

**2004 MICHIGAN Single Business Tax Annual Return**

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

<p>▶ 1. This return is for calendar year <b>2004</b> or for the following tax year</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">Beginning Date</td> <td style="border: none;">Ending Date</td> </tr> <tr> <td style="border: none;"> <table style="width:100%; border: none;"> <tr> <td style="border: none;">month</td> <td style="border: none;">year</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;">2004</td> </tr> </table> </td> <td style="border: none;"> <table style="width:100%; border: none;"> <tr> <td style="border: none;">month</td> <td style="border: none;">year</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table> </td> </tr> </table>	Beginning Date	Ending Date	<table style="width:100%; border: none;"> <tr> <td style="border: none;">month</td> <td style="border: none;">year</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;">2004</td> </tr> </table>	month	year		2004	<table style="width:100%; border: none;"> <tr> <td style="border: none;">month</td> <td style="border: none;">year</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	month	year			<p>▶ 5. Federal Employer Identification Number (FEIN) or TR Number <span style="float: right;">□</span></p>
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month	year												
<p>2. Name (Type or Print)</p> <p>DBA</p> <p>Street Address</p> <p>City, State, ZIP Code</p>	<p>▶ 6. If discontinued, enter effective date</p> <p>7. Business Start Date</p> <p>8. Principal Business Activity</p>												
<p>▶ 3. Check this box if filing a Michigan consolidated return.</p> <p><input type="checkbox"/> Enter authorization number _____</p> <p>▶ 4. Check this box if you are a member of a controlled group (see instructions).</p> <p><input type="checkbox"/></p>	<p>▶ 9. Organization Type (check one)</p> <table style="width:100%; border: none;"> <tr> <td style="border: none;">a. <input type="checkbox"/> Individual</td> <td style="border: none;">b. <input type="checkbox"/> Fiduciary</td> </tr> <tr> <td style="border: none;">c. <input type="checkbox"/> Professional Corporation</td> <td style="border: none;">d. <input type="checkbox"/> S Corporation</td> </tr> <tr> <td style="border: none;">e. <input type="checkbox"/> Other Corporation</td> <td style="border: none;">f. <input type="checkbox"/> Partnership/LLC-Partnership</td> </tr> <tr> <td style="border: none;">g. <input type="checkbox"/> Limited Liability Company-Corporation</td> <td></td> </tr> </table>	a. <input type="checkbox"/> Individual	b. <input type="checkbox"/> Fiduciary	c. <input type="checkbox"/> Professional Corporation	d. <input type="checkbox"/> S Corporation	e. <input type="checkbox"/> Other Corporation	f. <input type="checkbox"/> Partnership/LLC-Partnership	g. <input type="checkbox"/> Limited Liability Company-Corporation					
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10. Gross receipts ..... ▶ 10. \_\_\_\_\_ .00  
 11. Business income. Filers using the Short-Method, go to C-8000S, line 9 ..... ▶ 11. \_\_\_\_\_ .00

**COMPENSATION**

12. Salaries, wages and other payments to employees ..... ▶ 12. \_\_\_\_\_ .00  
 13. Employee insurance plans - health, life ..... ▶ 13. \_\_\_\_\_ .00  
 14. Pension, retirement, profit sharing plans ..... ▶ 14. \_\_\_\_\_ .00  
 15. Other payments - supplemental unemployment benefit trust, etc ..... ▶ 15. \_\_\_\_\_ .00  
 16. **Total Compensation.** Add lines 12 - 15 ..... 16. \_\_\_\_\_ .00

**ADDITIONS - to the extent deducted in arriving at business income.**

17. Depreciation and other write-off of tangible assets ..... ▶ 17. \_\_\_\_\_ .00  
 18. Taxes imposed on or measured by income (e.g., city, state, foreign) .... ▶ 18. \_\_\_\_\_ .00  
 19. Single business tax ..... ▶ 19. \_\_\_\_\_ .00  
 20. Dividends, interest and royalty expenses ..... ▶ 20. \_\_\_\_\_ .00  
 21. Capital loss carryover or carryback ..... ▶ 21. \_\_\_\_\_ .00  
 22. Net operating loss carryover or carryback ..... ▶ 22. \_\_\_\_\_ .00  
 23. Gross interest and dividend income from bonds and similar obligations issued by states other than Michigan and its political subdivisions ..... ▶ 23. \_\_\_\_\_ .00  
 24. Any deduction or exclusion due to classification as FSC or similar classification and expenses of financial organizations, see instructions ..... ▶ 24. \_\_\_\_\_ .00  
 25. Losses from partnerships. Account No. \_\_\_\_\_ ▶ 25. \_\_\_\_\_ .00  
 26. **Total Additions.** Add lines 17 - 25 ..... 26. \_\_\_\_\_ .00  
 27. **Subtotal.** Add lines 11, 16 and 26 ..... 27. \_\_\_\_\_ .00

