NOTICE OF AMENDED INSTRUCTIONS

Michigan Business Tax (MBT)
Changes for tax years beginning on or after January 1, 2010
As amended under Public Act 282 of 2014

Public Act 282 of 2014

Public Act (PA) 282 of 2014 resulted in the following changes to the Michigan Business Tax (MBT), **retroactive to 2010**:

1) Exclusion of Cancelation of Debt Income (CODI) from gross receipts.

2) A change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT.

3) A change to the calculation of the Renaissance Zone Credit for taxpayers located in a Renaissance Zone before December 1, 2002.

Amended Returns

An amended return for changes due to PA 282 of 2014 must be filed no sooner than January 1, 2015, and no later than December 31, 2015, and must contain amendments for only the three items above. Refund claims must be made within the statute of limitations. If amendments for other than the three items above are required, a separate amended return must be filed.

PA 282 of 2014 requires that any refund as a result of an amended return based on these changes will be paid out over a six-year period beginning in 2016. An overpayment on an amended return for claims due to PA 282 of 2014 must be refunded and may not be credited forward.

Original Returns

If a taxpayer has not yet filed an original return for a tax year beginning on or after January 1, 2010, the taxpayer should implement the three changes listed above in the original return. An original return is not necessarily bound by the 2015 calendar year filing requirement. Traditional due date and statute of limitations restrictions still apply. An overpayment on an original return will not be subject to the six-year payout provision and may be credited forward, if available and if desired.

Instruction Changes

Instruction changes have been posted for the following forms:

- *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570).
- *MBT Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax* (Form 4585).
- *MBT Renaissance Zone Credit Schedule* (Form 4595).
- *MBT Gross Receipts Worksheet* (Form 4700).

The original instructions have been retained as a point of reference. **The forms have not been changed** as a result of PA 282; follow the amended instructions for the appropriate lines.

Michigan Department of Treasury
4600 (Rev. 02-14)

2012 Michigan Business Tax for Standard Taxpayers

This booklet contains forms and instructions to complete a Michigan Business Tax return for calendar year 2012, a short-year fiscal year ending in 2012, and a fiscal year ending in 2013.

Inside this booklet:

E-file your MBT return.

See page 6 for more information, or visit the E-file Web site.

www.MIfastfile.org

Find Michigan tax forms online at **www.michigan.gov/taxes**.

This booklet is intended as a guide to help complete a Michigan Business Tax Return.
It does not take the place of law.

Important Information for 2012 — Michigan Business Tax, Standard Taxpayer

NOTICE: The disqualifying amount of adjusted business income (ABI) is misstated on the 2012 forms due to a Michigan Department of Treasury error in calculating the annual inflation adjustment for this item. The forms that are affected are the *Michigan Business Tax Common Credits for Small Businesses* (Form 4571) and the *Michigan Business Tax Loss Adjustment for the Small Businesses Alternative Credit* (Form 4575). For the 2012 forms the correct figure is $1,375,400 (not $1,344,200, as shown on the form). The face of the form will not be altered to reflect this change. The instructions have been corrected, effective February 13, 2014. Taxpayers impacted by this change may elect to file an amended return.

Michigan Business Tax (MBT) Instruction Differences for Calendar, Fiscal Year Filers

This MBT booklet includes forms and instructions designed for calendar year 2012, a short-year fiscal year ending in 2012, and a fiscal year ending in 2013.

NOTE: Per Public Act 39 of 2011, the Corporate Income Tax (CIT) replaces the MBT for most taxpayers effective January 1, 2012. After that date, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. The MBT election enables a taxpayer with certificated MBT credits to continue using those credits once the CIT is in place. Once the election is made and the return is submitted, the taxpayer may not amend the return to revoke the election. A standard taxpayer with a federal fiscal year beginning in 2011 and ending in 2012 must file two short-period returns, one to report its final 2011 MBT liability, for the period from the beginning of its 2011-12 fiscal year through December 31, 2011, and the other to report either its initial CIT liability, for the period from January 1, 2012, to the ending of its 2011-12 fiscal year, or, for taxpayers electing to continue MBT to claim certain certificated credits, a 2012 MBT return for the period from January 1, 2012, to the ending of its 2011-12 fiscal year. See "Overview of the CIT" later in this Important Information section. If the taxpayer is not subject to the CIT and does not have a certificated credit or does not elect to remain under the MBT election, that taxpayer will not have a business tax liability for the period beginning January 1, 2012. Find a list of certificated credits in the General Information for Standard Taxpayers in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

This year the completion of some forms will vary depending on whether the taxpayer is a fiscal year filer. These fiscal filer differences are detailed in the "2012 Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

In 2012, the *MBT Simplified Return* (Form 4583) is no longer provided. Instead, the simplified calculation will be done using Form 4567. See the Suggested Order of Analysis and Preparation of an MBT Annual Return under the "2012 General Information for Standard Taxpayers" included in Form 4600.

All filers should read the instructions carefully. Other changes to the 2012 MBT forms include:

MBT Annual Return (Form 4567)

Producers of agricultural goods report total gross receipts from the production of agricultural goods and any other activities other than agricultural production in line 12 of Form 4567. A subtraction from gross receipts for the total gross receipts from the agricultural activity of a person whose primary activity (i.e., more than 50 percent of gross receipts) is the production of agricultural goods is allowed in determining modified gross receipts on line 21 of Form 4567.

Producers of oil and gas report total gross receipts from any activity including the production of oil and gas in line 12 of Form 4567. This would include gross receipts from the production of oil and gas even if this activity is subject to the Severance Tax on Oil or Gas, 1929 PA 48. A subtraction from gross receipts for the total gross receipts from the production of oil and gas that are subject to the Severance Tax on Oil or Gas is allowed in determining modified gross receipts on line 21 of Form 4567

Gross Receipts Worksheet (Worksheet 4700)

Exclusions for the following were phased in over a five-year period. For tax year 2012, 100 percent is excluded.

- Amounts deducted as bad debt for federal income tax purposes that correspond to items of gross receipts that are included in the modified gross receipts tax base for the current tax year or a prior tax year.
- Dividends and royalties received or deemed received from a foreign operating entity or a person other than a U.S. person.
- Amounts received for various taxes — i.e., sales and use, motor fuel, beer, wine and liquor, communication and energy, bottle deposits, and airport parking — although such amounts are excluded only to the extent not deducted from gross receipts as "purchases from other firms" when determining the modified gross receipts tax base.

Disregarded Entities

For tax years beginning after December 31, 2011, a person that is a disregarded entity for federal income tax purposes under the internal revenue code must file as a disregarded entity for MBT purposes. This means that a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Helpful Hints for Completing an MBT Return

MBT Annual Return (Form 4567)

Definition of gross receipts is not the same as the definition of sales. Refer to MCL 208.1111 for the definition of gross receipts and MCL 208.1115 for the definition of sales.

Taxpayers claiming the deduction for contractors must be persons included in SIC codes 15, 16, or 17 and the entity claiming the deduction cannot be eligible to claim the SBAC. For a UBG, eligibility for the SBAC is determined as described in the instructions for the *MBT Common Credits for Small Businesses* (Form 4571), while the SIC code requirement is evaluated at the level of the member that makes the subcontractor payments. Refer to **http://osha.gov/pls/imis/sic_manual.html** for a more complete list of SIC codes.

The staffing company deduction is allowed for those taxpayers whose business activities are included in Industry Group 736 under the SIC Code. This deduction is not available for professional employer organizations (PEOs); only Staffing Companies are eligible for the deduction. PEOs get an adjustment in calculating their "gross receipts."

"Net Earnings from Self Employment" is not 100 percent of the Schedule C net income. See Internal Revenue Code (IRC) Section 1402 for more information on how to calculate this deduction.

When filing a return for a Unitary Business Group (UBG), only one Form 4567 is required for the entire group. Separate entity information will be included with the *UBG Combined Filing Schedule for Standard Members,* Form 4580.

