

# 2009 MICHIGAN Business Tax Election of Refund or Carryforward of Credits

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number
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1. Tax liability after Renaissance Zone Credit from Form 4573, line 15, or tax liability after Renaissance Zone Credit from Form 4596, line 18 ..... 1. 

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**HISTORIC PRESERVATION CREDIT.** If not claiming, skip to line 30.

**Recapture Calculation**

2. Historic Preservation Credit recapture. Carry to Form 4573, line 17a, or Form 4596, line 20.....	2.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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3. Tax Liability After Historic Preservation Credit Recapture. Add lines 1 and 2.....	3.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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4. Unused Basic/Enhanced credit from previous period return .....	4.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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5. Tax liability after Basic/Enhanced credit carryforward. Subtract line 4 from line 3. If less than zero, enter zero...	5.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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6. Basic/Enhanced credit carryforward to the next period. If line 4 is greater than line 3, enter the difference .....	6.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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7. Unused Special Consideration credit from previous period return (see instructions).....	7.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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8. Tax liability after Special Consideration credit carryforward. Subtract line 7 from line 5. If less than zero, enter zero .....	8.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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9. Special Consideration credit carryforward to the next period. If line 7 is greater than line 5, enter the difference.....	9.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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10. Basic/Enhanced credit received by assignment in this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) .....	10.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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11. Tax liability after Basic/Enhanced credit received by assignment. Subtract line 10 from line 8. If less than zero, enter zero .....	11.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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12. Assigned Basic/Enhanced credit carryforward to the next period. If line 10 is greater than line 8, enter the difference.....	12.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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13. Special Consideration credit received by assignment for this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) .....	13.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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14. Tax liability after Special Consideration credit received by assignment. Subtract line 13 from line 11. If less than zero, enter zero .....	14.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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15. Assigned Special Consideration credit carryforward for the next year. If line 13 is greater than line 11, enter the difference .....	15.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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16. Current period Basic credit from Form 3581, line 4d.....	16.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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17. Current period Enhanced credit from Form 3581, line 5d .....	17.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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18. Current period Basic/Enhanced credits. Add lines 16 and 17. ....	18.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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19. Tax liability after current period Basic/Enhanced credits. Subtract line 18 from line 14. If less than zero, enter zero .....	19.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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20. Current period Basic/Enhanced credits that exceed liability. If line 18 is greater than line 14, enter the difference.....	20.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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21. Special Consideration credit from Form 3581, line 6d.....	21.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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22. Allowable current period Special Consideration credit. Enter the lesser of lines 19 and 21 .....	22.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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23. Current period Special Consideration credit carryforward to next period. If line 21 is greater than line 22, enter the difference .....	23.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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24. Tax liability after Historic Preservation Credit. Subtract line 22 from line 19 .....	24.	<table border="1" style="display: inline-table; width: 150px; height: 20px;"><tr><td style="width: 100px;"></td><td style="width: 50px; text-align: right;">00</td></tr></table>		00
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**Carryforward/Refund Calculation**

25.	Prior year and assigned Basic/Enhanced credit carryforward to next period. Add lines 6 and 12.....	25.	<input style="width: 100%; height: 20px;" type="text"/>	00
26.	All Special Consideration credit carryforward to next period. Add lines 9, 15, and 23.....	26.	<input style="width: 100%; height: 20px;" type="text"/>	00
27.	Basic/Enhanced credit refund (see instructions)			
a.	Amount of credit from line 20 that is eligible to be refunded. If line 20 is zero, skip to line 28 .....	27a.	<input style="width: 100%; height: 20px;" type="text"/>	00
b.	Refundable Amount. Multiply line 27a by 90% (0.90). Carry to Form 4574, line 14, or Form 4596, line 3.....	27b.	<input style="width: 100%; height: 20px;" type="text"/>	00
28.	Total Basic/Enhanced credit carryforward to next period. If no refund selected in line 27b, add lines 25 and 20. Otherwise, add lines 25 and 20 and subtract line 27a (see instructions).....	28.	<input style="width: 100%; height: 20px;" type="text"/>	00
29.	<b>Total Historic Preservation Credit.</b> Subtract line 24 from line 3. Carry amount to Form 4573, line 16, or Form 4596, line 19.....	29.	<input style="width: 100%; height: 20px;" type="text"/>	00

**ANCHOR COMPANY TAXABLE VALUE CREDIT.** If not claiming, complete line 30, carry amount to line 35, and continue to the next credit.