**SUBTRACTIONS**

28. Dividends, interest and royalty income included in business income .... ▶ 28. \_\_\_\_\_ .00  
 29. Capital losses not deducted in arriving at business income ..... ▶ 29. \_\_\_\_\_ .00  
 30. Income from partnerships included in business income, Account No. \_\_\_\_\_ ▶ 30. \_\_\_\_\_ .00  
 31. **Total Subtractions.** Add lines 28 - 30 ..... 31. \_\_\_\_\_ .00

**TAX BASE**

32. **Tax Base.** Subtract line 31 from line 27 ..... 32. \_\_\_\_\_ .00  
 33. **Apportioned Tax Base.** Multiply line 32 by \_\_\_\_\_ % from C-8000H, line 16 or 19 ..... 33. \_\_\_\_\_ .00

<p><b>62. PAYMENT.</b> Enter amount from page 2, line 58.....</p>	<p><b>PAY THIS AMOUNT ▶ 62. _____ .00</b></p>
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**WITHOUT PAYMENT - Mail return to:**

Michigan Department of Treasury  
P.O. Box 30059  
Lansing, MI 48909

**WITH PAYMENT - Pay amount on line 62 and mail check and return to:**

Michigan Department of Treasury  
Department 77375  
P.O. Box 77000  
Detroit, MI 48277-0375

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

*Continue and sign on page 2.*

**TAX BASE**

34. Enter amount from line 32 or 33, whichever applies ..... 34. \_\_\_\_\_ .00

**ADJUSTMENTS**

35. Recapture of capital acquisition deduction from C-8000D, line 19 ..... ▶ 35. \_\_\_\_\_ .00

36. ADJUSTED TAX BASE BEFORE loss deduction and statutory exemption.

Add line 34 and line 35. If line 35 is negative, subtract ..... ▶ 36. \_\_\_\_\_ .00

If negative, this is a business loss carryforward; **do not complete lines 37 through 42. Enter zero on line 43.**

37. Business loss deduction ..... 37. \_\_\_\_\_ .00

38. **Adjusted Tax Base Before Statutory Exemption.** Subtract line 37 from line 36 ..... 38. \_\_\_\_\_ .00

**STATUTORY EXEMPTION - Complete and attach Form C-8043, Statutory Exemption Schedule.**

39. Allowable statutory exemption, from C-8043, line 16 ..... 39. \_\_\_\_\_ .00

40. **Adjusted Tax Base.** Subtract line 39 from line 38. Check if C-8000G is attached ▶ a.  ..... 40. \_\_\_\_\_ .00

**REDUCTIONS, NONREFUNDABLE CREDITS, AND TAX**

41. Reduction to adjusted tax base, if applicable. See instructions for Form C-8000S ..... 41. \_\_\_\_\_ .00

**Check the method being used:** ▶  **Compensation Reduction** OR ▶  **Gross Receipts Reduction**

42. Taxable base. Subtract line 41 from line 40. If the gross receipts short-method was used, enter the amount from C-8000S, line 14 ..... 42. \_\_\_\_\_ .00

43. **Tax Before All Credits.** Multiply line 42 by 1.9% (.019) ..... ▶ 43. \_\_\_\_\_ .00

**If you are not taking the Investment Tax Credit on C-8000ITC, enter the amount from line 43 on line 44.**

44. **Tax After Investment Tax Credit.** Enter the amount from C-8000ITC, line 37 ..... ▶ 44. \_\_\_\_\_ .00

**The small business and contribution credits are computed on Form C-8000C and/or C-8009. Complete Form C-8000C and/or C-8009 before continuing. If not filing Form C-8000C or C-8009, enter the amount from line 44 on line 45.**

45. Enter the amount from C-8000, line 44, C-8000C, lines 19, 26 or 36 or C-8009, line 33 or 34 ..... 45. \_\_\_\_\_ .00

46. Unincorporated/S Corp. credit. Multiply line 45 by percent from page 15 ..... 46. \_\_\_\_\_ .00

47. Nonrefundable credits from C-8000MC, line 82 ..... 47. \_\_\_\_\_ .00

48. Add lines 46 and 47 ..... 48. \_\_\_\_\_ .00

49. **Tax After Nonrefundable Credits.** Subtract line 48 from line 45 ..... ▶ 49. \_\_\_\_\_ .00

