

2003 MICHIGAN SBT Schedule of Partners

For all partnerships claiming statutory exemption or small business credit.
Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
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PART 1: PARTNER IDENTIFICATION

3.	A. Name (Last, First, Initial)	B. Social Security Number	C. % Time	D. % Own	E. Share of Business Income*
a.					
b.					
c.					
d.					
e.					
f.					
g.					
h.					
i.					
j.					
k.					
l.					
m.					
n.					
o.					

*If any partner has a share of business income in column E of over \$115,000, after loss adjustment, the partnership is not eligible for either the standard small business credit or the alternate credit.

If more space is needed, submit additional C-8000KP forms. Identify each additional form and complete Part 1 only.

PART 2: QUALIFIED PARTNERS FOR STATUTORY EXEMPTION

A qualified partner is one who:

- Spends at least 51% of his or her time working in the business, i.e., column C is 51% or more, **and**
- Owns at least 10% of the business, i.e., column D is 10% or more, **and**
- Whose share of business income in column E, is at least \$12,000.

4. Total number of partners 4. _____

5. **Total number of qualified partners.** Add number of qualified partners from Part 1.
Enter here and on C-8043, line 8a 5. _____

Instructions for C-8000KP

Schedule of Partners

Purpose: For all **partnerships** to determine eligibility for the partnership's standard small business credit or alternate tax and which partners qualify for the increased exemption.

① **Note:** 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 claiming an increased statutory exemption, a **qualified partner** is one who:

- Spends at least 51 percent of his or her time working in the business, i.e., column C is 51 percent or more, **and**
- Owns at least 10 percent of the business, i.e., column D is 10 percent or more, **and**
- Has a share of business income in column E of at least \$12,000.

Line-By-Line Instructions

Lines not listed here are explained on the form.

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

PART 1: Partner Identification

Line 3 (Columns A-E).

Column C: Enter the percentage of each partner's time that is spent working in the business.

Column D: Enter the percentage of profits or capital interest of this partnership owned by each partner. If a partner owned this interest for a period less than the partnership's tax year, multiply that partner's percentage of ownership by the number of months owned and divide the result by the number of months in this partnership's tax year.

Column E: Enter each partner's distributive share of income, losses and deductions from U.S. 1065, *Schedule K-1*. See partnership business income on Worksheet 3, on page 16. Each partner's distributed share includes guaranteed payments to partners. If any partner has a share of business income in column E of over \$115,000, the partnership is not eligible for the standard small business credit or the alternate credit.

PART 2: Qualified Partners for Statutory Exemption

Line 5. Enter the total number of partners who qualify for the increased exemption. Enter this same number on Form C-8043, *SBT Statutory Exemption Schedule*, line 8a.

For short-period returns or part-year partners, the partner's share of business income must be annualized to meet this requirement.

① **Note:** A person cannot be a qualified partner or shareholder in more than one business.

Example of Qualified Partners

Business Income reported on Form C-8000, line 11, equals \$34,000, which includes guaranteed payments to partners of \$18,000. Guaranteed payments to partners are assigned to the appropriate partner, in this case \$9,000 each to partners A and B. Each partner's distributive share of the remaining income is then calculated based on the percentage of the partnership owned.

Partners	%Time	%Own	Share
A	100	25	\$13,000
B	100	25	\$13,000
C	0	50	\$ 8,000

Only partners A and B of this partnership qualify. Both A and B devote at least 51 percent of their time, own at least 10 percent of the business and have business income of at least \$12,000. Business income of A and B includes \$4,000 ordinary income plus \$9,000 guaranteed payments.

Attach this schedule to the return.