MBT Credits for Compensation, Investment, and Research and Development (Form 4570)

When filling out Form 4570 to claim the ITC Credit, make sure to include the description, location, and date acquired for each asset listed. Use additional sheets if necessary; **"See Attached" is not acceptable.**

MBT Schedule of Shareholders and Officers (Form 4577) and *MBT Schedule of Partners* (Form 4578)

When claiming the Small Business Alternative Credit, Form 4577 or 4578 (whichever is applicable) is required to be included for any taxpayer that is not an Individual/Fiduciary.

A UBG that is claiming an SBAC is required to attach Form 4577 or 4578, whichever is applicable, for each member that is not an Individual/Fiduciary.

MBT UBG Combined Filing Schedule for Standard Members (Form 4580)

Members of a UBG will report their data on Form 4580. Once all member data is combined and eliminations are calculated, these final figures will carry to Form 4567. All credits claimed on Form 4580 must be supported by the applicable forms and these forms must be included when filing the return.

UBG members may have different tax year-ends. The combined return must include each member whose tax year ends with or within the tax year of the designated member.

Estimates/Extensions

- All estimated payments, extension payments, and tax returns must be filed under the name and account number of the UBG's designated member.
- If making estimated or extension payments by EFT, the associated vouchers are not required to be submitted.

Amended Returns

NOTE: A taxpayer may not amend to revoke the election to remain taxable under the MBT. Once the taxpayer makes a valid election to claim a certificated credit, the taxpayer must remain in the MBT until the certificated credit and any carryforward of that credit are exhausted. Most certificated credits must be claimed for the taxpayer's first tax year ending after December 31, 2011.

If amending the 2012 tax year, complete *MBT Annual Return* (Form 4567) and check the "Amended" box in the upper-right corner of the return, and attach a separate sheet explaining the reason for the changes. Include an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document. Include all schedules and forms filed with the original return, even if not amending that schedule or form. Do not include a copy of the original return with your amended return.

NOTE: The *MBT Simplified Return* (Form 4583) is not available for the 2012 tax year. To amend a return for the 2012 tax year using the simplified method, complete Form 4567 using the simplified instructions included in the "General Information" section of Form 4600 and check the "Amended" box in the upper-right corner of the return.

To amend an annual return **for a year prior to the 2012 tax year**, complete either the *MBT Annual Return* (Form 4567) or *MBT Simplified Return* (Form 4583) that is applicable for that year, check the "Amended" box in the upper-right corner of the return, and attach the required documents.

Accelerated Credits in 2012

A taxpayer with a certificated credit under section 435 (Historic) or 437 (Brownfield) of the Michigan Business Tax Act (MBTA), or any unused carryforward of such certificated credit that may be claimed in a tax year ending after December 31, 2011, may elect to pay the tax imposed by the MBTA in the tax year in which that certificated credit may be claimed in lieu of the CIT. If a person with a certificated credit under section 435 or 437 that elects to pay the MBT is a member of a Unitary Business Group (UBG), the Designated Member of the UBG, and not the member, shall file a UBG return and pay the tax, if any, under the MBTA and claim that certificated credit.

For a tax year beginning after December 31, 2011, if a certificate of completion, assignment certificate, or component completion certificate is issued under section 437 to a taxpayer, or if a certificate of completed rehabilitation, assignment certificate, or reassignment certificate is issued under section 435 to a taxpayer, beginning on and after January 1, 2012, the taxpayer may elect to claim an accelerated refund for 90 percent of the amount of that certificate.

If section 437 or 435 provides that payment of a credit will be made over a period of years or limits the annual amount of a payment, an accelerated refund may only be claimed for the amount payable in the year claimed.

However, a taxpayer claiming the Special Consideration Historic Preservation Credit under section 435(20) may elect to claim an accelerated refund for the balance of the credit, but the amount of that refund shall be equal to 86 percent of the amount of the credit.

For more details, see the 2012 *Request for Reduced Refundable Credit Payout for the Brownfield Redevelopment Credit and Historic Preservation Credit* (Form 4889). Michigan Tax Forms are online at **www.michigan.gov/taxes**. An accelerated credit refund will be paid within 60 days after Form 4889 is filed.

If a taxpayer files a Form 4889 and claims an accelerated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer claiming an accelerated credit on Form 4889 must also file an annual MBT return.

Flow-Through Withholding

On January 1, 2012, several changes to the Income Tax Act of 1967 (ITA) went into effect establishing a new withholding requirement for flow-through entities that have members, partners, or shareholders that are corporations or other flow-through entities. These withholding requirements are known as Flow-Through Withholding (FTW).

Under FTW, every flow-through entity with business activity in Michigan that reasonably expects to accrue more than $200,000 in apportioned or allocated business income for the tax year must withhold on the distributive share of each member that is a corporation at the CIT rate of 6 percent. "Business income" for this purpose is defined using the same rules as those contained in the CIT. Business income for flow-through entities is further defined to include payments and items of income and expense that are attributable to business activity of the flow-through entity and separately reported to its members. The distributive share of business income of a flow-through entity is subject to FTW, and the CIT, even if it is not actually distributed or paid to the member.

When a corporation has been withheld on under FTW, this amount is treated as a CIT payment that will be applied against the corporation's CIT liability. A corporation that has been withheld on is not required to make quarterly estimated payments on the distributive share of business income that has been subjected to FTW. To claim these amounts, the corporation will be required to file a Form 4891. If the corporation is a member of a UBG, then these amounts may be claimed on that corporation's Form 4897. If the corporation is below one of the CIT filing thresholds then it may file a Form 4891 to claim these amounts.

The flow-through entity is required to notify the members it has withheld on of the amount of withholding paid on behalf of that member as well as other information that the member will need to complete its CIT return. There is no set method for this reporting to be done. The Michigan Department of Treasury recommends that this be reported to the members as a supplemental attachment to the federal Schedule K-1 that is required to be submitted to each member. For a corporation, this information will include the:

- FEIN of the flow-through entity
- Tax year of the flow-through entity
- FTW paid on behalf of that member
- Member's tentative distributive share of the flow-through entity's business income
- Flow-through entity's sales that have been sourced to Michigan
- Flow-through entity's total sales.

There are also several exemptions from the FTW requirements. These exemptions include the MBT Election Exemption and the Opt-Out Exemption, both of which are explained in the *FTW Annual Reconciliation Instruction Booklet* (Form 5014) and on the Treasury Web site at **www.michigan.gov/taxes**.

2012 General Information for Standard Taxpayers

Insurance Companies and Financial Institutions: See the Michigan Business Tax (*MBT) Instruction Booklet for Insurance Companies* (Form 4592) or the *MBT Instruction Booklet for Financial Institutions* (Form 4599) at **www.michigan.gov/taxes.**

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" later in Form 4600.

This booklet is intended as a guide to help complete the MBT return. It does not take the place of the law.

Who Files a Standard Return?

Beginning in 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. Once the election is made and the return is submitted, the taxpayer may not amend the return to revoke the election.

Insurance companies and financial institutions will calculate tax liability using specialized tax bases and rules, which are covered in separate booklets (see the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588) and Form 4590, respectively). A person that would be a standard taxpayer if viewed separately is defined and taxed as a financial institution if it is owned, directly or indirectly, by a financial institution and is unitary with that owner.

Using This Booklet

This MBT booklet includes forms and instructions for all "standard taxpayers" (all filers except insurance companies and financial institutions). These forms are designated for 2012 calendar year filers, and fiscal filers with tax year ending in 2012 (short-year returns), or in 2013.

Fiscal Year Filer: See "Supplemental Instructions for Standard Fiscal MBT Filers" later in the Form 4600 instructions.

Read the "General Information" section first. The Michigan Department of Treasury (Treasury) recommends taxpayers and tax preparers also briefly review the instructions for all forms. A taxpayer might qualify for a credit and yet be unaware of it.

