those members will not report tax data on this form, but will be listed as excluded affiliates in Part 3.

Standard members will combine and report their data using *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580) and *MBT Annual Return* (Form 4567).

Financial institutions include any of the following:

- A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 USC 1467a(a)(1)(F).
- Any person, other than a person subject to the tax imposed under Chapter 2A of the MBT Act (Insurance Companies), that is directly or indirectly owned by an entity described above and is a member of the UBG.
- A UBG of entities described in either or both of the preceding two bullets.

Each insurance company member will file separately, using *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588). Because insurance companies always file separately, rather than on a combined return, there is no MBT insurance form that serves a function similar to that of Forms 4580 and 4752.

**Example A:** UBG A is composed of the following:

- Four standard members
- Three financial institutions
- Two insurance companies.

All members of UBG A are owned by and unitary with one of the standard members of the UBG. UBG A will need to file Form 4580 and Form 4567 containing the four standard members and Form 4752 and Form 4590 containing the three financial institutions. In Part 1 of each form, only the members that are included on that form (either the four standard members, or the three financial institutions) will be listed. Form 4580 with standard members will be filed under the name and Federal Employer Identification Number (FEIN) of the group's standard DM. One of the financial institutions will serve as DM for those three members and file Form 4752 and Form 4590. On Part 3 of Form 4580, list all financial and insurance members. On Part 3 of Form 4752, list all standard and insurance members. The two insurance companies each will file a stand-alone Form 4588.

**Example B:** UBG B is composed of the following:

- Four members that are superficially "standard" (see below)
- Three financial institutions
- Two insurance companies.

All members of UBG B are owned by and unitary with one of the financial institutions in the UBG. Due to this ownership by a financial institution, the four members that otherwise would be standard are defined by statute to be financial institutions. (See definition of financial institution earlier in these instructions.) Therefore, this UBG will not file a Form 4580 or 4567. Seven members will file a combined return on Form 4590 and 4752, listing the two insurance members as excluded affiliates on Part 3 of Form 4752. The two insurance companies each will file a stand-alone Form 4588.

To complete this form and prepare a combined return, the UBG must select a DM. For purposes of a combined return filed by financial institution members of a UBG, *Designated Member* means a financial institution member that has nexus with Michigan and that will file the combined MBT return on behalf of all financial institution members of the UBG. If the financial institution member that owns or controls the other financial institution members has nexus with Michigan, that controlling member must serve as DM.

If that controlling member does not have nexus with Michigan, it may appoint any financial institution member of the UBG with nexus to serve as DM. That DM must continue to serve

as such every year, unless it ceases to be a UBG member or the controlling member attains Michigan nexus.

If a UBG is comprised of both standard taxpayers (not owned by and unitary with a financial institution in the UBG) and financial institutions, the UBG will have two DMs (one for the standard taxpayer members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms).

**Role of the Designated Member:** The DM speaks, acts, and files the MBT return on behalf of the UBG for MBT purposes. Only the DM may file a valid extension request for the UBG. The Department maintains the UBG's MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM's name and account number.

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## Line-by-Line Instructions

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*Lines not listed are explained on the form.*

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

For additional guidance, see the "Supplemental Instructions for Standard Members in UBGs" on page 31.

### Part 1: Unitary Business Group Members

In Part 1, list only those members of the UBG that are included on the annual return that is supported by this copy of this form. If more than 16 members, attach additional 4752 forms as needed, repeating the DM's name and FEIN or Michigan Treasury (TR) assigned number in the field at the top of each page. All excluded UBG members will be identified in Part 3.

**Lines 1A and 1B:** Beginning with the DM, list the UBG financial institution members and their corresponding FEIN or TR Number.

**NOTE:** A taxpayer that is a UBG must file a combined return using the tax year of the DM. The combined return of the UBG must include each tax year of each member whose tax year ends with or within the tax year of the DM. For example, Taxpayer ABC is a UBG comprised of three financial institutions: Member A, the DM with a calendar tax year, and Members B and C with fiscal years ending March 31, 2009, and September 30, 2009, respectively. Taxpayer ABC's tax year is that of its DM. Thus, Taxpayer ABC's tax year ends December 31, 2009, and its annual return is due April 30, 2010. That annual return must include the tax years of Members B and C ending March 31, 2009, and September 30, 2009.