30.	Tax liability before Anchor Company Taxable Value Credit from Form 4573, line 46, or tax liability before Brownfield Redevelopment Credit from Form 4596, line 21 .....	30.	<input style="width: 100%; height: 20px;" type="text"/>	00
31.	Unused credit from previous period MBT return.....	31.	<input style="width: 100%; height: 20px;" type="text"/>	00
32.	Tax After Previous Period Credit. Subtract line 31 from line 30. If less than zero, enter zero .....	32.	<input style="width: 100%; height: 20px;" type="text"/>	00
33.	Remaining unused credit from previous period MBT return. If line 31 is greater than line 30, enter the difference.....	33.	<input style="width: 100%; height: 20px;" type="text"/>	00
34.	Available credit from the MEGA Certificate (attach) .....	34.	<input style="width: 100%; height: 20px;" type="text"/>	00
35.	Tax After Current Period Credit. Subtract line 34 from line 32. If less than zero, enter zero here and complete line 36; Otherwise, skip to line 37 .....	35.	<input style="width: 100%; height: 20px;" type="text"/>	00
36.	If line 34 is greater than line 32, elect a refund or carryforward of credit by entering the difference on either line 36a or line 36b.			
a.	Refundable Amount. Carry amount to Form 4574, line 19 .....	36a.	<input style="width: 100%; height: 20px;" type="text"/>	00
b.	Carryforward Amount.....	36b.	<input style="width: 100%; height: 20px;" type="text"/>	00
37.	Total Credit Carryforward. Add lines 33 and 36b .....	37.	<input style="width: 100%; height: 20px;" type="text"/>	00
38.	<b>Anchor Company Taxable Value Credit.</b> Subtract line 35 from line 30. Carry amount to Form 4573, line 47.....	38.	<input style="width: 100%; height: 20px;" type="text"/>	00

**ANCHOR COMPANY PAYROLL CREDIT.** If not claiming, carry amount from line 35 to line 43, and continue to the next credit.

39.	Unused credit from previous period MBT return.....	39.	<input style="width: 100%; height: 20px;" type="text"/>	00
40.	Tax After Previous Period Credit. Subtract line 39 from line 35. If less than zero, enter zero .....	40.	<input style="width: 100%; height: 20px;" type="text"/>	00
41.	Remaining unused credit from previous period MBT return. If line 39 is greater than line 35, enter the difference.....	41.	<input style="width: 100%; height: 20px;" type="text"/>	00
42.	Available credit from the MEGA Certificate (attach) .....	42.	<input style="width: 100%; height: 20px;" type="text"/>	00
43.	Tax After Current Period Credit. Subtract line 42 from line 40. If less than zero, enter zero here and complete line 44; Otherwise, skip to line 45.....	43.	<input style="width: 100%; height: 20px;" type="text"/>	00
44.	If line 42 is greater than line 40, elect a refund or carryforward of credit by entering the difference on either line 44a or line 44b.			
a.	Refundable Amount. Carry amount to Form 4574, line 20 .....	44a.	<input style="width: 100%; height: 20px;" type="text"/>	00
b.	Carryforward Amount.....	44b.	<input style="width: 100%; height: 20px;" type="text"/>	00
45.	Total Credit Carryforward. Add lines 41 and 44b .....	45.	<input style="width: 100%; height: 20px;" type="text"/>	00
46.	<b>Anchor Company Payroll Credit.</b> Subtract line 43 from line 35. Carry amount to Form 4573, line 49.....	46.	<input style="width: 100%; height: 20px;" type="text"/>	00