Overview of MBT for Standard Taxpayers

MBT imposes both a Modified Gross Receipts Tax and a Business Income Tax on all standard taxpayers with apportioned or allocated gross receipts (annualized, if applicable) equal to $350,000 or more, where:

- The Modified Gross Receipts Tax rate is 0.8 percent, and
- The Business Income Tax rate is 4.95 percent.

An annual surcharge of 21.99 percent is applied to the sum of both tax liabilities. The surcharge amount levied against the taxpayer is capped at $6,000,000 in any single tax year.

The statute then offers more than 40 credits that reduce the initial calculation of tax and surcharge. This includes a limited allowance of Single Business Tax (SBT) credit carryforwards.

The Modified Gross Receipts Tax base consists of gross receipts less purchases from other firms and other subtractions. Gross receipts are defined as the entire amount received by a taxpayer from any activity carried on for direct or indirect gain, benefit, or advantage to the taxpayer or to others, with certain specific exceptions. (See the instructions for the *MBT Annual Return* (Form 4567) for additional guidance.)

For most taxpayers, the Business Income Tax base is that part of federal taxable income (as defined for MBT purposes) derived from business activity, with certain additions and subtractions.

Required CIT Tax Comparison

Beginning in 2012, a taxpayer with qualified certificated credits who elects to claim such credits is subject to tax as calculated under MBT or the CIT calculation under Michigan Compiled Law (MCL) 208.1500(4), whichever is greater. If both taxes result in a refund, the taxpayer must take the lesser refund.

Taxpayers calculate their business income and modified gross receipts tax bases, surcharge and MBT tax liability applying all credits, deductions, and exemptions available under the MBT act. Then, as if they were subject to the CIT, taxpayers calculate their business income tax base, and CIT tax liability applying all credits and deductions available under the CIT act. The CIT liability is then reduced (not below to zero) by the amount of certificated nonrefundable credit used to offset the MBT liability. CIT liability is further reduced by the total amount of certificated refundable credits claimed under the MBT liability calculation, resulting in the taxpayers' final CIT liability. Taxpayers' final MBT liability consists of the higher of the calculated MBT and CIT liabilities. If both MBT and CIT liabilities result in tax refunds (negative liability), taxpayers are entitled to the lower refund amount.

Specific forms are provided to perform the MBT to CIT comparison and determine the tax liability or refund. The *Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer* (Form 4946) is used for the standard taxpayer comparison. The *Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Insurance Filer* (Form 4974) is used for the insurance company's comparison. The *Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Financial Filer* (Form 4975) is used for the financial institution's comparison.

Certificated Credits

Certificated credits are those listed at MCL 208.1107.

Nonrefundable Certificated Credits

- NASCAR Speedway Credit (Form 4573)
- Renaissance Zone Credit (Forms 4595 and 4573)
- Historic Preservation Credit (Form 4573)
- MEGA Federal Contract Credit (Forms 4584 and 4573)
- Brownfield Redevelopment Credit (Forms 4584 and 4573)
- Film Infrastructure Credit (Form 4573)
- MEGA Plug-In Traction Battery Manufacturing Credit (Form 4573)
- Anchor Company Payroll Credit (Forms 4584 and 4573)
- Anchor Company Taxable Value Credit (Forms 4584 and 4573)
- MEGA Poly-Silicon Energy cost Credit and Miscellaneous MEGA Battery Credits (Forms 4584 and 4573).

Certificated Refundable Credits

- MEGA Employment Tax Credit (Form 4574)
- Hybrid Technology Research and Development Credit (Form 4574)
- Farmland Preservation Credit (Forms 4594 and 4574)
- MEGA Federal Contract Credit (Forms 4584 and 4574)
- MEGA Photovoltaic Technology Credit (Form 4574)
- Film Production Credit (Form 4574)
- MEGA Plug-In Traction Battery Manufacturing Credit (Form 4574)
- Anchor Company Payroll Credit (Forms 4584 and 4574)
- Anchor Company Taxable Value Credit (Forms 4584 and 4574)
- MEGA Poly-Silicon Energy cost Credit and Miscellaneous MEGA Battery Credits (Forms 4584 and 4574).

Filing CIT Quarterly Tax Estimates for 2013

If estimated liability for the year is reasonably expected to exceed $800, a taxpayer must file estimated returns either monthly or quarterly. Payments can be made with either of the following returns:

- *Michigan Corporate Income Tax Quarterly Return* (Form 4913), or
- *Combined Return for Michigan Taxes* (Form 160) (if registered for Sales, Use, and Withholding Taxes).

If paying quarterly with Form 160 or Form 4913, estimates are due by the 15th of the month following the end of the quarter. If paying monthly using Form 160, monthly payments are due by the 20th day of the month. For example, a taxpayer may file monthly estimated tax payments using Form 160 on February 20, March 20, and April 20 rather than a single quarterly payment on April 15 provided the combined estimated tax payments for those months are calculated using the instructions provided with the form. For taxpayers electing to make monthly remittances by Electronic Funds Transfer (EFT) where the requirement to file a paper Form 160 has been waived, estimates are due by the 20th day of the month following the month's end. The estimates for the quarter must also reasonably approximate the liability for the quarter.

NOTE: Your debit transaction will be ineligible for EFT if the bank account used for the electronic debit is funded or otherwise associated with a foreign account to the extent that the payment transaction would qualify as an International ACH Transaction (IAT) under NACHA Rules. Contact your financial institution for questions about the status of your account. Contact the Michigan Department of Treasury's (Treasury) EFT Unit at (517) 636-6925 for alternate payment methods.

The estimated payment made with each quarterly return must be computed on the following:

- the actual Business Income Tax for the quarter, or 25 percent of the estimated total liability if paying a CIT liability, or,
- the actual Business Income Tax and Modified Gross Receipts Tax for the quarter, or 25 percent of the estimated annual total liability, plus the annual surcharge imposed, if continuing to file MBT in 2013. **REMINDER:** Total MBT annual liability is calculated as the higher of MBT liability or hypothetical CIT liability.

To avoid interest and penalty charges, estimated payments must equal at least 85 percent of the total liability for the tax year and the amount of each estimated payment must reasonably approximate the tax liability for that quarter. If continuing to file MBT and the prior year's tax under the MBT Act, including surcharge, is $20,000 or less, estimated tax may be based on the prior year's total tax liability paid in four equal installments. ("Four equal installments" describes the minimum pace of payments that will satisfy this safe harbor.) If the prior year's tax liability was reported for a period less than 12 months, this amount must be annualized for purposes of both the $20,000 ceiling and calculating the quarterly payments due under this method. Payments at a more accelerated pace also will qualify. If the year's tax liability is $800 or less, estimates are not required.

NOTE: For those continuing to file MBT, reliance on the tax liability of the prior year as a means to avoid interest and penalty charges is only allowed if you had business activity in Michigan in that prior year. A return must be filed to establish the tax liability for that prior year, even if gross receipts in the prior year were less than $350,000. In addition, if your business was not in existence in the preceding year, no safe harbor exists. In such a case, estimates must be based on the MBT liability for the current year. For those filing CIT, there is no safe harbor in this first year of CIT filing. The estimates must equal at least 85 percent of the total liability as stated above.

Amending Estimates

If, after making payments, the estimated tax is substantially different than originally estimated, recompute the tax and adjust the payment in the next quarter.

Electronic Filing of MBT Returns

Michigan has an enforced e-file mandate for MBT. Software developers producing MBT tax preparation software and computer-generated forms must support e-file for all eligible Michigan forms that are included in their software package. All eligible MBT returns prepared using tax preparation software or computer-generated forms must be e-filed.

Treasury will be enforcing the e-file mandate for MBT. The enforcement includes not processing computer-generated paper returns that are eligible to be e-filed. A notice will be mailed to the taxpayer, indicating that the taxpayer's return was not filed in the proper form and content and must be e-filed. Payment received with a paper return will be processed and credited to the taxpayer's account even when the return is not processed.