**PAYMENTS, REFUNDABLE CREDITS AND TAX DUE**

50. Overpayment credited from 2003 ..... 50. \_\_\_\_\_ .00

51. Estimated tax payments ..... 51. \_\_\_\_\_ .00

52. Tax paid with request for extension ..... 52. \_\_\_\_\_ .00

53. Refundable credits from C-8000MC, line 14 ..... 53. \_\_\_\_\_ .00

54. Total. Add lines 50 - 53 ..... ▶ 54. \_\_\_\_\_ .00

55. **TAX DUE.** Subtract line 54 from line 49. If less than zero, leave blank ..... ▶ 55. \_\_\_\_\_ .00

56. Underpaid estimate penalty and interest from C-8020, line 28 or 40, whichever applies ..... 56. \_\_\_\_\_ .00

57. Annual return penalty at \_\_\_\_\_ % = \_\_\_\_\_ .00 and interest = \_\_\_\_\_ .00 ..... 57. \_\_\_\_\_ .00

58. If line 55 is blank, go to line 59. Otherwise, add lines 55 - 57; enter the amount here and on page 1, line 62. .... 58. \_\_\_\_\_ .00

**OVERPAYMENT - REFUND OR CREDIT FORWARD**

59. Overpayment. Subtract line 49, and any penalty and interest due on lines 56 and 57, from line 54.

If less than zero, leave blank. See instructions ..... 59. \_\_\_\_\_ .00

60. Enter the amount of overpayment on line 59 to be refunded ..... ▶ 60. \_\_\_\_\_ .00

61. Enter the amount of overpayment on line 59 to be **credited forward** ..... ▶ 61. \_\_\_\_\_ .00

<b>TAXPAYER'S DECLARATION</b> <i>I declare under penalty of perjury that this return is true and correct to the best of my knowledge.</i> I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>PREPARER'S DECLARATION</b> <i>I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</i> Preparer's Signature	
Taxpayer's Signature		Print or Type Preparer's Name	Date
Print or Type Taxpayer's Name	Date	Business Address, Phone and Identification Number	
Title			

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

# Instructions for Form C-8000, Annual Return

Lines not listed are explained on the form.

Every person engaged in business activity in Michigan with apportioned or allocated gross receipts of \$350,000 or more must file an annual return.

**Line 1, Taxable Year.** Enter the beginning and ending dates, month and year, of the annual accounting period. For periods less than 12 months, enter the beginning and ending dates that correspond to the taxable period reported to the IRS.

## Line 3, Consolidated Filing.

✓ **Corporations.** If a business receives the State Treasurer's approval to file a consolidated or combined SBT return, check the box and enter the authorization number on the line provided. Attach a copy of the approved Form C-8007, *Request for Consolidated or Combined Filing*, and Form C-8008, *Affiliation Schedule - Consolidated Filing*.

**Line 4, Controlled Groups.** A controlled corporate group is an affiliated group of corporations as defined in the SBT Act or a controlled group of corporations as defined in IRC Section 1563. **Entities under common control** are two or more trades or businesses, whether or not incorporated, under common control as defined in the IRS Regulation 1.414(c). This includes parent-subsidiary, brother-sister or combined groups of corporations. See RAB 1989-48 for further information.

① **Reminder:** Controlled groups must complete Form C-8010AGR, *SBT Adjusted Gross Receipts for Controlled Groups*, on page 63, to determine filing requirements for the group and to determine adjusted gross receipts for the group if an investment tax credit is taken. Attach completed schedule to return.

① **Important:** If the taxpayer is a member of a controlled group and is claiming a statutory exemption or small business credit, complete Form C-8009, *SBT Allocation of Statutory Exemption, Standard Small Business Credit and Alternate Tax for Members of Controlled Groups*, on page 57. Attach completed schedule to the tax return.

**Line 5, Account Number.** Use the taxpayer's Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) assigned number. If an organization type is individual and an account number does not exist yet, enter the taxpayer's social security number and enter an "S" in the box to the right. Treasury will notify the taxpayer when a Michigan TR number is assigned. Use that number on all future SBT filings unless a federal number has been assigned. For all other organization types without an account number, leave line 5 blank. Be sure to use the same account number on all forms.

## Gross Receipts Checklist

Note: This checklist is not intended to be all encompassing.

Receipts include, but are not limited to:

- Receipts (sales price) from the sale of assets used in a business activity;
- Sale of products;
- Services performed;
- Gratuities stipulated on a bill;
- Sales tax collected on the sale of tangible personal property;
- Dividend and interest income;
- Gross commissions earned;
- Rents;
- Royalties;
- Professional services;
- Sales of scrap and other similar items;
- Client reimbursed expenses not obtained in an agency capacity;
- Gross proceeds from intercompany sales.