If, in the previous example, Member A, the DM, instead had a fiscal year ending July 31, 2010, the UBG's tax year would end July 31, 2010, and its annual return would be due November 30, 2010. The 2010 combined return for the UBG would include Member A's fiscal year ending July 31, 2010, Member B's fiscal year ending March 31, 2009, and Member C's fiscal year ending September 30, 2009.

### Part 2A: Apportionment Data for Combined Return

When completing Part 1, if multiple copies of this page are required, provide the same answers to Part 2A, lines 2 and 3, on each copy of this page that is submitted.

**Line 2:** Gross business is defined in the instructions to Form 4590, line 10a. On a combined return, gross business is calculated after eliminating transactions between financial institution members of the UBG. Enter combined gross business in Michigan of all financial institution members on line 2A, show eliminations on line 2B, and show net after eliminations on line 2C.

Carry amount from line 2C to line 10a on Form 4590.

**Line 3:** Enter all gross business everywhere on line 3A, show eliminations on line 3B, and show net after eliminations on line 3C.

Carry amount from line 3C to line 10b on Form 4590.

### Part 2B: Member Data for Combined Return

In all cases with one or more financial institutions in a UBG, complete one copy of Part 2B for each financial institution in the UBG whose net capital is reported on this return. Note that an entity that is superficially a standard member but is owned by and unitary with a financial institution is defined by statute to be a financial institution. If a financial institution member (other than the DM) has two or more federal tax periods ending with or within the filing period of this return, use a separate copy of Part 2B for each of that member's federal periods.

**Line 7:** Identify the organization type of this member:

- Fiduciary (a decedent's estate, and a Trust taxed federally as a Trust under Subchapter J of the IRC. A grantor Trust or "revocable living Trust" established by an Individual is not taxed as a separate entity, and is not within this Fiduciary category.);
- C Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter C of the IRC);
- S Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter S of the IRC).
- Partnership (including an LP, LLP, LLC, Trust, or any other entity taxed federally as a Partnership).

**Line 8:** List the member's tax year, for federal income tax purposes, from which business activity is being reported on this copy of Part 2B.

**Line 9:** If ownership of this member did not satisfy the ownership test in the UBG definition above for this member's entire tax year, enter the beginning and ending dates within this member's tax year during which that ownership test was satisfied. These dates constitute a short tax period for MBT purposes, even if there is no corresponding short federal tax period. This member must prepare a pro forma federal return calculation for the portion of its federal year during which it was a member of this UBG, and use that pro forma calculation as the basis for reporting the tax data required by Part 2B.

This question of partial year membership **does not** arise with respect to the flow of value, integration, dependence, or contribution tests that make up the second part of the UBG definition. If the flow of value, etc., test is satisfied at any time during this member's tax year, it is satisfied for the entire tax year.

**Line 10:** Enter the taxpayer's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/), or enter the same NAICS code used when filing U.S. Form 1120S, U.S. Form 1065, Schedule C of U.S. Form 1040, or Schedule K of U.S. Form 1120.

**Line 11:** Enter the date, if applicable, on which this member went out of existence. Examples include dissolution of an entity and a merger in which this member was not the surviving entity. Include any event in which the FEIN ceases to be used by this entity. If this member continues to exist, DO NOT use this column to report that this member has stopped doing business in Michigan.

**Line 12:** If this member has nexus with Michigan, check this box. Guidance in determining nexus can be found in Revenue Administrative Bulletin (RAB) 2007-6 and 2008-4, available online at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) (see "Reference Library" link at left edge of that Web page).

**Line 14:** This line does not apply to the first MBT return filed by this UBG. For subsequent tax periods, check this box if this member was not included in the UBG's preceding MBT return.

**Line 15:** Enter a concise description of the activities or operations of this member that result in a flow of value between this member and others in the UBG, or integration, dependence, or contribution to other members. This is not limited to transactions that are recognized for tax or accounting purposes. It may include sharing of assets, employees, data, business opportunities, or other resources.