Treasury will continue to accept certain Portable Document Format (PDF) attachments with MBT e-filed returns. A current list of defined attachments is available in the MBT "Electronic Filing Tax Preparer Handbook," which is available on the Treasury Web site at **www.MIfastfile.org** by clicking on "Business Taxpayer," then "Michigan Business Tax E-File," and looking under "Tax Preparer Resources." Follow your software instructions for submitting attachments with an e-filed return.

If the MBT return includes supporting documentation or attachments that are not on the predefined list of attachments, the return can still be e-filed. Follow your software instructions for including additional attachments. The tax preparer or taxpayer should retain file copies of all documentation or attachments.

For more information and program updates, including exclusions from e-file, visit the e-file Web site at **www.MIfastfile.org**.

The taxpayer may be required to e-file its federal return. Visit the Internal Revenue Service (IRS) Web site at **www.irs.gov** for more information on federal e-file requirements and the IRS Federal/State Modernized e-File (MeF) program.

Complete Federal Tax Forms First

Before preparing MBT returns, complete all federal tax forms. These forms may include:

- Individuals, Partnerships, or Fiduciaries — U.S. Form 1040, 1041, 1065 and related Schedules C, C-EZ, D, E, K, 4797, and 8825.
- Corporations — U.S. Form 1120, 1120-S, and Schedules D, K, 851, 940, 4562, 4797, and 8825.
- Limited Liability Companies (LLCs) — Federal forms listed above, depending on how federal returns have been filed.

Reference these federal forms to complete Form 4567.

Copies of certain pages from these federal forms must also be attached to the annual return filed. See the instructions for the annual return for further details.

Completing Michigan Forms

Treasury captures the information from paper MBT returns using an Intelligent Character Recognition process. If completing a paper return, avoid unnecessary delays caused by manual processing by following the guidelines below so the return is processed quickly and accurately.

- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **Print using capital letters** (UPPER CASE). Capital letters are easier to recognize.
- **Print numbers like this:** 0123456789. Do not put a slash through the zero (Ø) or seven (7̶).
- **Fill check boxes with an [X].** Do not use a check mark [✔].
- **Leave lines/boxes blank** if they do not apply or if the amount is zero, unless otherwise instructed.
- **Do not enter data in boxes filled with Xs.**
- **Do not write extra numbers, symbols, or notes** on the return, such as cents, dashes, decimal points (excluding percentages), or dollar signs, unless otherwise instructed. Enclose any explanations on a separate sheet unless instructed to write explanations on the return.
- **Date format,** unless otherwise specified, should be in the following format: MM-DD-YYYY. Use dashes (-) rather than slashes (/).
- **Enter phone numbers using dashes** (e.g., 517-555-5555); do not use parentheses.
- **Stay within the lines** when entering information in boxes.
- **Report losses and negative amounts** with a negative sign in front of the number (do not use parentheses). For example, a loss in the amount of $22,459 should be reported as -22,459.
- **Percentages should be carried out four digits** to the right of the decimal point. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266 percent becomes 0.241542.
- **Report all amounts in whole dollars.** Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

Suggested Order of Analysis and Preparation of an MBT Annual Return

First, determine whether the taxpayer has a certificated credit. If the taxpayer does not have a certificated credit, it may not file MBT and may be subject to the CIT.

If the taxpayer determines it is eligible and wishes to file an MBT return, then standard taxpayers will use Form 4567. It is available to all standard taxpayers, and allows for the calculation of all credits, including credits that can be claimed only by using this form. To calculate gross receipts (Part 1 of the form) and business income (Part 2), use Worksheet 4700 and the Business Income Worksheet (Worksheet 4746), based on organization type of the taxpayer.

For a taxpayer using Form 4567, first complete lines 1 through 53 to calculate total liability before all credits. At that point, if any nonrefundable credits will be claimed, begin the MBT Nonrefundable Credits Summary (Form 4568), which serves several important functions:

- Acts as a checklist of nonrefundable credits
- Identifies the order in which nonrefundable credits must be claimed
- Identifies the form on which each nonrefundable credit is calculated
- Tracks tax liability as it is reduced by each credit in proper order
- Identifies (where applicable) the point at which tax liability reaches zero and no further nonrefundable credits may be claimed in the current filing period.

Complete Form 4568 from top to bottom. For each credit the taxpayer qualifies for, calculate the credit as identified on the appropriate form and bring the result back to the appropriate line on Form 4568.

After total nonrefundable credits are determined on Form 4568, line 40, carry the figure to Form 4567, line 54. The lines following are straightforward, but take care to consider any available refundable credits on Form 4567, Part 4.

In 2012, the MBT Simplified Return (Form 4583) is no longer provided as the simplified return to calculate the Small Business Alternative Credit and the Gross Receipts Filing Threshold Credit. Instead, the simplified calculation can be computed using Form 4567. Eligibility requirements to use the simplified calculation on Form 4567 are described below under the heading "Eligibility for the Simplified Calculation."

Eligibility for the Simplified Calculation

Starting in 2012, the simplified calculation for qualified standard taxpayers can only be calculated on Form 4567. Standard taxpayers are eligible to use the simplified calculation if all of the following requirements are met:

- Gross receipts do not exceed $19,000,000.
- Adjusted business income does not exceed $1,332,500.
- Adjusted business income does not exceed $160,000 for Individuals or Fiduciaries.
- Filer is not a Unitary Business Group (UBG) or member of a UBG.
- Filer does not have to complete the MBT Schedule of Recapture of Certain Business Tax Credits and Deductions (Form 4587), and does not have net investment Tax Credit recapture from the MBT Credits for Compensation, Investment, and Research and Development (Form 4570).
- Filer is not apportioning business activity.
- No partner has distributive income of more than $160,000. Partnership must include the MBT Schedule of Partners (Form 4578).
- No individual, shareholder, or officer has allocated income over $160,000. Corporations must include the MBT Schedule of Shareholders and Officers (Form 4577). (Does not apply to Individuals and Fiduciaries filing as Individuals.)

- Filer is not a fiscal filer.

NOTE: Taxpayers leasing employees from professional employer organizations must include the compensation of officers and shareholders (of the operating company) who receive compensation from the professional employer organizations in determining the taxpayers' eligibility for Small Business Alternative Credit.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner, shareholder, or owner based on the federal tax classification of the LLC. An LLC taxed as a Partnership for federal purposes must file as a Partnership for MBT. Similarly, an LLC taxed as a C Corporation or S Corporation for federal purposes must file under that same status for MBT.

Corporations: Allocated income in the case of a C Corporation is either:

a) Shareholder or officer compensation and director fees from Form 4577, column L, or

b) Shareholder or officer compensation, director fees, and share of business income or loss from Form 4577, column N.

If either (a) or (b) is greater than $160,000, the Corporation is not eligible to use the simplified calculation.

Allocated income for an S Corporation is shareholder compensation, director fees, and share of business income or loss from Form 4577, column N.

Tax Period Less Than 12 Months: If a business operates less than 12 months, annualize gross receipts, business income, and all income of shareholders, officers, and partners to determine the eligibility for the Small Business Alternative Credit. Do not use annualized numbers on the return, unless requested; use them only to determine filing requirements and qualifications for credits.

Computing the Simplified Calculation on Form 4567

Eligible standard taxpayer may use Form 4567 to compute the Simplified Calculation by using the following instructions:

- Complete lines 1 through 10 of Form 4567, leave line 11 blank.
- Complete only lines 12 and 28, and leave blank lines 13 through 27, and lines 29 through 50 on Form 4567.
- Complete Form 4577 if the taxpayer is either an S Corporation or a C Corporation and complete Form 4578 if the taxpayer is a Partnership.
- Complete lines 2 through 9 on Form 4571. Carry the amount from line 9 to line 14 , line 20, and line 21 on Form 4571. Leave blank lines 10 through 13 and 15 through 19 on Form 4571.
- Complete lines 22 through 28 on Form 4571 to calculate the Gross Receipts Filing Threshold Credit.
- Carry the amount on line 28 of Form 4571 to line 9 and line 42 of Form 4568. Carry the same amount to line 55 of Form 4567. This is the total tax after the Gross Receipts Filing Threshold Credit based on the Simplified Calculation.
- Leave line 56 blank, and complete lines 57 through 73 as applicable on form 4567.