Receipts exclude:

- Proceeds from sales by a principal that are collected in an agency capacity solely on behalf of the principal and delivered to the principal;
- Amounts received as an agent solely on behalf of the principal that are expended by the taxpayer under certain circumstances;
- Amounts from gross income of a foreign corporation engaged in the international operation of aircraft under section 883(a) of the Internal Revenue Code;
- Amounts received by an advertising agency used to acquire advertising media time, space, production, or talent on behalf of another person;
- Amounts received by a person that manages real property owned by a client that are deposited into a separate account kept in the name of the client and that are not reimbursed and are not indirect payments for management services provided to that client.
- Proceeds from the original issue of stock, equity instruments, or debt instruments;
- Refunds from returned merchandise;
- Cash and in-kind discounts;
- Trade discounts;
- Federal, State or local tax refunds;
- Security deposits;
- Payment of the principal portion of loans;
- Value of property received in like-kind exchange;
- Proceeds from a sale, transaction, exchange, involuntary conversion, or other disposition of tangible, intangible or real property that is a capital asset as defined in section 1221(a) of the Federal Internal Revenue Code, or land that qualifies as property used in trade or business as defined in section 1231(b) of the Internal Revenue Code, less any gain from the disposition to the extent that gain is included in federal taxable income;
- Proceeds from an insurance policy, settlement of a claim, or judgment in a civil action, less any proceeds that are included in federal taxable income;
- Proceeds from the taxpayer's transfer of an account receivable, if the sale that generated the account receivable was included in gross receipts for federal income tax purposes. This provision will not apply to a taxpayer who both buys and sells any receivables during the tax year.

**Line 7, Business Start Date.** Enter the start date of first Michigan business activity.

**Line 8, Principal Business Activity.** Enter a brief description of business activity (e.g., forestry, fisheries, mining, construction, manufacturing, transportation, communication, electric, gas, sanitary services, wholesale trade, retail trade, finance or services).

**Line 9, Organization Type.** Check the box that

describes the organization type. A Limited Liability Company should check the appropriate box based on the federal return.

**Line 10, Gross Receipts.** Gross receipts means the entire amount received from any activity, whether in intrastate, interstate or foreign commerce, carried out for direct or indirect gain, benefit, or advantage to the taxpayer or to others, with certain exceptions. Use the Gross Receipts Checklist as a guide to be sure receipts have been totaled correctly. Use the appropriate worksheet on page 16 to calculate gross receipts.

**Line 11, Business Income.** Use the appropriate worksheet on page 16 to calculate business income.

### The SHORT METHOD to Compute SBT

The maximum SBT any filer pays is equal to the tax rate times one-half of the adjusted gross receipts. Adjusted gross receipts for this purpose means gross receipts, apportioned for companies doing business outside of Michigan, plus recapture of capital acquisition deduction. Figure this amount quickly by using Form C-8000S, *SBT Reductions to Adjusted Tax Base*, on page 55, lines 9-14, instead of figuring the tax base on Form C-8000.

However, to claim the standard small business credit, the tax base must be computed.

If using the SHORT METHOD, complete Form C-8000S, *SBT Reductions to Adjusted Tax Base*, on page 55.

To use the SHORT METHOD, follow these steps:

1. Enter gross receipts on Form C-8000, line 10.
2. If claiming an unincorporated credit, enter the business income on Form C-8000, line 11.
3. Enter recapture, if applicable, from Form C-8000D, line 19, on Form C-8000, line 35.
4. Complete Form C-8000S, lines 9 through 14 only.
5. Enter the amount from Form C-8000S, line 14 on Form C-8000, line 42, and complete Form C-8000.

### Compensation Payments

#### Line 12, Salaries, Wages and Other Payments.

Enter total payments, including the cash value of all consideration other than cash, made on behalf of or for the benefit of employees, officers or directors. Report these payments on a cash-only basis (i.e., include only the actual payments made during the year). For most filers this is the amount reported on U.S. 940 for the taxable year.

**Payments** include, but are not limited to, salaries, wages, fees, bonuses, commissions and other payments to employees, officers and directors that are subject to or specifically exempt or excepted from federal income tax withholding. This includes payments for casual services, but does not include payments to independent contractors.

**Employee** is a person from whom an employer is required to withhold federal income taxes (IRC Section 3401(c)).

**Lines 13 through 15.** Report any payments made on behalf of or for the benefit of employees, officers or directors on a cash or accrual basis consistent with the method of federal income tax reporting.

**Line 13, Employee Insurance Plans.** Enter payments to health or life insurance plans for employees, payments for health and welfare and non-insured benefit plans, and payment of fees for the administration of health and welfare and non-insured benefit plans.

Do not include here or on line 15, contributions for FICA (Social Security and Medicare), workers' compensation insurance, or the State and Federal Unemployment Compensation Fund.