**Important for All Filers:** Public Act 470 of 2008 changed the definition of net capital for financial institutions. For lines 16 through 19, enter the requested figures after elimination of any investment of the member reporting on this copy of Part 2B in another member of the UBG. Supporting documentation identifying eliminations must be attached.

**Line 16:** Enter equity capital as of the last day of the filing period, as computed in accordance with generally accepted accounting principles. If the member does not maintain its books and records in accordance with generally accepted accounting principles, net capital must be computed in accordance with the books and records used by the member, so long as the method fairly reflects the member's net capital for purposes of this tax.

**Line 18:** Under MCL 208.1261(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit described in Section 3 of the Shared Credit Rating Act, PA 227 of 1985, MCL 141.1053.

**Line 19:** Under MCL 208.1261(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States constitution or any statute of the United States.

**Line 22a:** If the UBG member reporting on this page owns a

subsidiary that is an authorized insurance company, enter actual amount of capital fund maintained within that subsidiary.

**Line 22b:** Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

**Line 25:** Line 25 for all members must be combined and the total entered on Form 4590, line 20.

**Lines 26-36:** These lines are for reporting each member's tax credit carryforwards remaining from a previous year. If the group created a carryforward in a preceding tax period, the Department will have maintained that carryforward on the DM's account. Enter unused carryforwards of this type on the DM's copy of Part 2B.

If a member created a carryforward prior to joining the UBG, the Department will maintain that carryforward on that member's account, subject to use by the group, until it is fully consumed or that member leaves the group. Enter unused carryforwards of this type on the copy of Part 2B filed for the member that brought the carryforward to the group.

Available credit carryforwards, regardless of whether they arose within the group or outside of it, are applied against the UBG's tax liability on the basis of age (oldest first). If two members each created a carryforward of the same credit and the same age, and together they exceed the amount allowable in this filing period, those members' respective credit carryforwards are used in proportion to the amount they contributed to the group. If a member that generated a carryforward in a prior period leaves the group, that member will take with it an amount equal to the group's remaining carryforward from that period multiplied by the amount that member contributed relative to the total amount contributed by all group members for the same credit in that same period.

It is important to review a carryforward for the possibility that some or all of it has expired, or that some or all of it was withdrawn from the group by a departing member.

See the "Supplemental Instructions for Standard Members in UBGs" on page 31 for information on the effects of members leaving or joining a UBG on credit carryforwards.

**Line 37:** Enter overpayment credited from prior MBT return. When membership of a UBG changes from one filing period to the next, carryforward of an overpayment from the prior return remains with the DM's account.

**Line 38:** All MBT estimated payments for a UBG should be made by the DM. Enter estimates paid by the DM on this line of the DM's copy of Part 2B. If any other member paid estimates attributable to this group return, enter those estimates on that member's copy of Part 2B. Include all payments made by that member for any portion of its federal filing period that is included on this group return.

For example, if a non-DM member has a 12-month fiscal year beginning April 1, 2008, and is a member of a calendar year UBG throughout that period, its business activity from April 1, 2008, through March 31, 2009, will be reported on the group's December 31, 2009, return. If that member pays MBT quarterly estimates based on its federal tax year, it will make two estimates during 2008, before the DM's (and group's) filing period begins.

Because those estimates are attributable to activity that will be reported on the group's December 31, 2009, return, they should be included on the paying member's copy of Part 2B for the December 31, 2009, group return.

**Line 39:** Only the DM may request a filing extension for a UBG. If any other member submits an extension request, it will not create a valid extension for the UBG, but any payment attached to such a request can be credited to the UBG by entering that payment on this line in that member's copy of Part 2B.

**Part 3: Affiliates Excluded From This Combined Return**

The statutory test for membership in a UBG is a group of U.S. persons (other than a foreign operating entity):

- One of which owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights or ownership interests that confer comparable rights to voting rights of the other U.S. persons; and
- That has business activities or operations which result in a flow of value between or among persons included in the UBG or has business activities or operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations.

