Michigan Department of Treasury
4589 (Rev. 03-09)

2009 MICHIGAN Business Tax Film Credit Assignment

Issued under authority of Public Act 36 of 2007.

INSTRUCTIONS: The assignor, after completing and signing this *Michigan Business Tax Film Credit Assignment* (Form 4589), must immediately file it with the Michigan Department of Treasury at the mailing address below. After processing, the Department will return this assignment form to the assignor, who must distribute a copy of this assignment form to the assignee named in Part 2 and/or Part 3 for submission with the tax return on which a film credit is being claimed. For questions contact the Michigan Department of Treasury at (517) 373-9600.

PART 1: ASSIGNOR IDENTIFICATION

1. Assignor Name				2. Federal Employer Identification Number (FEIN) or TR Number	
Street Address				3. Project Number	4. Tax Year End (MM-DD-YYYY)
City	State	ZIP Code	Country Code	5. Date Project was Certified as Completed (MM-DD-YYYY)	

If not assigning/reassigning the Film Production Credit, skip to PART 3.

PART 2: FILM PRODUCTION CREDIT

6. a. ☐ Original Assignment b. ☐ Reassignment

7. Credit amount from *Post-Production Certificate of Completion* provided by the Michigan Film Office (original assignment) or credit amount from the immediately prior in time assignment form (reassignment) ..... 7. | | 00

8. A **Assignee Account Number** (FEIN, TR Number or SSN)	B **Assignee Name**	C **Date Assignee's Tax Year Ends** (MM-DD-YYYY)	D **% of Credit to be Assigned**	E **Assigned Credit** Multiply line 7 by column D.

If not assigning/reassigning the Film Infrastructure Credit, skip to PART 4.

PART 3: FILM INFRASTRUCTURE CREDIT

9. a. ☐ Original Assignment b. ☐ Reassignment

10. Film Infrastructure Credit amount from *Investment Expenditure Certificate* (original assignment) or credit amount from the immediately prior in time assignment form (reassignment)..... 10. | | 00

11. A **Assignee Account Number** (FEIN, TR Number or SSN)	B **Assignee Name**	C **Date Assignee's Tax Year Ends** (MM-DD-YYYY)	D **% of Credit to be Assigned**	E **Assigned Credit** Multiply line 10 by column D.

PART 4: ASSIGNOR CERTIFICATION

I certify that the information provided on this form is accurate.

Assignor's Signature	Date
Assignor's Printed Name	Assignor's Title

PART 5: TREASURY APPROVAL

Authorized Signature	Date
Authorized Signor's Printed Name	Authorized Signor's Title

Mail completed form to: Tax Policy Division, Michigan Department of Treasury, 430 W. Allegan St., Lansing, MI 48922

Instructions for Form 4589
Michigan Business Tax (MBT) Film Credit Assignment

Purpose

To allow MBT filers to assign the Film Production and Film Infrastructure Credits. These credits provide tax incentives to encourage the production of motion pictures, television programs, music videos, and similar productions in Michigan.

Assignment of the credits

A taxpayer eligible to claim a Film Production or Film Infrastructure Credit 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.

The MBT assignor must complete Form 4589 after the date the Michigan Film Office issues the *Post-Production Certificate of Completion* or *Investment Expenditure Certificate*. The deadline to assign the credit is the return filing deadline of the assignor's tax year in which the certificate is issued. Any reassignment must be made in the tax year that the original assignment was made. The deadline to reassign the credit is the return filing date for the tax year in which the assignee received the credit.

An assigned credit amount must be claimed against the assignee's MBT liability or withholding tax liability (Film Production Credit only) during the tax year it was assigned.

Once the assignment is approved, the assignor will receive a copy of the assignment form, marked "Approved," from the Michigan Department of Treasury (Department). The assignor must furnish each assignee with a copy of the approved form to attach to the assignee's MBT tax return.

A separate Form 4589 must be completed for each project and each assignee.

Film Production Credit

The Michigan Film Office, with the concurrence of the State Treasurer, may enter into an agreement with an eligible production company providing the company with a refundable credit against MBT or against taxes withheld under Chapter 7 of the Individual Income Tax Act of 1967.

To qualify for the credit, a company must spend at least $50,000 in Michigan for the development, preproduction, production, or post production costs of a State-certified qualified production and must not be delinquent in a tax or other obligation owed to this State nor be owned or controlled by an entity that is delinquent.

Once the Film Office is satisfied that company expenditures and eligibility are adequately met, a *Post-Production Certificate of Completion* will be issued verifying the amount of the credit to be claimed. The certificate received must be submitted by the eligible production company with a completed Form 4589 for the original assignment.

Film Infrastructure Credit

An eligible taxpayer may claim a credit for investment in a qualified film and digital media infrastructure project equal to 25 percent of the base investment expenditures for the project, provided the taxpayer enters into an agreement with the Michigan Film Office by September 30, 2015. This agreement requires the concurrence of the State Treasurer.