For tax years beginning in 2004, compensation excludes 5% of health care benefits provided to Michigan residents. Health care benefits are payments under health and welfare and noninsured benefit plans and payments for the administration of those plans. The percentage exclusion increases for subsequent years.

<u>Tax Years beginning after:</u>	<u>% Exempted for MI residents:</u>
12/31/2003	5%
12/31/2004	20%
12/31/2005	40%
12/31/2006	50%

**Line 15, Other Payments.** Enter any payments made for the benefit of employees that are not included on lines 13-14. For example, payments to supplemental unemployment benefit trusts, payments to individuals not currently working or payments to dependents and heirs for labor services rendered by an individual.

### Additions

Additions are generally added to the extent deducted in arriving at business income, line 11.

**Line 17, Depreciation.** Enter all depreciation or amortization of tangible assets which are claimed as a deduction on the federal return. This includes the immediate (permitted under IRC Section 179) or accelerated write-off of tangible assets.

Taxpayers choosing the mileage method to determine car expenses must include in depreciation that portion of the mileage rate that is required by the IRC to reduce the adjusted basis of the vehicle.

**Safe Harbor Leases.** The lessor and lessee must report any rent attributable to a leaseback agreement under IRC Section 168(f)(8). The lessor subtracts rental receipts from such property, while the lessee adds rental payments.

**Line 18, Taxes.** Enter all taxes on, or measured by, net income including city and state taxes, foreign

income tax and federal environmental tax claimed as a deduction on the federal return.

**Line 19, Single Business Tax.** Enter the single business tax claimed as a deduction on the federal return.

**Line 20, Dividends, Interest and Royalty Expenses.** Enter any dividend, interest and/or royalties claimed as a deduction on your federal return.

Do not include any of the following:

- Dividends not claimed as federal deductions
- Interest payments made by financial organizations
- Initial franchise fees and any royalties, fees and other payments or consideration paid or incurred by a franchisee to a franchisor to establish or maintain the franchise relationship
- Oil and gas royalties deducted
- Cable franchise fees paid to units of government
- Film rental payments made by a theater owner to a distributor or to a producer
- Payments made by radio or TV broadcasters for syndication or royalty fees, or any other charges for program matter
- Computer software royalties deducted.

**Line 21, Capital Loss Carryover or Carryback.**

✓ **Fiduciaries and Corporations.** Enter any capital loss carryover or carryback from the federal schedule that was included in the business income reported on line 11. Cannot be a negative number.

**Line 22, Net Operating Loss Carryover or Carryback.**

✓ **Fiduciaries and Corporations.** Enter any net operating loss carryover or carryback that was included in arriving at business income reported on line 11. This cannot be a negative number.

**Line 23, Gross Interest and Dividend Income.** Enter any income from bonds and similar obligations or securities of states other than Michigan and their political subdivisions. Include only the income derived from business activity. Subtract from this income-related expenses, if those expenses were not allowed as deductions on the federal return (IRC Sections 265 and 291).

**Line 24, Special Classifications Deduction.**

✓ **Corporations** - Enter any deduction or exclusion by a filer due to a classification as, or the payment of commissions or fees to, a domestic international sales corporation, Foreign Sales Corporation (FSC) or any similar special classification which reduces or postpones federal income tax liability. This does not apply to special provisions of IRC Sections 805, 809, 815(c)(2)(A), 823(c) & 824(a).

**Financial Organization Expense Addback.** Enter total expenses deducted in arriving at federal taxable income, less expenses which are added in determining the SBT tax base, times the following fraction:

$$\frac{\text{Interest from U.S. obligations that Michigan is prohibited from taxing} + \text{Interest on Michigan obligations}}{\text{Total Interest Income}}$$

The result cannot exceed interest from U.S. obligations subtracted in arriving at the tax base.

**Line 25, Losses from Partnerships.** Enter any losses attributed to another taxable entity included in the business income reported on line 11. Enter the FEIN(s) of the partnerships, S Corporations or LLCs.

### Subtractions

Subtractions are generally subtracted to the extent included in arriving at business income, line 11.

**Line 28, Dividends, Interest or Royalty Income.**

Enter dividends, interest and royalty income included in the business income reported on line 11.

Do not include:

- Dividends allowed as a dividend-received deduction on a federal return
- Oil and gas royalty income
- Initial franchise fees and any royalties, fees and other payments or consideration paid or incurred by a franchisee to a franchisor to establish or maintain the franchise relationship
- Interest income received by a financial organization. **Exception:** Interest from U.S. obligations that Michigan is prohibited from taxing may be included
- Film rental payments made by a theater owner to a distributor or to a producer
- Payments made by radio or TV broadcasters for syndication or royalty fees, or any other charges for program matter
- Computer software royalty income.

