

2007 MICHIGAN SBT Statutory Exemption Schedule

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

Form Code 4

1. Name	2. Federal Employer Identification Number (FEIN) or TR Number
---------	---

NOTE: If claiming a statutory exemption, complete and attach this schedule to Form C-8000, *Single Business Tax Annual Return*.

- 3. Business income from C-8000, line 11. Non-corporate taxpayers, if averaging business income, enter the amount from C-8000G, line 9 3. _____ .00
- 4. Loss carryback or carryover from C-8000, lines 21 and 22. This cannot be a negative number 4. _____ .00
- 5a. Subtotal. Add lines 3 and 4 5a. _____ .00
- 5b. Fiscal filers only, see supplemental instructions 5b. _____ .00
- 6. Compensation and director fees of ALL shareholders from C-8000KC, line 5 ▶ 6. _____ .00
- 7. Add lines 5a or 5b (whichever applies) and 6 7. _____ .00
- 8. Statutory Exemption.
Enter \$45,000 or the amount from C-8009, line 4 ▶ 8. _____ .00

PARTNERS OR SHAREHOLDERS (\$ OR PROFESSIONAL CORPORATION) EXEMPTION

- 9. Number qualified from C-8000KP, line 5, or C-8000KC, line 4. 9a. _____ LESS 1 = ▶ 9b. _____
- 10. Multiply line 9b by \$12,000. The maximum is \$48,000 10. _____ .00
- 11. Increased statutory exemption. Add lines 8 and 10 11. _____ .00

SHORT-PERIOD/PART-YEAR EXEMPTION

- 12. Number of months covered by this return.
12a. _____ divided by 12 = 12b. _____ %.
- 13. Multiply line 8 or 11 by the percentage on line 12b 13. _____ .00

ALLOWABLE EXEMPTION

- 14. Enter the amount from line 8, 11 or 13, whichever applies 14. _____ .00
- 15. Subtract line 14 from line 7. If this is a negative amount, enter zero 15. _____ .00
- 16. Multiply line 15 by 2. This amount cannot be less than zero 16. _____ .00
- 17. **Allowable Statutory Exemption.** Subtract line 16 from line 14.
Enter this amount on Form C-8000, line 39 and **attach** this schedule to SBT return..... ▶ 17. _____ .00

If line 17 is negative, enter zero; a statutory exemption is not allowed.

Instructions for Form C-8043, Statutory Exemption Schedule

(Fiscal filers, see supplemental instructions on page 75)

Purpose: To compute the allowable statutory exemption.

① **Note:** For most filers, the statutory exemption is available only if business income is less than \$67,500. For most corporations, the statutory exemption is available only if the sum of business income, federal loss carryover and carrybacks and compensation/director fees of all shareholders is less than \$67,500.

For purposes of computing the statutory exemption and the small business credit, a member of an LLC is treated as a partner if the LLC is taxed as a partnership. For purposes of computing the statutory exemption only, a member of an LLC is treated as a shareholder if the LLC is taxed as a corporation.

The statutory exemption cannot be used to increase a business loss to the next year or to offset adjusted tax base, as determined on line 36 of Form C-8000, *Single Business Tax Annual Return*, before reporting the use of the loss carryovers on Form C-8000, line 37. An unused statutory exemption cannot be carried forward.

The statutory exemption will be reduced by \$2 for each \$1 that line 7 exceeds the amount of the exemption on line 14.

Line-By-Line Instructions

Lines not listed are explained on the form.

Line 2, Account Number. Enter the same account number used on page 1 of the annual return.

Line 3, Business Income. Enter business income from Form C-8000, line 11.

✓ **Individuals, Fiduciaries, Partnerships and Limited Liability Companies** may average their income before computing their statutory exemption. If filers choose to average their business income, they must complete Form C-8000G, *SBT Statutory Exemption/Business Income Averaging*. Enter the amount from Form C-8000G, line 9, here. Check the box on Form C-8000, line 40a, to indicate that income has been averaged.

① **Note:** Business income averaging is used only to figure the statutory exemption. Do not use it as the current year business income on any form.

Line 6. Enter the amount from Form C-8000KC, *SBT Schedule of Shareholders and Officers*, line 5. Corporations claiming a statutory exemption or a small business credit must complete Form C-8000KC, to determine compensation and director fees of all shareholders. S Corporations and professional

corporations must use Form C-8000KC to determine qualified shareholders for the additional exemption.

Line 8, Statutory Exemption. Enter \$45,000 unless the filer is a member of a controlled group. If a filer is a member of a controlled group and is claiming an allocated statutory exemption, attach Form C-8009, *SBT Allocation of Statutory Exemption, Standard Small Business Credit and Alternate Tax for Members of Controlled Groups*, to the SBT return. A controlled group is entitled to only one statutory exemption, which is allocated on Form C-8009. Controlled groups must enter the amount from Form C-8009, line 4.

Lines 9 through 11. Complete these lines to increase the statutory exemption for the number of qualified partners or shareholders. Enter the amount from Form C-8000KP, *SBT Schedule of Partners*, line 5, or the amount from Form C-8000KC, line 4.

① **Note:** The increased statutory exemption is only available to S Corporations and professional corporations. It is not available to other types of corporations.

Lines 12 and 13. Complete these lines if business activity existed for a period of less than 12 months.

Allowable Statutory Exemption. Enter here and on Form C-8000, *Single Business Tax Annual Return*, line 39. If line 17 is negative, enter zero.

Attach this schedule to the return.