If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years. The Film Office may not authorize total credits greater than $20,000,000 in any tax year.

To qualify, a taxpayer must invest and expend at least $100,000 for a qualified film and digital media infrastructure project in Michigan before January 1, 2009, or at least $250,000 after December 31, 2008.

No claim for a credit may be filed until at least 25 percent of the base investment in the project has been expended. Once the Film Office finds the taxpayer has complied with the agreement terms and is satisfied that investment expenditures and eligibility are adequately met, the Film Office will issue an *Investment Expenditure Certificate* stating the amount of the credit. The certificate received must be attached to a completed Form 4589 for the original assignment.

NOTE: To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to this State nor be owned or controlled by an entity that is delinquent. A credit cannot be claimed for any direct production or qualified personnel expenditures for which a Film Production Credit was claimed against either an MBT or withholding tax liability. The credit shall be reduced by any credit claimed under section 437 (Brownfield) for the same base investment.

The agreement requires a recapture of 25 percent of the gross proceeds or benefit from a sale or disposition of tangible assets paid for or accrued after December 31, 2007, adjusted by the amount of the apportioned gain or loss, if assets whose cost is included in the base investment are sold or disposed of. This recapture is the responsibility of the taxpayer who was originally awarded the credit even if the credit was assigned to someone else.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be entered in MM-DD-YYYY format.

Country Code: If other than the United States, enter the country code. See the list of country codes on the Web at **www.michigan.gov/taxes**.

PART 1: ASSIGNOR IDENTIFICATION

Line 1: Enter the name and address of the taxpayer who is assigning the credit(s).

Line 2: Enter the assignor's account number.

Line 3: Enter the project number assigned by the Michigan Film Office.

Line 5: Enter the date the Film Office issued the certification of completion.

PART 2: FILM PRODUCTION CREDIT

Line 6: Check the box to indicate whether this is an original assignment or reassignment of the credit.

Line 7: Enter the credit amount from the *Post-Production Certificate of Completion* provided by the Michigan Film Office (original assignment) or credit amount from the immediately prior in time assignment form (reassignment).

Line 8: If the taxpayer assigning the credit is retaining a portion of the credit, or assigning all of the credit, enter the requested information on line 8 for the assignee. If the assignment is to more than one assignee, a separate Form 4589 must be completed for each assignee.

- **Column A:** Enter the Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number or Social Security number of the assignee.
- **Column C:** An assigned credit amount must be claimed against the assignee's MBT liability in the fiscal or calendar year which includes the assignor's tax year-end.
- **Column D:** Enter the percentage of credit to be assigned to the assignee.
- **Column E:** Multiply the amount on line 7 by the percentage in column D. Each assignee must enter this amount on the *MBT Refundable Credits* (Form 4574), line 22.

PART 3: FILM INFRASTRUCTURE CREDIT

Line 9: Check the box to indicate whether this is an original assignment or reassignment of the credit.

Line 10: Enter the credit amount from the *Investment Expenditure Certificate* provided by the Michigan Film Office (original assignment) or credit amount from the immediately prior in time assignment form (reassignment).

Line 11: If the taxpayer assigning the credit is retaining a portion of the credit, or assigning all of the credit, enter the requested information on line 11 for the assignee. If the assignment is to more than one assignee, a separate Form 4589 must be completed for each assignee.

- **Column A:** Enter the Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number or Social Security number of the assignee.
- **Column C:** An assigned credit amount must be claimed against the assignee's MBT liability in the fiscal or calendar year which includes the assignor's tax year-end.
- **Column D:** Enter the percentage of credit to be assigned to the assignee.
- **Column E:** Multiply the amount on line 10 by the percentage in column D. Each assignee must enter this amount on the *MBT Miscellaneous Nonrefundable Credits* (Form 4573), line 71.

Signature: This form must be signed by the assignor to be valid.

Attachments

For this form to be valid the taxpayer assigning the credit must attach the *Post-Production Certificate of Completion* or *Investment Expenditure Certificate* provided by the Michigan Film Office (original assignment) or credit amount from the immediately prior in time assignment form (reassignment).

To Claim the Assigned Credit

The assignor must give each assignee a copy of the approved assignment form issued by the Michigan Department of Treasury and instruct them to file it with the appropriate tax return along with any required attachments. A taxpayer that is retaining a portion of the credit must submit the same information.

Mailing This form

Mail this completed form and attachments to:

Tax Policy Division
Michigan Department of Treasury
430 W. Allegan St.
Lansing, MI 48922

Additional Information

Questions regarding the assignment of the credit:

Michigan Department of Treasury
Tax Policy Division
(517) 373-9600

For more information about the credits, contact the Michigan Film Office at (800) 477-3456 or visit the Web site at **www.michigan.gov/filmoffice.**

Forms and further information:

Michigan Department of Treasury
www.michigan.gov/taxes