Reset Form

Attachment 12

2009 MICHIGAN Business Tax Renaissance Zone Credit Schedule

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

1. Tax liability before Renaissance Zone Credit. Enter amount from Form 4573, line 13, or Form 4596, line 16 ..... 1. 00
2. Enter property information below:

Street Address	Zone or Subzone
City	Parcel Number

3. Average value of property owned within the Zone 3. 00
4. Multiply rent paid for property within the Zone by 8 and enter the result 4. 00
5. Total property value within the Zone. Add lines 3 and 4 ..... 5. 00
6. Average value of all property owned in Michigan 6. 00
7. Multiply rent paid for property in Michigan by 8 and enter the result 7. 00
8. Total property value in Michigan. Add lines 6 and 7 ..... 8. 00
9. Divide line 5 by line 8 and enter as a percentage ..... 9. %
10. Total payroll for services performed within the Zone 10. 00
11. Total Michigan payroll 11. 00
12. Divide line 10 by line 11 and enter as a percentage ..... 12. %
13. Add lines 9 and 12 and enter as a percentage ..... 13. %
14. Business Activity Factor. Divide line 13 by 2 and enter as a percentage ..... 14. %
15. Credit based on the Business Activity Factor. Multiply line 14 by line 1 ..... 15. 00

Adjusted Services Performed in the Renaissance Zone

16. Enter amount from line 10 ..... 16. 00
17. Enter depreciation for tangible property in the Zone exempt under MCL 211.7ff. Claim property exempt in tax year; also claim new property that will be exempt in immediately following tax year (see instructions) 17. 00
18. Add lines 16 and 17 ..... 18. 00
19. **Partnerships, S Corporations and Individuals Only (see instructions)**
    a. Business income from Form 4567, line 28. If less than zero, enter zero 19a. 00
    b. Apportionment percentage from Form 4567, line 11c ..... 19b. %
    c. Enter percentage from line 14 ..... 19c. %
    d. Multiply line 19a by line 19b by line 19c 19d. 00
    e. Add lines 18 and 19d 19e. 00
20. Enter amount from line 18, or, if taxpayer is a Partnership, S Corporation or Individual, enter amount from line 19e 20. 00
21. Credit based on adjusted services performed in the Zone. Multiply line 20 by 10% (0.10) 21. 00

Taxpayers first located within a Renaissance Zone before 12-31-2002 ONLY
(All others, leave lines 22a-e blank.)

22. a. Renaissance Zone Credit allowed in 2007 ..... 22a. 00
    b. Michigan payroll in 2007 ..... 22b. 00
    c. Business Activity Factor for tax year 2007 and enter as a percentage ..... 22c. %
    d. Divide line 11 by line 22b and enter as a percentage ..... 22d. %
    e. Divide line 14 by line 22c and enter as a percentage ..... 22e. %
23. Multiply line 22a by line 22d by line 22e 23. 00
24. Tentative Renaissance Zone Credit. Taxpayer first located within a Zone before 12-31-2002, enter lesser of lines 15, 21 or 23. All others enter the lesser of lines 15 or 21 ..... 24. 00
25. a. Reduced credit percentage from Reduced Credit Table on page 2 ..... 25a. %
    b. **Reduced Renaissance Zone Credit.** Multiply line 24 by the reduced credit percentage on line 25a. Carry amount to Form 4573, line 14, or Form 4596, line 17 ..... 25b. 00

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REDUCED CREDIT TABLE

If this tax period begins in the:	The reduced credit is:
Final year of designation as a Renaissance Zone.....	**25 percent** (0.25) of tentative credit on line 24.
Year immediately preceding the final year of designation as a Renaissance Zone.....	**50 percent** (0.50) of tentative credit on line 24.
Second year before the final year of designation as a Renaissance Zone.....	**75 percent** (0.75) of tentative credit on line 24.
Third (or greater) year before the final year of designation as a Renaissance Zone.....	**100 percent** (1.00) of the tentative credit on line 24.

Instructions for Form 4595
Michigan Business Tax (MBT) Renaissance Zone Credit Schedule

Purpose

To allow eligible taxpayers to calculate and claim the Renaissance Zone Credit. For standard taxpayers and financial institutions, the credit is calculated on Form 4595 and then carried to the *MBT Miscellaneous Nonrefundable Credits* (Form 4573). Insurance companies will carry this credit to the *Miscellaneous Credits for Insurance Companies* (Form 4596).

Renaissance Zone Credit

The Renaissance Zone Credit encourages businesses and individuals to move into a designated Zone to help revitalize the area by providing a credit for businesses located and conducting business activity within the Zone. The method of calculating the credit is different for businesses first locating and conducting business activity within a Renaissance Zone before December 31, 2002, and those businesses first locating and conducting business activity within a Renaissance Zone after December 30, 2002.