Further General Guidance

For purposes of MBT, person means an individual, firm, bank, financial institution, insurance company, limited partnership, limited liability partnership, copartnership, partnership, joint venture, association, corporation, S Corporation, LLC, receiver, Estate, Trust, or any other group or combination of groups acting as a unit.

A taxpayer includes a single person or a UBG liable for tax, interest, or penalty. A UBG must file a combined MBT return. (For a definition of UBG, and details on filing a combined MBT return, see "UBGs and Combined Filing" in this General Information.)

Businesses reporting less than 12 months must annualize gross receipts to determine which forms to file, and the eligibility for a Small Business Alternative Credit. (See "Filing if Tax Year Is Less Than 12 Months" in this "General Information" section for more guidance on annualization.)

Individual. If a person owns more than one business that is registered as Individual (e.g., a convenience store and rental property), file one MBT return.

A husband and wife who file their U.S. 1040 as "married filing jointly" but own separate businesses, maintain separate records and file separate federal Schedule C forms, will file separate MBT returns if they do not meet the definition of a UBG (as defined in "UBGs and Combined Filing" in this "General Information" section).

Limited Liability Company. An LLC is classified for MBT purposes according to its federal tax classification. The following terms, whenever used in MBT forms, instructions, and statute, include LLCs as indicated:

Partnership includes an LLC federally taxed as a Partnership, and a member of this LLC is a partner.

S Corporation includes an LLC federally taxed as an S Corporation, and a member of this LLC is a shareholder.

C Corporation includes an LLC federally taxed as a C Corporation, and a member of this LLC is a shareholder. A member or other person performing duties similar to those of an officer in an incorporated entity is an "officer" in this LLC.

NOTE: In this booklet, the term "corporation," used without a C or S, generally refers to both types.

NOTE: A person that is a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

REMINDER: Partners and S Corporation shareholders (including LLC members treated as such) may have to pay tax on their share of income from a Partnership or S Corporation. For a partner or S Corporation shareholder who is an Individual, this share of business income is taxed under the Michigan Individual Income Tax Act. For a partner or S Corporation shareholder that is subject to MBT (Individual or entity), this income must be included in the Business Income Tax base, but then is subtracted (a loss will be added) on the MBT annual return filed for the partner or shareholder to the extent that it was included in arriving at the partner's or shareholder's business income.

EXCEPTION: If this partner or shareholder does not have a certificated credit, the partner or shareholder is not permitted to file the MBT (unless the partner or shareholder is a member of a UBG that has elected to file MBT). However, the partner or shareholder, if an Individual, may be subject to Michigan Individual Income Tax.

UBGs and Combined Filing

NOTE: UBGs are addressed here, in general. In the instructions for each form, "Special Instructions for Unitary Business Groups" are located directly before "Line-by-Line Instructions." The areas in the "Line-by-Line Instructions" that apply only to UBGs are labeled **"UBGs."** Additional direction is found in the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600.

General Overview of Unitary Taxation

More than 20 states have adopted unitary taxation. Unitary taxation is a method of taxing related persons that, if it applies, generally treats those related persons as if they were one taxpayer. There are specific tests, discussed below, to determine whether two or more persons (Individuals or business entities) are sufficiently connected by ownership and business relationships to be treated as a group.

If those tests are satisfied and a UBG is found to exist, in most cases the members of that UBG will file a single MBT return. One member will be designated as the group's representative for filing the return and corresponding with Treasury. Included in that return will be a separate form that reports income, deductions, and activities separately by member, then combines those items as if the members were a single entity. References in the instructions to "the taxpayer" generally will refer to the group rather than any one of its members.

This is a simplification for introductory purposes, and there are many details and exceptions described throughout the MBT forms and instructions. In particular, tax credits, transactions between members, and the presence of financial institutions or insurance companies in the group require careful attention.

One key issue in dealing properly with unitary taxation is to recognize that it is not limited to large, multi-state companies. Businesses of any size and any geographic extent may find that they are members of a UBG.

NOTE: if a member of a UBG holds a certificated credit and wishes to make the election to remain in the MBT, the group and not the member must make the election. If the election is made, the entire group is required to remain in the MBT for the life of the certificated credit and any carryforward of that credit.

Determining the Existence and Membership of a UBG

Unitary Business Group means a group of United States persons, other than a foreign operating entity, that satisfies the control test and relationship test. *United States person* is defined in Internal Revenue Code (IRC) § 7701(a)(30). A foreign operating entity is defined by statute in Michigan Compiled Laws (MCL) 208.1109(5).

Control Test. The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting rights of another person if that person owns or controls:

More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or

More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

Relationship Tests. The definition of a Unitary Business Group requires that the group of persons have business activities or operations that either:

1) Result in a flow of value between or among persons in the group, or

2) Are integrated with, dependent upon, or contribute to each other.

A taxpayer need only meet one of the two alternative tests to satisfy the relationship test.

1) *Flow of value* is established when members of the group demonstrate one or more of functional integration, centralized management, and economies of scale. Examples of functional integration include common programs or systems and shared information or property. Examples of centralized management include common management or directors, shared staff functions, and business decisions made for the UBG rather than separately by each member. Examples of economies of scale include centralized business functions and pooled benefits or insurance. Groups that commonly exhibit a flow of value include vertically or horizontally integrated businesses, conglomerates, parent companies with their wholly owned subsidiaries, and entities in the same general line of business. Flow of value must be more than the mere flow of funds arising out of passive investment.

2) The alternate *"contribution/dependency"* relationship test asks whether business activities are integrated with, dependent upon, or contributed to each other. Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exist intercompany transactions, including financing.

For more information on the control and relationship tests for UBGs, see Revenue Administrative Bulletin (RAB) 2010-1, MBT—Unitary Business Group Control Test, and RAB 2010-2, MBT—Unitary Business Group Relationship Tests, on the Treasury Web site at **www.michigan.gov/taxes**. (Click on the "Reference Library" link on the left side of the page.)

Exemption Guidelines for MBT

Certain exemptions may exist for those taxpayers electing to remain in the MBT. They may include:

- Most persons who are exempt from federal income tax under the IRC
- Nonprofit cooperative housing corporations
- Foreign persons domiciled in a subnational jurisdiction that does not impose an income or other business tax on a similarly situated person domiciled in Michigan. For purposes of this provision, foreign person is defined in MCL 208.1207(8).
- If a taxpayer is exempt under either of the first two bullets above, but has unrelated business taxable income as defined in the IRC, that business activity is subject to the MBT and a return will be required if the apportioned or allocated gross receipts are $350,000 or more from the unrelated business activity.
- Receipts from the production of agricultural goods constitute gross receipts for MBT purposes, including the gross receipts filing threshold of $350,000. Farmers whose primary activity is the production of agricultural goods must combine the apportioned or allocated gross receipts from agricultural activity and any other activities other than agricultural production to determine the filing requirement based on the gross receipts threshold. MBT filing is required if the total combined allocated or apportioned gross receipts are over $350,000. Total combined gross receipts must be included in line 12 of Form 4567. A subtraction from gross receipts for the total gross receipts from the agricultural activity of a person whose primary activity (i.e., more than 50 percent of gross receipts) is the production of agricultural goods is allowed in determining modified gross receipts.

Foreign persons that are not exempt from the MBT must calculate business income, gross receipts, the Business Income and Modified Gross Receipts Tax bases, and the sales factor differently than domestic taxpayers. Refer to MCL 208.1207(4)-(8) for details.