A person that would be a standard taxpayer if viewed separately is defined as a financial institution if it is owned, directly or indirectly, by a financial institution and is in a UBG with its owner.

The purpose of Part 3 is to identify entities for which the ownership test described above is satisfied but which are not included on this combined return, either because the flow of value/integration/dependence/contribution test is not satisfied or because the member is excluded by statute. A new member whose net capital is not included in this return because its tax year ends after the filing period of the UBG also should be listed here.

**Line 40A:** If a person being listed here is listed on U.S. Form 851, enter the identifying number for that person that is called "Corp. No." at the left edge of pages 1, 2, and 3 of U.S. Form 851.

**Line 40D:** If you have questions, call the Michigan Department of Treasury, Technical Services Division, at (517) 636-4230, to discuss an appropriate entry.

**Line 40E:** If this person has nexus with Michigan, check this box.

**Line 40F:** Enter this person's six-digit NAICS code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/), or enter the same NAICS code used when filing U.S. Form 1120S, U.S. Form 1065, Schedule C of U.S. Form 1040, or Schedule K of U.S. Form 1120.

**Part 4: Affiliates Included in the Prior Combined Return, but Excluded From This Return**

The purpose of Part 4 is to assist the Department in tracking membership changes of a UBG from year to year. If the reason the person is not on this return is because it did not satisfy the flow of value, etc., test at any time during the filing period, list

the person on line 40, and do not enter it here.

**Line 41C:** Reason codes for a person being included in last year's return but not on this return:

10	The member no longer meets the control test, but the ownership interest is still greater than zero.
12	The member no longer meets the control test and the ownership interest is zero.
14	Before the beginning of the filing period for this return, the person ceased to exist due to dissolution.
16	Before the beginning of the filing period for this return, the person ceased to exist due to a merger or similar combination.

If the reason is not listed among these reason codes, describe the reason in 21 characters or less in the space provided.

**Attachments**

If the membership of this MBT combined return is identical to the federal consolidated return membership, provide the same federal return attachments required for a taxpayer that files separately. See the "Attachments" section at the end of the Form 4590 instructions.

If members reporting on this combined MBT return file more than one federal return:

1. For each member that files a separate federal return, attach standard required pages of that members's federal return, and any other items (for example, financial statements) required for a separate filer in similar circumstances. See the "Attachments" section of Form 4590 instructions for guidance on standard required pages of federal returns.
2. If some or all of the members reporting on this combined MBT return also are members of a federal consolidated group (but membership is not identical), attach standard required pages of federal consolidated return, and any other items required for a separate filer in similar circumstances, PLUS a worksheet showing removal of data for federal members that are not on the combined MBT return.
3. In all cases in which members reporting on this combined MBT return file more than one federal return, attach worksheet showing intra-group eliminations.

***Include completed Form 4752 as part of the tax return filing.***

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# 2009 Supplemental Instructions for Financial Institution Members in Unitary Business Groups (UBGs)

**NOTE:** These instructions for Unitary Business Groups (UBGs) are meant to supplement general instructions and form-specific instructions for financial institution taxpayers of the Michigan Business Tax (MBT), not to replace them.

*Financial institution* refers to all taxpayers or UBG members, as applicable in the context, that satisfy the definition of financial institution in Michigan Compiled Law (MCL) 208.1261. Standard taxpayers and standard members refer to all taxpayers or UBG members, respectively, other than financial institutions or insurance companies. Standard members of a UBG should see “2009 Supplemental Instructions for Standard Members in UBGs,” in the MBT instruction booklet for standard taxpayers (Form 4600).

There is not a corresponding supplement for insurance companies because, although they can be members of a UBG, they do not file combined returns.

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## General Information and Specific Form Instructions

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The MBT instruction booklet for financial institution taxpayers (Form 4599) contains general information designed to assist in:

- Identifying existence and membership of a UBG.
- Filing combined returns by different member types within a UBG.
- Understanding the role of the Designated Member (DM).