**MEGA FEDERAL CONTRACT CREDIT.** If not claiming, skip to line 55.

47. Unused credit from previous period MBT return.....				47. <input style="width: 100px; height: 15px;" type="text"/>	00
48. Tax After Previous Period Credit. Subtract line 47 from line 43. If less than zero, enter zero .....				48. <input style="width: 100px; height: 15px;" type="text"/>	00
49. Remaining unused credit from previous period MBT return. If line 47 is greater than line 43, enter the difference.....	49.	<input style="width: 100px; height: 15px;" type="text"/>			00
50. Available credit from the MEGA Certificate (attach) .....				50. <input style="width: 100px; height: 15px;" type="text"/>	00
51. Tax After Current Period Credit. Subtract line 50 from line 48. If less than zero, enter zero here and complete line 52; Otherwise, skip to line 53 .....				51. <input style="width: 100px; height: 15px;" type="text"/>	00
52. If line 50 is greater than line 48, elect a refund or carryforward of credit by entering the difference on either line 52a or line 52b.					
a. Refundable Amount. Carry amount to Form 4574, line 21 .....	52a.	<input style="width: 100px; height: 15px;" type="text"/>			00
b. Carryforward Amount.....	52b.	<input style="width: 100px; height: 15px;" type="text"/>			00
53. Total Credit Carryforward. Add lines 49 and 52b.....	53.	<input style="width: 100px; height: 15px;" type="text"/>			00
54. <b>MEGA Federal Contract Credit.</b> Subtract line 51 from line 43. Carry amount to Form 4573, line 51.....	54.	<input style="width: 100px; height: 15px;" type="text"/>			00

**BROWNFIELD REDEVELOPMENT CREDIT.**

**Recapture Calculation**

55. Tax liability before Brownfield Redevelopment Credit from Form 4573, line 71, or Form 4596, line 21 .....				55. <input style="width: 100px; height: 15px;" type="text"/>	00
56. If completing Form 4569, enter amount from Form 4569, line 23; Otherwise, enter MBT Brownfield Redevelopment Credit recapture amount.....	56.	<input style="width: 100px; height: 15px;" type="text"/>			00
57. Unused credit from previous period MBT return.....	57.	<input style="width: 100px; height: 15px;" type="text"/>			00
58. Subtract line 57 from line 56. If less than zero, enter zero .....	58.	<input style="width: 100px; height: 15px;" type="text"/>			00
59. Remaining prior year carryforward. If line 57 is greater than line 56, enter the difference .....	59.	<input style="width: 100px; height: 15px;" type="text"/>			00
60. Assigned credit from <i>MBT Brownfield Redevelopment Credit Assignment Certificate</i> (attach) .....	60.	<input style="width: 100px; height: 15px;" type="text"/>			00
61. Subtract line 60 from line 58. If less than zero, enter zero .....	61.	<input style="width: 100px; height: 15px;" type="text"/>			00
62. Remaining assigned credit. If line 60 is greater than line 58, enter the difference.....	62.	<input style="width: 100px; height: 15px;" type="text"/>			00
63. Available credit from <i>MBT Brownfield Redevelopment Credit Certificate of Completion</i> (attach) .....	63.	<input style="width: 100px; height: 15px;" type="text"/>			00
64. Subtract line 63 from line 61. If less than zero, enter zero here; Otherwise, carry amount to Form 4587, line 9 .....	64.	<input style="width: 100px; height: 15px;" type="text"/>			00

**Carryforward/Refund Calculation**

65. Remaining current year credit. If line 63 is greater than line 61, enter the difference .....				65. <input style="width: 100px; height: 15px;" type="text"/>	00
66. Available prior year and assigned credit. Add lines 59 and 62.....	66.	<input style="width: 100px; height: 15px;" type="text"/>			00
67. Tax after available prior year and assigned credit. Subtract line 66 from line 55. If less than zero, enter zero.....	67.	<input style="width: 100px; height: 15px;" type="text"/>			00
68. Prior year and assigned credit carryforward. If line 66 is greater than line 55, enter the difference .....	68.	<input style="width: 100px; height: 15px;" type="text"/>			00
69. Tax After Brownfield Redevelopment Credit. Subtract line 65 from line 67. If less than zero, enter zero here and complete line 70; Otherwise, skip to line 71 .....	69.	<input style="width: 100px; height: 15px;" type="text"/>			00
70. If line 65 is greater than line 67, elect a refund or carryforward of credit by completing either line 70a or line 70b...					
a. Refundable Amount. Enter 85% (0.85) of the difference of line 65 and line 67. Carry amount to Form 4574, line 23, or Form 4596, line 5.....	70a.	<input style="width: 100px; height: 15px;" type="text"/>			00
b. Carryforward Amount. Enter the difference of line 65 and line 67 .....	70b.	<input style="width: 100px; height: 15px;" type="text"/>			00
71. Total Credit Carryforward. Add lines 68 and 70b.....	71.	<input style="width: 100px; height: 15px;" type="text"/>			00
72. <b>Brownfield Redevelopment Credit.</b> Subtract line 69 from line 55. Carry amount to Form 4573, line 72, or Form 4596, line 22.....	72.	<input style="width: 100px; height: 15px;" type="text"/>			00