For a complete list of exemptions, consult a copy of the MBT Act (PA 36 of 2007, as amended) at **www.legislature.mi.gov**.

If a taxpayer is exempt and has no unrelated business taxable income, filing an MBT return is not required.

Filing the Correct Form

Starting in 2012, the *MBT Simplified Return* (Form 4583) is no longer provided for filing the simplified return to calculate the Small Business Alternative Credit and the Gross Receipts Filing Threshold Credit. Instead, the simplified calculation can be computed using Form 4567. Eligibility to use the simplified calculation on Form 4567 are described under the heading "Eligibility for the Simplified Calculation."

A standard taxpayer will file MBT using Form 4567 if:

- the taxpayer has a qualified certificated credit and elects to remain taxed under the MBT; or
- the taxpayer has claimed a certificated credit using the *2012 Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4988).

Different primary returns and instruction booklets are available for insurance companies (Form 4588) and financial institutions (Form 4590). The tax base for each of these special taxpayer categories is fundamentally different than for standard taxpayers.

Filing if Tax Year Is Less Than 12 Months

In most cases, annual returns must be filed for the same period as federal income tax returns. If the filing period is less than 12 months, annualize to determine which forms to file, and the eligibility for a Small Business Alternative Credit. Do not use annualized numbers on a return unless specified; use them only to determine filing requirements and qualifications for credits.

Tax year means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the tax base of a taxpayer is computed. If a return is made for a fractional part of a year, tax year means the period for which the return is made.

A taxpayer that has a 52- or 53-week tax year beginning not more than seven days before December 31 of any year is considered to have a tax year beginning after December of that tax year.

Example 1: A taxpayer with a federal tax year beginning on Monday, December 29, 2008, will be treated as follows:

- 2008 tax year end of December 31, 2008.
- Due date of April 30, 2009.
- 2009 tax year beginning January 1, 2009.

Example 2: A taxpayer with a federal tax year ending on Sunday, January 3, 2010, will be treated as follows:

- 2009 tax year end of December 31, 2009.
- Due date of April 30, 2010.
- 2010 tax year beginning on January 1, 2010.

Example 3: A 52- or 53-week year closing near the end of January is common in the retail industry. Such a taxpayer will be treated as follows:

- 2008-09 fiscal year end will be January 31, 2009.
- Due date will be May 31, 2009.
- 2009-10 fiscal year will begin on February 1, 2009.

Annualizing

Multiply each amount required, including gross receipts, business income, and prior year's tax liability, by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month. A business whose entire tax year is 15 days or less, however, is considered in business for one month.

Annualize prior year's tax liability to determine whether estimates may be based on that liability. If the prior year's annualized liability is $20,000 or less, estimates may be based on the annualized amount if paid in four equal installments.

Example: A fiscal year taxpayer with a tax year ending in June files a six-month return ending June 2010 reporting a tax liability of $9,000. Estimates for the tax year ending June 2011 may be based on the annualized liability of $18,000. Estimates must be paid in four equal installments of $4,500.

See appropriate forms (*MBT Common Credits for Small Business* (Form 4571); *MBT Schedule of Shareholders and Officers* (Form 4577); and *MBT Schedule of Partners* (Form 4578)) for annualization instructions pertaining to the Small Business Alternative Credit.

Individuals and Fiduciaries: A business registered as an Individual or Fiduciary that is in business less than 12 months is not required to annualize.

Due Dates of Annual Returns

For tax year 2012, the annual return is due April 30, 2013. If you are a fiscal filer, it is due on the last day of the fourth month after the end of the tax year. All fiscal filers with a federal tax year ending in 2012 must file a short period return for MBT ending in 2012. This first short period return is automatically extended to April 30, 2013.

Additional Filing Time

If additional time is needed to file an annual tax return, request a Michigan extension by filing an *Application for Extension of Time to File Michigan Tax Returns* (Form 4).

Filing a federal extension request with the IRS does not automatically grant an MBT extension. The IRS does not notify state governments of extensions.

Extension applications must be postmarked on or before the due date of an annual return.

Although Treasury may grant extensions for filing MBT returns, it will not extend the time to pay. Extension applications received without proper payment will not be processed. Penalty and interest will accrue on the unpaid tax from the original due date of the return.

Properly filed and paid estimates along with the amount included on the extension application will be accepted as payment on a tentative return, and an extension may be granted. It is important that the application is completed correctly.

Once a properly prepared and timely filed application along with appropriate estimated tax payments is received, Treasury will grant an extension of eight months to file the tax return.

Any estimated tax that may be due with the request should be paid in the same manner as estimated payments were paid during the year.

A written response will be sent to the legal address on file when a valid extension application is received.

If an MBT extension is filed on time but the total payments received by the original due date are less than 90 percent of the tax liability, a 10 percent negligence penalty may apply.

An extension of time to file will also extend the statute of limitations.

Amending a Return

NOTE: A taxpayer may not amend to revoke the election to remain taxable under the MBT. Once the taxpayer makes a valid election to claim a certificated credit, the taxpayer must remain in the MBT until the credit and any carryforward of that credit are exhausted.

If amending the 2012 tax year, complete *MBT Annual Return* (Form 4567) and check the "Amended" box in the upper-right corner of the return, and attach a separate sheet explaining the reason for the changes. Include an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document. Include all schedules and forms filed with the original return, even if not amending that schedule or form. Do not include a copy of the original return with your amended return.

NOTE: The *MBT Simplified Return* (Form 4583) is not available for the 2012 tax year. To amend a return for the 2012 tax year using the simplified method, complete Form 4567 using the simplified instructions included in the "General Information" section of Form 4600 and check the "Amended" box in the upper-right corner of the return.

To amend an annual return **for a year prior to the 2012 tax year**, complete either the *MBT Annual Return* (Form 4567) or *MBT Simplified Return* (Form 4583) that is applicable for that year, check the "Amended" box in the upper-right corner of the return, and attach the required documents.

Current and past year forms are available on Treasury's Web site at **www.michigan.gov/treasuryforms**.

To amend a return to claim a refund, file within four years of the due date of the original return (including valid extensions). Interest will be paid beginning 45 days after the claim is filed or the due date, whichever is later. Most certificated credits must be claimed for the taxpayer's first tax year ending after December 31, 2011.

If amending a return to report a deficiency, penalty and interest may apply from the due date of the original return.

If any changes are made to a federal income tax return that affect an MBT tax base, filing an amended return is required. To avoid penalty, file the amended return within 120 days after the final determination by the IRS.

Computing Penalty and Interest

Annual and estimated returns filed late or without sufficient payment of the tax due are subject to a penalty of 5 percent of the tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent.

Compute penalty and interest for underpaid estimates using the MBT Penalty and Interest Computation for Underpaid Estimated Tax (Form 4582). If a taxpayer prefers not to file this form, Treasury will compute the penalty and interest and send a bill.

The following chart shows the interest rate that applies to each filing period. A new interest rate is set at 1 percent above the adjusted prime rate for each six-month period.

Beginning Date	Rate	Daily Rate
January 1, 2012	4.25%	0.0001164
July 1, 2012	4.25%	0.0001161
January 1, 2013	4.25%	0.0001161

For a complete list of interest rates, see the Revenue Administrative Bulletins on Treasury's Web site at **www.michigan.gov/taxes**.

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer's authorized agent. This may be the owner, partner, corporate officer, or association member. The corporate officer may be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate officer (such as tax officer) authorized to sign the corporation's tax return.

If someone other than the above prepared the return, the preparer must give his or her business address and telephone number.

Print the name of the authorized signer and preparer in the appropriate area on the return.

Assemble the returns and attachments (in sequence order) and staple in the upper-left corner. (Do not staple a check to the return.) In an e-filed return the preparation software will assemble the forms and PDF attachments in the proper order automatically.

