

**2005 MICHIGAN
SBT Statutory Exemption/Business Income Averaging
For Persons Other Than Corporations**

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

IMPORTANT: There must be four (4) taxable years preceding 2005 to qualify for business income averaging.	
1. Name	2. Federal Employer ID Number (FEIN) or TR Number
A. TAXABLE YEARS (Years Ending In)	B. BUSINESS INCOME* (Form C-8000, line 11, cannot be less than zero)
3. 2005	.00
4. 2004	.00
5. 2003	.00
6. 2002	.00
7. 2001	.00
8. Total Business Income Add lines 3 through 7.	.00
9. Average Business Income Divide the amount on line 8 by the number 5.	.00

If the amount on line 9 is greater than line 3, do not average business income. If the amount on line 9 is less than line 3, use the amount on line 9, Average Business Income, to compute the statutory exemption only. See the instructions for Form C-8043, *SBT Statutory Exemption Schedule*.

***IMPORTANT:** If business income is not available because no annual return was required, determine business income on the appropriate worksheet in the instruction booklet. **Attach this schedule to the return.**

Instructions for Form C-8000G, Statutory Exemption/Business Income Averaging

Purpose: For **persons other than corporations** to average the taxpayer's business income with the previous four years to compute the taxpayer's statutory exemption.

✓ **Individuals, Partnerships, Fiduciaries and Limited Liability Companies** - If the taxpayer had four taxable years preceding the taxable year 2005 (2001 through 2004), average business income to determine the 2005 statutory exemption.

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.

Taxable Year

A taxable year is one with business activity, whether or not an annual return was filed. A tax year for the SBT is the same period covered by the federal return.

Reorganizations

Certain reorganizations do not interrupt the averaging of the business income. If the parties of the reorganization are not corporations and controlling interest is kept in the resulting organizations (80 percent ownership) by previous owners, the taxable years of the previous owners may be used. Qualifying reorganizations must attach an explanation giving the name and account number of all persons involved and the date and description of the reorganization (e.g., individual to fiduciary).

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

Lines 3 through 7. For each taxable year, enter business income in column B as reported on the annual return. If business income for any taxable year is negative, enter "0." If the taxpayer was not required to file an annual return because gross receipts were less than filing requirements, use the appropriate worksheet on page 16 to determine business income. Attach the worksheet to this form.

If any tax year was less than 12 months, annualize the business income. To annualize, multiply the business income from the annual return by 12 and divide the result by the number of months the business operated. Enter the result in column B. Individuals are not required to annualize. For complete annualizing instructions and an explanation of a partial month, see General Information, page 6.

Line 8. Add the business income on lines 3 through 7 in column B.

Line 9. Divide the total business income determined on line 8 by the number 5 and enter this on line 9. If line 9 is greater than line 3, do not average business income. If line 9 is less than line 3, use the amount on line 9 to figure the statutory exemption. See the instructions for Form C-8043, *SBT Statutory Exemption Schedule*, on page 72. Do not use the averaged amount as the current year business income on any form.

Attach this schedule to the return.