**Exception:** System software which interacts with operating system software and is developed, licensed and intended for the exclusive use of data processing professionals to build, test, manage or maintain application computer software. System software may not be transferred as part of, or in conjunction with, a sale or lease of computer hardware. System software royalty income may be included as a subtraction on line 28.

**Line 29, Excluded Capital Losses.** Enter any capital losses not included in arriving at federal taxable income in the year the loss occurred.

**Line 30, Income from Partnerships.** Enter income

attributed to another taxable entity included in the business income reported on line 11. Enter the FEIN(s) of the partnerships, S Corporations, or LLCs.

## Tax Base

**Line 32, Tax Base.** Tax base is business income or loss on line 11, plus compensation on line 16 and additions on line 26, and minus subtractions on line 31.

If income is taxable in another state, complete Form C-8000H, *SBT Apportionment Formula*, (page 33), before continuing. Attach the completed schedule to the return.

**Line 33, Apportioned Tax Base.** If taxable in another state, multiply line 32 by the percentage from Form C-8000H, line 16 or 19, whichever applies.

## Adjustments

A taxpayer must complete Form C-8000D, *SBT Recapture of Capital Acquisition Deduction*, on page 27, if **depreciable real or personal property** was:

- Purchased in a tax year beginning on or after January 1, 1976 and beginning before January 1, 2000, and disposed of during the current tax year; or
- Purchased in a tax year beginning after December 31, 1996 and before January 1, 2000, and moved outside of Michigan during the current tax year.

Attach the completed Form C-8000D to the return.

**Line 36, Adjusted Tax Base Before Loss Deduction and Statutory Exemption.** Any negative amount on this line is a business loss which may be carried forward successively to the next 10 taxable years, or until the loss is used, whichever occurs first. If line 36 is negative, no tax is due; enter 0 on line 43.

**Line 37, Business Loss Deduction.** Enter any unused business loss carryover from the SBT returns for the preceding 10 years (loss on line 38 in preceding years less the adjusted tax base in intervening years).

Ⓛ **Note:** The Business Loss Deduction is not the federal net operating loss.

**Line 38, Adjusted Tax Base Before Statutory Exemption.** Subtract line 37 from line 36. If negative, enter zero and carry the unused loss to next year's SBT return.

## Statutory Exemption

- ✓ **Corporations** - If claiming a statutory exemption or a small business credit, complete Form C-8000KC, *SBT Schedule of Shareholders and Officers*, on page 43, before continuing. Attach the completed schedule to the return.
- ✓ **Partnerships** - Before continuing, complete Form C-8000KP, *SBT Schedule of Partners*, on page 47, to determine which partners qualify for the

increased statutory exemption. Attach the completed schedule to the return.

**Line 39, Allowable Statutory Exemption.** For most filers, the statutory exemption is available only if business income is less than \$67,500.

- ✓ **Corporations** - For most corporations, the statutory exemption is available only if the sum of business income, federal loss carryovers or carrybacks, and compensation/director fees of all shareholders is less than \$67,500.

A statutory exemption cannot be used to increase a business loss or to offset adjusted tax base as determined on Form C-8000, line 36, before loss carryovers are reported on Form C-8000, line 37. An unused statutory exemption cannot be carried forward.

Complete Form C-8043, *SBT Statutory Exemption Schedule*, on page 69, before continuing. Attach completed schedule to the return.

If a member of a **controlled group** claiming an allocated statutory exemption, complete Form C-8009, *SBT Allocation of Statutory Exemption, Standard Small Business Credit and Alternate Tax for Members of Controlled Groups*, on page 57. A controlled group is entitled to only one statutory exemption, which is allocated on Form C-8009.

- ✓ **Individuals, Fiduciaries, Partnerships and Limited Liability Companies** - If averaging business income to determine the statutory exemption, complete Form C-8000G, *SBT Statutory Exemption/Business Income Averaging*, on page 31. Attach the completed schedule to the return.

## Reductions, Nonrefundable Credits, and Tax

**Line 41, Reduction to Adjusted Tax Base.** Taxpayers may qualify for either the compensation or the gross receipts reduction on Form C-8000S, *SBT Reductions to Adjusted Tax Base*, on page 55, but may use only one. Enter the amount of the reduction from Form C-8000S, line 16.

- Ⓛ **Reminder:** If a reduction is chosen, check the appropriate box which indicates the method of reduction used. The Investment Tax Credit (ITC) is not available if a gross receipts reduction to the adjusted tax base is taken to arrive at the tax liability. If an adjusted tax base is reduced by the percentage that compensation exceeds 63 percent, the ITC must also be reduced. Choose a reduction method or the ITC based on which option is most advantageous.