# Instructions for Form 4584

## Michigan Business Tax (MBT) Election of Refund or Carryforward of Credits

### Purpose

To allow standard taxpayers to claim certain “hybrid” credits that, if greater than the tax liability, can either be refunded or carried forward to offset future liabilities. Credits and any overpayments are calculated here and then carried to either the *MBT Miscellaneous Nonrefundable Credits* (Form 4573) or the *MBT Refundable Credits* (Form 4574), depending on the election chosen.

**NOTE:** This form cannot be used with *MBT Simplified Return* (Form 4583).

Financial institutions and insurance companies may use this form to claim the Historic Preservation Credit and Brownfield Redevelopment Credit only.

Elections must be made on the original return filed for the year in which the credit was earned. No amendment will be allowed to change this election. Amounts elected to be carried forward may not be subsequently refunded, nor can assigned credits be refunded. Treatment of any excess credit may not be split between a refund and carryforward.

### Special Instructions for Unitary Business Groups

Credits on this form are earned and calculated on an entity-specific basis, as determined by relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated, and the credits are applied against the tax liability of the Unitary Business Group (UBG).

Entity-specific provisions are applied on a member-by-member basis. In none of these cases does a taxpayer that is a UBG take the entity type of its parent, Designated Member (DM), or any member of the UBG. A UBG taxpayer will not be attributed an entity type based on the composition of its members.

A member of a UBG may claim any of the applicable credits contained on this form by attaching the member’s credit certificate to the return. If more than one member is claiming the same credit, the total amount from all claiming members should be entered on each corresponding line on this form. Line-by-line instructions indicate additional information required for UBGs.

See the “Supplemental Instructions for Standard Members in UBGs” on page 141 for information on the effects of members leaving or joining a UBG on credit carryforwards.

### Line-by-Line Instructions

*Lines not listed are explained on the form.*

**Name and Account Number:** Enter the name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers, the *MBT Annual Return for Financial Institutions* (Form 4590), or the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

**UBGs:** Complete one form for the group. Enter the DM name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

### **Historic Preservation Credit**

The Historic Preservation Credit provides tax incentives for homeowners, commercial property owners, and businesses to rehabilitate historic resources located in the State of Michigan. Rehabilitation projects must be certified by the State Historic Preservation Office (SHPO).

The credit must be claimed in the year that the certification of completed rehabilitation of the historic resource was issued.

A qualified taxpayer that has a rehabilitation plan certified before January 1, 2008, under the Single Business Tax (SBT) for the rehabilitation of a historic resource for which a certification of completed rehabilitation has been issued after the end of the taxpayer’s last tax year under SBT may also claim a credit.

Qualified taxpayers may receive a *Basic Michigan Credit* equal to 25 percent of their qualified expenditures. For taxpayers eligible for the federal Rehabilitation Credit under IRC § 47(a)(2), the Basic Michigan Credit is 25 percent of the qualified expenditures less the amount of the federal credit claimed. For example, if the federal credit is 20 percent, the State credit is 5 percent of the qualified expenditures.

*Qualified expenditures* are capital expenditures that qualify (or would qualify except for an authorized agreement between SHPO and the taxpayer) for a rehabilitation credit under IRC § 47(a)(2) (“the federal credit”) if the taxpayer is eligible for the federal credit or, if the taxpayer is not eligible for the federal credit, the qualified expenditures that would qualify under the federal credit except that the expenditures are made to a historic resource that is not eligible for the federal credit. Qualified expenditures do not include capital expenditures for nonhistoric additions to a historic resource except an addition that is required by State or federal regulations that relate to historic preservation, safety, or accessibility.