To obtain the credit an otherwise qualified taxpayer must file an MBT annual return. The credit is equal to the lesser of the following:

- The tax liability attributable to business activity conducted within a Renaissance Zone in the tax year.
- 10 percent of adjusted services performed in a designated Renaissance Zone.
- For a taxpayer located and conducting business activity in a Renaissance Zone before December 31, 2002, the product of the following:
  - The Single Business Tax (SBT) Renaissance Zone Credit claimed for the tax year ending in 2007.
  - The ratio of the taxpayer's payroll in this State in the tax year divided by the taxpayer's payroll in this State in its SBT tax year ending in 2007.
  - The ratio of the taxpayer's Renaissance Zone Business Activity Factor for the tax year divided by the taxpayer's Renaissance Zone Business Activity Factor for its SBT tax year ending in 2007.

The credit allowed continues through the tax year in which the Renaissance Zone designation expires and is nonrefundable.

Business activities relating to a casino, including operating a parking lot, hotel, motel, or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying Property Tax, SBT, MBT or City Income Tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed.

For more information on Renaissance Zones, contact the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit their Web site at **www.michiganadvantage.org/MIAdvantage/Taxes-and-Incentives**. For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at (517) 636-4657.

Special Instructions for Unitary Business Groups

If the entity located and conducting business activity in the Renaissance Zone is a member of a Unitary Business Group (UBG), the Renaissance Zone Credit must be calculated at the member entity level. Calculation of the Renaissance Zone Credit should be done before elimination of intercompany transactions, such as rent payments by the member claiming this credit to another member of the UBG.

Attach this form to the UBG's combined annual return. If more than one member is eligible for this credit, complete one Form 4595 for each eligible member and attach all of them to the UBG's annual return. If filing multiples of Form 4595, enter the total of line 25b for all members on Form 4573, line 14.

When this form refers to "taxpayer," it is referring to the UBG member completing this form.

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the annual return.

UBGs: Complete one form for each member for whom this schedule applies. Enter the Designated Member (DM) name in the Taxpayer Name field and the specific member of the UBG for which this form is filed on the line below.

Line 1: Enter the tax liability before the Renaissance Zone Credit.

UBGs: This must be a pro forma tax liability of the member whose activity is represented on the form. See guidance on pro forma calculations in the "Supplemental Instructions for Standard Members in UBGs" on page 141.

Line 2: Enter the street address and parcel number of the property. Enter the name of the Zone or Subzone in which the property is included.

ADJUSTED SERVICES PERFORMED IN THE RENAISSANCE ZONE

Line 17: Enter the amount deducted in arriving at federal taxable income (as defined for MBT purposes) for the tax year for depreciation, amortization, or accelerated write-off for tangible property in a Zone exempt under Michigan Compiled Law 211.7ff. Claim property exempt in the tax year; also claim new property that will be exempt in the immediately following tax year, i.e., property that has not been subject to, or exempt from, the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from, ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property.

Line 19: Only Individuals, Partnerships, S Corporations and Limited Liability Companies (LLC) federally taxed as Partnerships or S Corporations should complete line 19.

Line 19a: UBGs: Enter the business income from Form 4580, Part 2A, line 29, for the member whose activity is reported on this copy of Form 4595.

Line 19b: UBGs: Divide Michigan sales from Form 4580, Part 2A, line 14, by total sales from Form 4580, Part 2A, line 15, for the member whose activity is reported on this copy of Form 4595 and enter here as a percentage.

Line 20: Enter amount from line 18, or, if the taxpayer is an Individual, Partnership, S Corporation, or an LLC federally taxed as a Partnership or S Corporation, enter amount from line 19e.

Line 22: Taxpayers first located within a Renaissance Zone before December 31, 2002, ONLY (all others, leave lines 22a through 22e blank).

Lines 25a and 25b: For a tax year that begins within one of the last three years of a Zone's designation, a reduced credit is allowed, as follows:

- For a tax year that begins within the second year before the final year of designation as a Renaissance Zone, 75 percent of the normally calculated credit is allowed.
- For a tax year that begins within the year before the final year of designation as a Renaissance Zone, 50 percent of the normally calculated credit is allowed.
- For a tax year that begins within the final year of designation as a Renaissance Zone, 25 percent of the normally calculated credit is allowed.

Line 25b: Multiply line 24 by the reduced credit percentage provided in the Reduced Credit Table. Carry amount to line 14 of the *MBT Miscellaneous Nonrefundable Credits* (Form 4573), or line 17 of the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).

UBGs: If filing multiple 4595 forms, enter the total of line 25b for all members on Form 4573, line 14.

Include completed Form 4595 as part of the tax return filing.