For each type of UBG member that is reported on a combined return (standard and financial institution), there is a required form that collects data that is necessary for preparation of a combined return:

- The *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580) supports a combined return of standard members to be filed on the *MBT Annual Return* (Form 4567).
- The *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752) supports a combined return of financial institution members to be filed on the *MBT Annual Return for Financial Institutions* (Form 4590).

Guidance that is specific to only one form is contained in the instructions for that form, in sections titled either “Special Instructions for Unitary Business Groups” or simply “UBGs.” Following are instructions that apply to more than one form.

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## Pro Forma Calculations for Certain Credits

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For some credits, evaluation of whether a UBG is qualified to claim the credit is based on characteristics and activities of a single member, rather than the group as a whole. Similarly, for some credits, after it is determined that a UBG is qualified to claim the credit, calculation of the amount of credit available is based on data of a single member, rather than the group. Each credit requiring this method is identified on the form on which it is calculated. In these situations, typically a pro forma MBT liability is required for the member generating the credit.

Where a pro forma calculation is required, the underlying objective is to determine what the tax liability (immediately prior to the credit) of the UBG member generating the credit would have been if that member was not included in the group. Therefore, the member generating the credit must calculate its pro forma tax liability as if it was a singular, stand-alone taxpayer in all aspects. Typically the pro forma liability is to be calculated as of the point in the return immediately before the credit in question. This supporting pro forma calculation should be provided in a statement attached to the return. However, this calculation and its results should never be transferred to Form 4590 or displayed in a layout similar to Form 4590.

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## Effects of Members Joining a Group

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If a member that is new to the group brings with it a carryforward of a credit, combine that amount with any carryforward of the same credit that was generated by the group or brought to the group by another member. The group must then use the oldest available carryforward first, regardless of source. If two members each created (or brought) a carryforward of the same credit and the same age, and together those exceed the amount allowable in this filing period after use of older carryforwards, those members’ respective credit carryforwards are used in proportion to the amount they created for, or brought to, the group.

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## Effects of Members Leaving a Group

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When a member of a UBG ceases to be a member part way through the member’s tax year, for MBT purposes the departing member will experience a short tax year ending on the departure date, even if it does not have a short period for federal purposes.

For both the UBG return and the departing member’s separate short period return, tax bases will be calculated using actual numbers from the applicable short period of the departing member.

In most cases, when a member leaves the group, any tax credit created by that member’s activity will be applied against the group’s tax liability for the group filing period within which the member leaves. The same treatment applies to any tax credit carryforward arising from a credit created by the departing member in a prior year. If a carryforward remains after application of this current year credit and prior year carryforward to the group’s liability, the departing member will take its share of the unused carryforward for its own account. Its share of a carryforward from any particular period will be an amount equal to the group’s remaining carryforward from that period multiplied by the amount of credit that member contributed relative to the total amount contributed by all group members for the same credit in that same period.

There is a narrow exception to the preceding paragraph if the departing member’s return for the period after it leaves is due before the group’s return. In this case, any elective tax credit generated (on a pro forma basis) by the departing member during its partial UBG period will belong entirely to the

departing member. In addition, in this situation the departing member's proportional share of a credit carryforward from a prior period will belong to the departing member, and may not be applied against the group's tax liability for the group filing period within which the member leaves.

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### **Other UBG-Related Issues**

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An affiliated person that is excluded from membership in a UBG because it is a foreign person, which has nexus and meets the applicable filing threshold, must file a separate MBT return.

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### **Further Guidance on Existence and Membership of a UBG**

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For further guidance, please consult the following:

- Online at [www.michigan.gov/mbt](http://www.michigan.gov/mbt), click on "MBT Frequently Asked Questions" under Highlights, then "Unitary" under the List of Topics.

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## Revenue Administrative Bulletins

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- 2009-7** Interest Rate
- 2008-4** Michigan Business Tax Nexus Standards
- 2007-6** Michigan Business Tax - “Actively Solicits” Defined
- 2005-3** Penalty Provisions
- 1996-4** Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest
- 1994-1** Challenge of Assessment, Decision or Order Limited by Statute
- 1989-38** Officer Liability

For a complete list, go to [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

## Country Codes

Countries are identified by two-letter codes – Country Codes – which are required on some Michigan Business Tax (MBT) forms, including the annual returns. The following is a list of countries and their codes.