Public Act (PA) 448 of 2008 amended the Michigan Historic Preservation Tax Credit to allow a qualified MBT taxpayer to take one of two additional credits for tax years that begin on or after January 1, 2009.

The first, the *Enhanced Credit*, is equal to a percentage of qualified expenditures, not to exceed 15 percent, established in a preapproval letter issued by SHPO. The total of all Enhanced Credits awarded is capped at \$8,000,000 in calendar year 2009, increasing annually to \$12,000,000 in calendar year 2013.

The second, the *Special Consideration Credit*, is equal to a percentage of qualified expenditures, not to exceed 15 percent, recorded on the Certificate of Completion awarded by SHPO and may be awarded to three taxpayers in calendar year 2009, and to two in each of calendar years 2010, 2011, 2012, and 2013. Special Consideration Credits are granted to rehabilitation plans expected to have a high community

impact and to have significantly greater historic, social, and economic impact than those plans that earn Enhanced Credits. There is no annual cap on the dollar amount of Special Consideration Credits that may be awarded in a calendar year, however, the maximum amount of credit that may be claimed during a tax year is \$3,000,000 per project, with the excess being carried forward until used up. The Enhanced and Special Consideration Credits are taken in addition to the Basic Credit. All three are calculated on *Michigan Historic Preservation Tax Credit* (Form 3581).

A qualified taxpayer may assign all or a portion of its credit to any assignee. The credit assignment cannot be revoked, but an assignee may subsequently reassign a credit, or any portion of an assigned credit, to one or more assignees. Both the initial assignment of the Michigan Historic Preservation Tax Credit by the qualified taxpayer to the first assignee(s) and the subsequent reassignment by the first assignee(s) to reassignee(s) must be done in the tax year in which the certificate of completed rehabilitation is issued.

This credit is generally nonrefundable. If the credit exceeds the taxpayer's tax liability, the balance of the credit may be carried forward up to ten years. However, for projects for which a certificate of completed rehabilitation is issued for a tax year beginning after December 31, 2008, and for which the credit amount allowed is less than \$250,000, a qualified taxpayer may elect to forgo the carryover period and receive a refund of 90 percent of the amount that exceeds the qualified taxpayer's tax liability. Such an election must be made in the year that a certificate of completed rehabilitation is issued and is irrevocable. The credit must be claimed in the year that the certificate of completed rehabilitation of the historic resource was issued.

An unused carryforward of a Historic Preservation Credit generated under SBT may be claimed against the tax imposed by MBT for the years the carryforward would have been available under SBT (maximum ten years). This carryforward is claimed on the *MBT Single Business Tax Credit Carryforwards* (Form 4569).

**Line 2: Recapture.** Enter the sum of all SBT and MBT Historic Preservation Credit recapture amounts. If a recapture event occurs, in the year of the event the following percentage of the credit amount previously claimed must be added back to the tax liability of the qualified taxpayer that received the certificate of completed rehabilitation or preapproved letter. For tax years beginning after December 31, 2008, a recapture event occurs if:

- A certificate of completed rehabilitation is revoked or a preapproval letter for an enhanced credit is revoked or a historic resource is sold or disposed of less than five years after the historic resource is placed in service (as defined in IRC § 47(b)(1) and related federal regulations); or
- A certificate of completed rehabilitation issued after December 1, 2008, is revoked or a preapproval letter for an enhanced credit issued after December 1, 2008, is revoked or a historic resource is sold or disposed of less than five years after the historic resource is placed in service during a tax year beginning after December 31, 2008.

100 percent	If less than 1 year
80 percent	If at least 1 year, but less than 2 years
60 percent	If at least 2 years, but less than 3 years
40 percent	If at least 3 years, but less than 4 years
20 percent	If at least 4 years, but less than 5 years

If the credit has been assigned, the recapture is the responsibility of the qualified taxpayer that received the certificate of completed rehabilitation, not the assignee.

**NOTE:** A recapture is not required if the qualified taxpayer enters into a written agreement with SHPO that allows for the transfer or sale of the historic resource.

**UBGs:** If any member of the UBG is reporting recapture, a statement must be attached to this form identifying the reporting member.

**Line 4:** Enter only the unused credit from a previous period MBT return. Available SBT credit carryforward is claimed separately on Form 4569.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the "Supplemental Instructions for Standard Members in UBGs."