**Line 42, Taxable Base.** Filers using the SHORT METHOD, enter the amount from Form C-8000S, line 14. In no case should the amount on this line be more than 50 percent of the sum of apportioned gross receipts plus recapture of capital acquisition

deduction. If this method is used, the ITC is not available.

① **Important:** If eligible for the ITC, complete Form C-8000ITC, *SBT Investment Tax Credit*, on page 39, before continuing. Attach the completed schedule to the return.

**Line 44, Tax After Investment Tax Credit.** If claiming an ITC, enter the amount from Form C-8000ITC, line 37. If not claiming an ITC, carry the amount from line 43 to line 44.

The small business credit and the alternate tax are computed on Form C-8000C, *SBT Credit for Small Businesses and Contribution Credits*, on page 21. Review Form C-8000C to make sure all tax credits are taken for which the taxpayer is eligible. Attach the completed schedule to the return.

If the taxpayer is a member of a controlled group, the small business credit and alternate tax are computed on Form C-8009, *SBT Allocation of Statutory Exemption, Standard Small Business Credit and Alternate Tax for Members of Controlled Groups*, on page 57. Attach the completed schedule to the return.

**Line 45.** If claiming a small business credit or any contribution credits, enter the amount from Form C-8000C or Form C-8009. If not claiming these credits, carry the amount from line 44 to line 45.

**Line 46, Unincorporated and S Corporation Credit.** Unincorporated or S Corporations taxpayers are allowed a credit against SBT. Multiply line 45 by the percent from the table below and enter the result on line 46.

**Unincorporated/S Corporation Tax Credit Table**

<u>If business income* is:</u>	<u>The credit is:</u>
\$20,000 or less .....	20% of the SBT liability
\$20,001-\$39,999 .....	15% of the liability
\$40,000 or more .....	10% of the liability

\*See page 6 for tax years less than 12 months.

**Line 47, Other Nonrefundable Credits.** If claiming an Enterprise Zone Credit, a Michigan Economic Growth Authority Business Activity Credit, Renaissance Zone Credit, Michigan Historic Preservation Tax Credit, Brownfield Redevelopment Credit, Next Energy Credit, Low-Grade Hematite Pellet Credit or Pharmaceutical Credit, see Form C-8000MC, *SBT Miscellaneous Credits*, on page 49. Note that these credits have strict eligibility requirements.

**Line 49, Tax After Nonrefundable Credits.**

① **Important:** If apportioned or allocated gross receipts are less than \$350,000, enter a zero on this line.

Special rules apply to members of a controlled group. See page 4, "Filing an SBT Annual Return." If a business operated less than 12 months, annualize gross receipts to determine if a tax liability exists.

**Payments, Refundable Credit and Tax Due**

**Line 51, Estimated Tax Payments.** Enter the total tax paid with Form C-8002, *SBT Quarterly Tax Returns*, or the estimated single business tax paid with Form 160, *Combined Return for Michigan Taxes*. Include all payments made on returns that apply to the current tax year. For example, calendar-year filers include money paid with the combined returns for return periods January through December.

**Line 53, Refundable Credits.** If claiming a Michigan Economic Growth Authority Employment Tax Credit, a Workers' Disability Supplemental Benefit Credit, an Apprenticeship Credit or a Next Energy Credit, see Form C-8000MC, *SBT Miscellaneous Credits*, on page 49.

**Line 56, Underpaid Estimate Penalty and Interest.** If penalty and interest are owed for not filing estimated returns or for underestimating tax, complete Form C-8020, *SBT Penalty and Interest Computation for Underpaid Estimated Tax*, on page 65, to compute penalty and interest due. If a taxpayer chooses not to file this form, Treasury will compute penalty and interest and bill for payment.

**Line 57, Annual Return Penalty and Interest.** See "Computing Penalty and Interest" on page 8.

**Line 58.** Enter the amount of payment due here and on line 62. If less than zero, leave blank.

**Line 59.** If the amount of overpayment, less any penalty and interest due on lines 56 and 57 is less than zero, enter the difference (as a positive number) on lines 58 and 62. If the amount is greater than zero, enter on line 59.

① **Reminder:** Taxpayers must sign and date returns. If someone else has prepared the return, they must also sign and date the return. See "Signing the Return" on page 8. Print the names in the areas provided for the taxpayer and the tax preparer.