IMPORTANT REMINDER: Failure to include all the required forms and attachments will delay processing and may result in reduced or denied refund or credit forward or a bill for tax due.

SIGNING AN E-FILED RETURN: As with any tax return submitted to Treasury on paper, an electronic tax return must be signed by an authorized tax return signer, the Electronic Return Originator (ERO), if applicable, and the paid tax preparer, if applicable. NOTE: If the return meets one of the exceptions to the e-file mandate and is being filed on paper, it must be manually signed and dated by the taxpayer or the taxpayer's authorized agent.

The MBT Fed/State e-file signature process is as follows:

Fed/State Returns: Michigan will accept the federal signature method. Michigan does not require any additional signature documentation.

State Stand Alone Returns: State Stand Alone returns must be signed using Form MI-8879-MBT (also called the MBT e-file Authorization MI-8879-MBT, Form 4763). Returns are signed by entering the taxpayer PIN in the software after reading the perjury statement displayed in the software. The taxpayer PIN will be selected by the taxpayer, or the taxpayer may authorize his or her tax preparer to select the taxpayer PIN.

Form MI-8879-MBT will be printed and contain the taxpayer PIN. The tax preparer will retain Form MI-8879-MBT in his or her records as part of the taxpayer's printed return. MBT State Stand Alone e-filings submitted without a taxpayer PIN will be rejected by Treasury. Do not mail Form MI-8879-MBT to Treasury and do not include Form MI-8879-MBT as an attachment with the e-file return.

Mailing Addresses

Mail the annual return and all necessary schedules to:

With payment:
Michigan Department of Treasury
PO Box 30113
Lansing MI 48909

Without payment:
Michigan Department of Treasury
PO Box 30783
Lansing MI 48909

Mail an extension application (Form 4) to:
Michigan Department of Treasury
PO Box 30774
Lansing MI 48909-8274

Mail MBT quarterly estimate payments (Form 4548) to:
Michigan Department of Treasury
PO Box 30774
Lansing MI 48909-8274

Courier delivery service mail should be sent to:
Michigan Department of Treasury
7285 Parsons Dr.
Dimondale MI 48821

Make all checks payable to "State of Michigan." Print taxpayer's Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number, the tax year, and "MBT" on the front of the check. Do not staple the check to the return.

Correspondence

Address changes and business discontinuance can be reported by using the Notice of Change or Discontinuance (Form 163), which can be found online at www.michigan.gov/treasuryforms or inside the Sales, Use, and Withholding Tax booklet.

Mail correspondence to:
Customer Contact Division, MBT Unit
Michigan Department of Treasury
PO Box 30059
Lansing MI 48909

To Request Forms

Internet

Current and past year forms are available on Treasury's Web site at **www.michigan.gov/treasuryforms**.

Alternate Format

Printed material in an alternate format may be obtained by calling (517) 636-6925.

TTY

Assistance is available using TTY through the Michigan Relay Center by calling 1-800-649-3777 or 711.

☐ **Check if this is an amended return.**
Attach supporting documents.

2012 MICHIGAN Business Tax Annual Return

Issued under authority of Public Act 36 of 2007.

1. Return is for calendar year 2012 or for tax year beginning: (MM-DD-YYYY) ______ and ending: (MM-DD-YYYY) ______

2. Name (print or type)	7. Federal Employer Identification Number (FEIN) or TR Number
Doing Business As (DBA)	8. Organization Type (LLC or Trust, see instructions)
Street Address ☐ Check if new address. (See instructions)	☐ Individual ☐ C Corporation / LLC C Corporation
City / State / ZIP/Postal Code / Country Code	☐ Fiduciary ☐ S Corporation / LLC S Corporation
3. Principal Business Activity / 4. Business Start Date in Michigan	☐ Partnership / LLC Partnership
5. NAICS (North American Industry Classification System) Code / 6. If Discontinued, Effective Date	9. ☐ Check if Filing Michigan Unitary Business Group Return. (Include Form 4580.)
	10. ☐ Check if you have sales receipts from transportation services.

11. Apportionment Calculation

a. Michigan Sales (if no Michigan sales, enter zero)	00	d. ☐ Check if Fiscal Filer using the Annual Method (tax years ending in 2012 only) and complete 11e-11g.	
b. Total Sales	00	e. Months in MBT tax period	
c. Apportionment Percentage. Divide line 11a by line 11b	%	f. Total months	
		g. Proration Percentage. Divide line 11e by line 11f	%

PART 1: MODIFIED GROSS RECEIPTS TAX

12.	Gross Receipts (see instructions)	12.	00

Subtractions from Gross Receipts

13.	Inventory acquired during tax year	13.	00
14.	Depreciable assets acquired during tax year	14.	00
15.	Materials and supplies not included in inventory or depreciable property	15.	00
16.	Staffing Company: Compensation of personnel supplied to customers	16.	00

If qualified for the Small Business Alternative Credit, skip to line 18.

17.	Deduction for contractors in SIC Codes 15, 16 and 17 SIC Code: ______	17.	00
18.	Film rental or royalty payments paid by a theater owner to a film distributor and/or film producer	18.	00

19. Qualified Affordable Housing Project (QAHP) Deduction

a.	Gross receipts attributable to residential rentals in Michigan	19a.	00
b.	Number of residential rent restricted units in Michigan owned by QAHP	19b.	
c.	Total number of residential rental units in Michigan owned by QAHP	19c.	
d.	Divide line 19b by line 19c and enter as a percentage	19d.	%
e.	Multiply line 19a by line 19d	19e.	00
f.	Limited dividends or other distributions made to owners of project	19f.	00
g.	QAHP Deduction. Subtract line 19f from line 19e	19g.	00

20.	Payments made by taxpayers licensed under Article 25 or Article 26 of the Occupational Code to independent contractors licensed under Article 25 or Article 26	20.	00
21.	Miscellaneous (see instructions)	21.	00
22.	Total Subtractions from Gross Receipts. Add lines 13 through 18 and 19g through 21	22.	00
23a.	Modified Gross Receipts. Subtract line 22 from line 12. If less than zero, enter zero	23a.	00
23b.	If 11d is checked, multiply line 23a by the percentage on line 11g. All others, enter the amount from line 23a	23b.	00
24.	Apportioned Modified Gross Receipts Tax Base. Multiply line 23b by percentage on line 11c	24.	00
25.	Multiply line 24 by 0.8% (0.008)	25.	00
26.	Enrichment Prohibition for dealers of personal watercraft or new motor vehicles. Enter amount collected during tax year	26.	00
27.	**Modified Gross Receipts Tax Before All Credits.** Enter the greater of line 25 or line 26	27.	00

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Continue on Page 2

FEIN or TR Number

PART 2: BUSINESS INCOME TAX

28.	Business Income. If negative, enter as a negative. (If business activity protected under PL 86-272, complete and attach Form 4586 and/or 4581, as applicable; see instructions)	28.	00

Additions to Income

29.	Interest income and dividends derived from obligations or securities of states other than Michigan	29.	00
30.	Taxes on or measured by net income	30.	00
31.	Tax imposed under MBT	31.	00
32.	Any carryback or carryover of a federal net operating loss	32.	00
33.	Losses attributable to other non-unitary flow-through entities that are taxed under the MBT	33.	00
	Account No.		
34.	Royalty, interest, and other expenses paid to a related person	34.	00
35.	Miscellaneous (see instructions)	35.	00
36.	Total Additions to Income. Add lines 29 through 35	36.	00
37.	**Business Income Tax Base After Additions.** Add lines 28 and 36. If negative, enter as a negative	37.	00

Subtractions from Income

38.	Dividends and royalties received from persons other than U.S. persons and foreign operating entities	38.	00
39.	Income attributable to other non-unitary flow-through entities that are taxed under the MBT	39.	00
	Account No.		
40.	Interest income derived from United States obligations	40.	00
41.	Net earnings from self-employment. If less than zero, enter zero	41.	00
42.	Miscellaneous (see instructions)	42.	00
43.	Total Subtractions from Income. Add lines 38 through 42	43.	00