**Line 7:** Enter amount of Special Consideration credit carryforward from prior year MBT Form 4584, if any. There is no Special Consideration carryforward from 2008 forms. If filing for a second tax year on 2009 forms, this will be from Line 26 of the prior year MBT Form 4584. The Special Consideration credit carryforward must be separately recorded because, unlike the Basic/Enhanced Credit carryforward, it may be carried forward until used up. It does not expire after 10 years.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the "Supplemental Instructions for Standard Members in UBGs."

**Line 10: Basic/Enhanced Credit.** If the Historic Preservation Credit has been assigned, attach the approval letter received from the Michigan Department of Treasury (Department) to the return. (If the approval letter is not attached, the credit will be disallowed.)

**NOTE:** If the taxpayer assigned part, but not all, of the credit, include here the amount of credit retained by the taxpayer. To this extent the assignor is also an assignee.

**Line 13: Special Consideration Credit.** If the Historic Preservation Credit has been assigned, attach the approval letter received from the Department to the return. (If the approval letter is not attached, the credit will be disallowed.)

**NOTE:** If the taxpayer assigned part, but not all, of the credit, include here the amount of credit retained by the taxpayer. To this extent the assignor is also an assignee.

**Line 26:** Add lines 9, 15, and 23. This amount is the Special Consideration Credit carryforward to be used on the taxpayer's next MBT return.

**Line 27:** For projects for which the total credit amount allowed

is less than \$250,000, a qualified taxpayer may elect to forgo the carryover period and receive a refund of 90 percent of the amount of the credit that exceeds the qualified taxpayer's tax liability. Neither an assigned credit nor a credit carried forward from a prior year is eligible to be refunded.

**Line 27a:** Enter the amount of credit from Line 20 that is eligible to be refunded. This amount may be greater than \$250,000 if a taxpayer has earned credit from more than one project. The determination is made separately for each project for which a taxpayer has earned a credit. Thus, if a separate filer (or two members of a UBG) has two credits, one for \$200,000 and one for \$300,000, the smaller credit is eligible to be refunded. The eligibility for a refund will be based on the entire historic preservation credit earned for a project, including the Basic Credit plus any additional amounts earned as an Enhanced or Special Consideration Credit.

Once eligibility is determined for each credit earned, an election must be made to request either a carryforward or a 90 percent refund of the entire amount eligible. Treatment of any eligible credit may not be split between a refund and carryforward.

**Line 28:** If no refund was elected in line 27b, add lines 25 and 20. Otherwise, add lines 25 and 20 and subtract line 27a. This amount is the Basic/Enhanced Credit carryforward to be used on the taxpayer's next MBT return.

### **Anchor Company Taxable Value Credit**

The Anchor Company Taxable Value Credit is available for a qualified taxpayer that was designated by the Michigan Economic Growth Authority (MEGA) as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan. An *anchor company* is "a qualified high technology business that is an integral part of a high-technology activity and that has the ability or potential ability to influence business decisions and site location of qualified suppliers and customers." A *qualified supplier* or *customer* is a business that opens a new location in Michigan, a business that locates in Michigan, or an existing business located in Michigan that expands its business within the last year as a result of an anchor company and:

- Has financial transactions with the anchor company,
- Sells a critical or unique component or technology necessary for the anchor company to market a finished product or buys a critical or unique component from the anchor company,
- Creates more than ten qualified new jobs, and
- Has made an investment of at least \$1,000,000.

A qualified taxpayer may take a credit in an amount up to 5 percent of its supplier's or customer's taxable property value within a ten mile radius of the qualified taxpayer. This credit may be taken for a period of up to five years, as determined by MEGA. Any amount that exceeds the taxpayer's tax liability may be refunded or carried forward for five years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must be certified by MEGA.

MEGA will not designate more than five anchor companies in each calendar year or approve more than five new credits in

any year. The statute provides for reduction, termination, or recapture of the credit if the taxpayer fails to comply with its agreement or the statute. Credit recapture is calculated on the *MBT Schedule of Recapture of Certain Business Credits and Deductions* (Form 4587).