**FEDERAL FORMS:** Attach copies of these federal forms to the return.

- ✓ **Corporations** - U.S. 1120, 1120A, pages 1 - 4. If filing as part of a consolidated federal return, attach a proforma or consolidated schedule.
- ✓ **S Corporations** - U.S. 1120S, pages 1 - 4\*
- ✓ **Individuals** - U.S. 1040, Schedules C, C-EZ, D and E and 4797.
- ✓ **Fiduciaries** - U.S. 1041, Schedule D
- ✓ **Partnerships** - U.S. 1065, pages 1 - 4\* and 8825.
- ✓ **Limited Liability Companies** - attach appropriate schedules shown above based on federal return filed.

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

**\*\* See the Gross Receipts Checklist on Page 11 for detailed information for these items.**

**Note: This worksheet may not be all inclusive to all taxpayers. There may be additional amounts that are included in gross receipts for Single Business Tax purposes that may not be picked up for federal purposes.**

**WORKSHEET 1  
GROSS RECEIPTS/BUSINESS INCOME  
INDIVIDUALS AND FIDUCIARIES**

**PART 1: GROSS RECEIPTS**

1. U.S. 1040, Schedule C or C-EZ, gross receipts (net of returns)	_____	.00
2. U.S. 1040, Schedule C, other income	_____	.00
3. U.S. 1040, Schedule D,** short and long term sales price	_____	.00
4. U.S. 1040, Schedule E, a. Part I, total rents received	_____	.00
b. Total royalties received	_____	.00
5. U.S. 4797, gross sales price,** business assets	_____	.00
6. Other receipts	_____	.00
7. Total gross receipts		
Add lines 1 through 6.	_____	.00

**PART 2: BUSINESS INCOME**

8. U.S. 1040, Schedule C or C-EZ, net profit or (loss)	_____	.00
9. U.S. 1040, Schedule D, gain or (loss) *	_____	.00
10. U.S. 1040, Schedule E, line 22 rent and royalty income or (loss)	_____	.00
11. U.S. 4797 gains or (loss) not included in Schedule D	_____	.00
12. Other income	_____	.00
13. Total business income		
Add lines 8 through 12.	_____	.00

\*U.S. 1040D and 4797: Report only gains or losses from assets used in a business activity. Do not include personal gains and losses.

**WORKSHEET 2  
GROSS RECEIPTS/BUSINESS INCOME  
CORPORATIONS**

**PART 1: GROSS RECEIPTS**

1. U.S. 1120 or 1120A, line 1c	_____	.00
2. U.S. 1120 or 1120A, lines 4-7	_____	.00
3. U.S. 1120 or 1120A, line 10	_____	.00
4. U.S. 1120 or 1120A, Schedule D ** short and long term sales price	_____	.00
5. U.S. 4797, gross sales price **	_____	.00
6. Add lines 1 through 5	_____	.00

**PART 2: BUSINESS INCOME**

Enter federal taxable income from U.S. 1120 or 1120A.

**WORKSHEET 3  
GROSS RECEIPTS/BUSINESS INCOME  
PARTNERSHIPS OR S CORPORATIONS**

**PART 1: GROSS RECEIPTS**

1. U.S. 1065 or U.S. 1120S		
a. Gross receipts (net of returns)	_____	.00
b. Other income/receipts	_____	.00
2. U.S. 8825, gross income from real estate rentals	_____	.00
3. U.S. 1065 or 1120S, Schedule D ** short and long term sales price	_____	.00
4. U.S. 1065 or 1120S, Schedule K		
a. Gross other rental income	_____	.00
b. Interest, dividend, royalty income	_____	.00
c. Other income	_____	.00
5. U.S. 4797, gross sales price ** business assets	_____	.00
6. Other receipts	_____	.00
7. Total gross receipts		
Add lines 1 through 6.	_____	.00

**PART 2: BUSINESS INCOME**

8. U.S. 1065 or 1120S, Schedule K, Income (Loss)		
a. Ordinary income (loss)	_____	.00
b. Net real estate rental income (loss)	_____	.00
c. Net other rental income (loss)	_____	.00
d. Interest, dividend & royalty income	_____	.00
e. Net short-term gain (loss)	_____	.00
f. Net long-term gain (loss)	_____	.00
g. Other portfolio income (loss)	_____	.00
h. Guaranteed payments to partners	_____	.00
i. Other net gain (loss) under section 1231	_____	.00
j. Other income	_____	.00
9. Total income or (loss)		
Add lines 8a through 8j.	_____	.00
10. U.S. 1065 or 1120S, Schedule K, Deductions		
a. Charitable contributions	_____	.00
b. Section 179 expense	_____	.00
c. Deductions related to portfolio income	_____	.00
d. Other deductions	_____	.00
11. Total deductions		
Add lines 10 through 10d.	_____	.00
12. Total business income		
Subtract line 11 from line 9.	_____	.00

**Note: Limited liability companies should choose the appropriate worksheet based on their federal return.**