AF	Afghanistan	CK	Cook Islands	IN	India	NR	Nauru	SB	Solomon Islands
AX	Åland Islands	CR	Costa Rica	ID	Indonesia	NP	Nepal	SO	Somalia
AL	Albania	CI	Côte D'ivoire	IR	Iran	NL	Netherlands	ZA	South Africa
DZ	Algeria	HR	Croatia	IQ	Iraq	AN	Netherlands Antilles	GS	S. Georgia, Sandwich
AS	American Samoa	CU	Cuba	IE	Ireland	NC	New Caledonia	KR	South Korea
AD	Andorra	CY	Cyprus	IM	Isle Of Man	NZ	New Zealand	ES	Spain
AO	Angola	CZ	Czech Republic	IL	Israel	NI	Nicaragua	LK	Sri Lanka
AI	Anguilla	CD	Dem. Rep. of Congo	IT	Italy	NE	Niger	SD	Sudan
AQ	Antarctica	DK	Denmark	JM	Jamaica	NG	Nigeria	SR	Suriname
AG	Antigua & Barbuda	DJ	Djibouti	JP	Japan	NU	Niue	SJ	Svalbard, Jan Mayen
AR	Argentina	DM	Dominica	JE	Jersey	NF	Norfolk Island	SZ	Swaziland
AM	Armenia	DO	Dominican Republic	JO	Jordan	KP	North Korea	SE	Sweden
AW	Aruba	EC	Ecuador	KZ	Kazakhstan	MP	N. Mariana Islands	CH	Switzerland
AU	Australia	EG	Egypt	KE	Kenya	NO	Norway	SY	Syrian Arab Republic
AT	Austria	SV	El Salvador	KI	Kiribati	OM	Oman	TW	Taiwan
AZ	Azerbaijan	GQ	Equatorial Guinea	KW	Kuwait	PK	Pakistan	TJ	Tajikistan
BS	Bahamas	ER	Eritrea	KG	Kyrgyzstan	PW	Palau	TZ	Tanzania
BH	Bahrain	EE	Estonia	LA	Laos	PS	Palestinian Occ. Terr.	TH	Thailand
BD	Bangladesh	ET	Ethiopia	LV	Latvia	PA	Panama	TL	Timor-Leste
BB	Barbados	FK	Falkland Islands	LB	Lebanon	PG	Papua New Guinea	TG	Togo
BY	Belarus	FO	Faroe Islands	LS	Lesotho	PY	Paraguay	TK	Tokelau
BE	Belgium	FJ	Fiji	LR	Liberia	PE	Peru	TO	Tonga
BZ	Belize	FI	Finland	LY	Libya	PH	Philippines	TT	Trinidad & Tobago
BJ	Benin	FR	France	LI	Liechtenstein	PN	Pitcairn	TN	Tunisia
BM	Bermuda	GF	French Guiana	LT	Lithuania	PL	Poland	TR	Turkey
BT	Bhutan	PF	French Polynesia	LU	Luxembourg	PT	Portugal	TM	Turkmenistan
BO	Bolivia	TF	Fr. Southern Terr.	MO	Macao	PR	Puerto Rico	TC	Turks & Caicos
BA	Bosnia, Herzegovina	GA	Gabon	MK	Macedonia	QA	Qatar	TV	Tuvalu
BW	Botswana	GM	Gambia	MG	Madagascar	RE	Réunion	UG	Uganda
BV	Bouvet Island	GE	Georgia	MW	Malawi	RO	Romania	UA	Ukraine
BR	Brazil	DE	Germany	MY	Malaysia	RU	Russian Federation	AE	United Arab Emir.
IO	Brit. Ind. Ocean Terr.	GH	Ghana	MV	Maldives	RW	Rwanda	GB	United Kingdom
BN	Brunei Darussalam	GI	Gibraltar	ML	Mali	BL	St. Barthélemy	US	United States
BG	Bulgaria	GR	Greece	MT	Malta	SH	St. Helena	UM	U.S. Minor Out. Isl.
BF	Burkina Faso	GL	Greenland	MH	Marshall Islands	KN	St. Kitts & Nevis	UY	Uruguay
BI	Burundi	GD	Grenada	MQ	Martinique	LC	St. Lucia	UZ	Uzbekistan
KH	Cambodia	GP	Guadeloupe	MR	Mauritania	MF	St. Martin	VU	Vanuatu
CM	Cameroon	GU	Guam	MU	Mauritius	PM	St. Pierre & Miquelon	VE	Venezuela
CA	Canada	GT	Guatemala	YT	Mayotte	VC	St. Vincent, Grenad.	VN	Vietnam
CV	Cape Verde	GG	Guernsey	MX	Mexico	WS	Samoa	VG	Virgin Islands, British
KY	Cayman Islands	GN	Guinea	FM	Micronesia	SM	San Marino	VI	Virgin Islands, U.S.
CF	Cent. African Repub.	GW	Guinea-Bissau	MD	Moldova	ST	Sao Tome & Principe	WF	Wallis & Futuna
TD	Chad	GY	Guyana	MC	Monaco	SA	Saudi Arabia	EH	Western Sahara
CL	Chile	HT	Haiti	MN	Mongolia	SN	Senegal	YE	Yemen
CN	China	HM	Heard, McDonald Isl.	ME	Montenegro	RS	Serbia	ZM	Zambia
CX	Christmas Island	VA	Holy See (Vatican)	MS	Montserrat	SC	Seychelles	ZW	Zimbabwe
CC	Cocos Islands	HN	Honduras	MA	Morocco	SL	Sierra Leone		
CO	Colombia	HK	Hong Kong	MZ	Mozambique	SG	Singapore	XX	Countries-Other
KM	Comoros	HU	Hungary	MM	Myanmar	SK	Slovakia		
CG	Congo	IS	Iceland	NA	Namibia	SI	Slovenia		