For more information, contact the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

**Line 30:** Enter tax liability before Anchor Company Taxable Value credit from Form 4573, line 46, or tax liability before Brownfield Redevelopment Credit from *MBT Miscellaneous Credits for Insurance Companies* (Form 4596), line 21.

**Line 31:** Enter unused credit amount from a previous period MBT return.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the "Supplemental Instructions for Standard Members in UBGs."

**Line 34:** Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Anchor District Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

**Line 37:** Add lines 33 and 36b. This amount is the Anchor Company Taxable Value credit carryforward to be used on the taxpayer's next MBT return.

### **Anchor Company Payroll Credit**

The Anchor Company Payroll Credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

For a definition of anchor company, see instructions under "Anchor Company Taxable Value Credit."

A qualified taxpayer may take a credit up to 100 percent of its supplier's or customer's payroll for employees who perform qualified new jobs multiplied by the Michigan Individual Income Tax rate. This credit may be taken for a period of up to five years, as determined by MEGA. Any amount that exceeds the taxpayer's tax liability may be refunded or carried forward for ten years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must be certified by MEGA.

MEGA will not designate more than five anchor companies in each calendar year or approve more than five new credits in any year; however, any subsequent credits awarded to a previously qualified taxpayer will not be included in determining the five new credits. The statute provides for reduction, termination, or recapture of the credit if the taxpayer fails to comply with its agreement or the statute. Credit recapture is calculated on Form 4587.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

**Line 39:** Enter unused credit amount from a previous period MBT return.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the “Supplemental Instructions for Standard Members in UBGs.”

**Line 42:** Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Anchor Jobs Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

**Line 45:** Add lines 41 and 44b. This amount is the Anchor Company Payroll credit carryforward to be used on the taxpayer’s next MBT return.

### **MEGA Federal Contract Credit**

The MEGA Federal Contract Credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the United States Department of Defense, Department of Energy or Department of Homeland Security, resulting in a minimum of 25 new full-time jobs. The credit amount is 100 percent of the qualified taxpayer’s payroll attributable to employees who perform qualified new jobs as a result of the contract multiplied by the Michigan Individual Income Tax rate.

This credit may be taken for a period of up to seven years, as determined by MEGA. Any amount that exceeds the taxpayer’s tax liability may be refunded or carried forward for ten years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must enter into an agreement with MEGA and be certified by MEGA.

MEGA will not enter into more than ten agreements in each calendar year; however, any subsequent credits awarded to a previously qualified taxpayer will not be included in determining the ten credits.

If a misrepresentation is made on the application for this credit, the designation of a qualified taxpayer may be revoked and the taxpayer may be required to refund or recapture credits received. Credit recapture is calculated on Form 4587.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

**Line 47:** Enter unused credit amount from a previous period MBT return.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the “Supplemental Instructions for Standard Members in UBGs.”

**Line 50:** Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Defense Contracting Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

**Line 53:** Add lines 49 and 52b. This is the MEGA Federal Contract Credit carryforward to be used on the taxpayer’s next MBT return.

### **Brownfield Redevelopment Credit**

The Brownfield Redevelopment Credit encourages businesses to make an investment in eligible Michigan property that was used or is currently used for commercial, industrial, public, or

residential purposes and is either a facility (environmentally contaminated property), functionally obsolete or blighted. Generally, functionally obsolete, or blighted property must be located in a qualified local governmental unit. However, for certain smaller Brownfield Redevelopment projects, eligible property includes property that is functionally obsolete or blighted if located within a downtown development district established under PA 197 of 1975, Michigan Compiled Law (MCL) 125.1651 to 125.1681 or property that is a facility but is not in a qualified local governmental unit. These properties must meet additional criteria.

For the purpose of this credit, the local Brownfield Redevelopment Financing Authority designates eligible property in an approved Brownfield plan.

A qualified taxpayer may claim a credit against its MBT tax liability, provided the taxpayer has a preapproval letter issued for the project after 2007, and before 2013, and the project is completed not more than five years after the preapproval letter is issued (ten years for multiphase projects). An extension can be requested for up to ten years from the date of the preapproval letter.

MBT also allows a taxpayer that received a preapproval letter prior to January 1, 2008, under the SBT Act to receive a Certificate of Completion and claim a credit against the tax imposed by the MBT Act, provided that all other requirements are met.

For projects approved or amended by MEGA, prior to April 8, 2008, the credit is limited to 10 percent of the cost of the eligible investment. For projects approved or amended on or after April 8, 2008, the credit is authorized for a percentage of the cost of eligible investment to be determined by MEGA, up to 20 percent of the cost.

*Eligible investment* means demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to eligible property. These activities must occur after the date that eligible activities on the property have begun pursuant to a Brownfield plan and no earlier than 90 days prior to the date a preapproval letter has been issued.

A qualified taxpayer must own or lease or enter an agreement to purchase or lease eligible property, and must certify that the Department of Environmental Quality (DEQ) has not sued or issued a unilateral order to the taxpayer to compel response activity on that property. In addition, DEQ may not have expended any State funds for response activity to the property and then demanded reimbursement from the taxpayer.

The process for applying for a Brownfield Redevelopment Credit is two-fold. First, a qualified taxpayer must apply for preapproval of a project. Approval of this application is discretionary. A preapproval letter will not be issued unless the Brownfield plan designating the eligible property on which the project will occur has been adopted under the Brownfield Redevelopment Financing Act. When the project is completed, taxpayers must submit the cost of the eligible investment of each qualified taxpayer entitled to a credit for the project. Upon verification of the completion of the project, the State will then issue a MEGA Certificate of Completion, and at that point the taxpayers may claim the MBT credit.

Except for a multiphase project, the Brownfield Redevelopment Credit must be claimed in the tax year in which the Certificate of Completion is issued. For credits for a project approved by MEGA with total credits greater than \$10,000,000, the credits must be claimed at the rate of 10 percent per year for ten years, beginning with the first year specified by MEGA on the Certificate of Completion.

If a Brownfield Redevelopment Credit exceeds a taxpayer's tax liability for the year, the excess may be carried forward to offset tax liability in subsequent tax years for a maximum of ten years. Beginning April 8, 2008, a qualified taxpayer may elect to have the amount of the credit that exceeds the tax liability refunded at a rate equal to 85 percent of that amount, forgoing the remaining 15 percent of the credit. This election must be made when filing the return for the tax year in which the Certificate of Completion was received.

**NOTE:** An unused SBT credit carryforward may be claimed against the tax imposed under the MBT for the same years the carryforward would have been available under SBT, but it expires after ten years (combined SBT and MBT years). This carryforward is claimed on Form 4569.

All or a portion of the credit may be assigned. The assignment of the credit is irrevocable, and except for an assignment based on a multiphase project, must be made in the tax year in which the Certificate of Completion was issued.

The administration of the Brownfield Redevelopment Credit program is assigned to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

**Line 55:** Enter tax liability before Brownfield Redevelopment Credit from Form 4573, line 71, or Form 4596, line 21.

**Line 56: Recapture.** The disposal or transfer to another location of personal property used to calculate this credit will result in an addition to the tax liability of the qualified taxpayer who was originally awarded the credit in the year in which the disposal or transfer occurs. This is true even if the credit was assigned to someone else. This additional liability will be calculated by multiplying the same percentage as is used to calculate the credit (e.g., 10 percent) times the federal basis of the property used to calculate gain or loss [as calculated for federal purposes] as of the date of the disposition or transfer. The amount otherwise added to the tax liability may also be used to reduce any carryforward of credits available to the taxpayer.

**UBGs:** If any member of the UBG is reporting recapture, a statement must be attached to this form identifying the reporting member.

**Line 57:** Enter only the unused credit from a previous period MBT return. Available SBT credit carryforward is claimed separately on Form 4569.

**UBGs:** Enter the unused credit amount from the previous MBT return unless the qualified member has left the UBG. See the "Supplemental Instructions for Standard Members in UBGs."

**Line 60:** If the Brownfield Redevelopment Credit has been assigned, attach the MBT Brownfield Redevelopment Credit Assignment Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

**Line 63:** For the credit to be valid, attach the Certificate of Completion, issued after the completion of the approval process, to the return. (If the certificate is not attached, the credit will be disallowed.)

**Line 71:** Add lines 68 and 70b. This amount is the Brownfield Redevelopment credit carryforward to be used on the taxpayer's next MBT return.

***Include completed Form 4584 as part of the tax return filing.***