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## Unclaimed Property Reporting for Businesses

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Michigan's Uniform Unclaimed Property Act (Public Act (PA) 29 of 1995) requires holders of unclaimed property to report and remit property belonging to owners who cannot be located or for whom there is no known address. Every business that has uncashed checks (payroll, vendor, dividends, etc.) must file a report and turn the funds over to the Michigan Department of Treasury, Unclaimed Property Division. Unclaimed property could also include cash, deposits, interest, stocks, or contents from safe deposit boxes.

Section 31 (2) of PA 29 gives the State Treasurer the authority to conduct unclaimed property examinations to determine compliance with the act.

### WHO MUST REPORT

Every Individual, Partnership, or Corporation that has unclaimed property belonging to someone whose last known address is in Michigan must report. If the owner's last known address is in another state or country and the holder does not report under the provisions of that state or country, then report those interests to Michigan.

### DORMANCY PERIODS

Generally, property in your custody that belongs to someone else and has gone unclaimed for five years must be reported. However, dormancy periods will vary based on the type of property. Visit Treasury's Web site at [www.michigan.gov/unclaimedproperty](http://www.michigan.gov/unclaimedproperty) for more detailed information about dormancy periods.

### REPORTING DUE DATE

Holder reports are due by November 1 each year and must contain all items considered unclaimed as of June 30. Enclose payment with the report to cover the amount reported. If you have unclaimed property and fail to pay or deliver it timely to the State of Michigan, you may be liable for interest at the current monthly rate of one percentage point above the adjusted prime rate on the value of the property. Civil penalties may also apply for not filing.

### CLAIMING FUNDS

To check if funds are being held for you, your family, or your business entity, visit Treasury's Web site at [www.michigan.gov/unclaimedproperty](http://www.michigan.gov/unclaimedproperty).

### FOR MORE INFORMATION



Visit [www.michigan.gov/unclaimedproperty](http://www.michigan.gov/unclaimedproperty)



Call the Unclaimed Property Division at (517) 636-5320



Write to: Unclaimed Property Division  
Michigan Department of Treasury  
P.O. Box 30756  
Lansing, MI 48909

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