44a.	**Business Income Tax Base.** Subtract line 43 from line 37. If negative, enter as a negative	44a.	00
44b.	If box 11d is checked, multiply line 44a by the percentage on line 11g. All others, enter amount from line 44a	44b.	00
45.	Apportioned Business Income Tax Base. Multiply line 44b by percentage on line 11c	45.	00
46.	Available MBT business loss carryforward from previous MBT return. Enter as a positive number	46.	00
47.	Subtract line 46 from line 45. If negative, enter here as a negative, skip line 48, and enter zero on line 49. A negative number here is the available business loss carryforward to the next MBT filing period (see instr.)	47.	00

48. Qualified Affordable Housing Deduction. If line 47 is positive, complete lines 48a through 48i as follows: (1) If taking the seller's deduction, skip lines 48a through 48h and carry the amount from Form 4579, line 5, to line 48i. (2) If taking the QAHP deduction, complete lines 48a through 48i. (UBGs, see instructions.)

a.	Gross rental receipts attributable to residential units in Michigan	48a.	00
b.	Rental expenses attributable to residential rental units in Michigan	48b.	00
c.	Taxable income attributable to residential rental units. Subtract line 48b from line 48a	48c.	00
d.	Number of residential rent restricted units in Michigan owned by the Qualified Affordable Housing Project	48d.	
e.	Total number of residential rental units in Michigan owned by the Qualified Affordable Housing Project	48e.	
f.	Divide line 48d by line 48e and enter as a percentage	48f.	%
g.	Multiply line 48c by line 48f	48g.	00
h.	Limited dividends or other distributions made to the owners of the project	48h.	00

i.	Qualified Affordable Housing Deduction. Subtract line 48h from line 48g	48i.	00
49.	Subtract line 48i from line 47. If less than zero, enter zero	49.	00
50.	**Business Income Tax Before All Credits.** Multiply line 49 by 4.95% (0.0495)	50.	00

Continue and sign on Page 3

FEIN or TR Number

PART 3: TOTAL MICHIGAN BUSINESS TAX

51.	**Total Michigan Business Tax Before Surcharge and Credits**. Add lines 27 and 50	51.	00
52.	Annual Surcharge. Enter the lesser of $6,000,000 or line 51 multiplied by 21.99% (0.2199)	52.	00
53.	Tax Liability After Surcharge. Add lines 51 and 52	53.	00
54.	Nonrefundable credits from Form 4568, line 40	54.	00
55.	**Total Tax After Nonrefundable Credits.** Subtract line 54 from line 53. If less than zero, enter zero	55.	00
56.	Recapture of Certain Business Tax Credits and Deductions from Form 4587, line 13	56.	00
57.	**Total MBT Tax Liability.** Add lines 55 and 56	57.	00
58.	Corporate Income Tax adjustment from Form 4946, line 39	58.	00
59.	**Total Tax Liability.** Add lines 57 and 58	59.	00

PART 4: PAYMENTS, REFUNDABLE CREDITS AND TAX DUE

60.	Overpayment credited from prior MBT return	60.	00
61.	Estimated tax payments	61.	00
62.	Flow-Through Withholding payments	62.	00
63.	Tax paid with request for extension	63.	00
64.	Refundable credits from Form 4574, line 23	64.	00
65.	Payment and credit total. Add lines 60 through 64. (If not amending, then skip to line 67.)	65.	00
66.	**AMENDED RETURN ONLY** a. Payment made with the original return — 66a. 00		
	b. Overpayment received on the original return — 66b. 00		
	c. Add lines 65 and 66a and subtract line 66b from the sum	66c.	00
67.	**TAX DUE.** Subtract line 65 (or line 66c, if amending) from line 59. If less than zero, leave blank	67.	00
68.	Underpaid estimate penalty and interest from Form 4582, line 38	68.	00
69.	Annual return penalty (a) ____ % = (b) ____ 00 plus interest (c) ____ 00. Total	69d.	00
70.	**PAYMENT DUE.** If line 67 is blank, go to line 71. Otherwise, add lines 67, 68 and 69d	70.	00

PART 5: REFUND OR CREDIT FORWARD

71.	Overpayment. Subtract lines 59, 68 and 69d from line 65 (or line 66c, if amending). If less than zero, leave blank (see instructions)	71.	00
72.	**CREDIT FORWARD**. Amount on line 71 to be credited forward and used as an estimate for next tax year	72.	00
73.	**REFUND.** Amount on line 71 to be refunded	73.	00

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

☐ By checking this box, I authorize Treasury to discuss my return with my preparer.

Authorized Signature for Tax Matters

Authorized Signer's Name (print or type) | Date

Title | Telephone Number

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

Preparer's PTIN, FEIN or SSN

Preparer's Business Name (print or type)

Preparer's Business Address and Telephone Number (print or type)

Return is due April 30 or on or before the last day of the 4th month after the close of the tax year.

WITHOUT PAYMENT. Mail return to:
Michigan Department of Treasury, PO Box 30783, Lansing MI 48909

WITH PAYMENT. Pay amount on line 70. Mail check and return to:
Michigan Department of Treasury, PO Box 30113, Lansing MI 48909

Make check payable to "State of Michigan." Print taxpayer's FEIN or TR Number, the tax year, and "MBT" on the front of the check. Do not staple the check to the return.

Instructions for Form 4567
Michigan Business Tax (MBT) Annual Return

IMPORTANT NOTE: In April 2013, the Michigan Department of Treasury revised the instructions to line 28 and line 42 affecting Producers of Agricultural Goods and Producers of Oil and Gas filing a 2012 Michigan Business Tax Return.

Purpose

To calculate the Modified Gross Receipts Tax and Business Income Tax as well as the surcharge for standard taxpayers. Insurance companies should file the *MBT Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588) and Financial Institutions should file the *MBT Annual Return for Financial Institutions* (Form 4590).

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

A *Unitary Business Group (UBG)* is a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights (or rights comparable to voting rights) of the other United States persons; AND
- The UBG has operations which result in a flow of value between persons in the UBG or has operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations.

For more information on the control and relationship tests for UBGs, see Revenue Administrative Bulletin (RAB) 2010-1 Michigan Business Tax-Unitary Business Group Control Test and RAB 2010-2 Michigan Business Tax-Unitary Business Group Relationship Tests on the Department of Treasury Web site at **www.michigan.gov/taxes**. (Click on the "Reference Library" link on the left side of the page.)

A *foreign operating entity* means a United States person that would otherwise be a part of a UBG that is taxable in Michigan; has substantial operations outside the United States, the District of Columbia, any territory or possession of the United States except for the commonwealth of Puerto Rico, or a political subdivision of the foregoing; and at least 80 percent of its income is active foreign business income as defined in Internal Revenue Code (IRC) § 861(c)(1)(B).

In Michigan, a UBG with standard members must file Form 4567. A Designated Member (DM) must file the return on behalf of the standard members of the group. In a brother-sister controlled group, any member with nexus may be designated to serve as DM. In a parent-subsidiary controlled group or a combined controlled group (an interlocking combination of a parent-subsidiary group and a brother-sister group), the controlling member must serve as DM if it has nexus with Michigan. If it does not have nexus, the controlling member may appoint any member with nexus to serve as DM. The tax year of the DM determines the filing period for the UBG. The combined return must include each tax year of each member that ends with or within the tax year of the DM.

NOTE on Designated Members: If the UBG filed MBT in 2011 and elected to file MBT in 2012, then the UBG must use the same DM if the DM still has nexus and is still a member of the UBG in 2012. If the DM no longer has nexus or is no longer a member of the UBG, then the UBG must select a new DM. See the "Supplemental Instructions for Standard Members in UBGs" in Form 4600 for the rules on selecting a new DM.

NOTE on Certificated Credits and the UBG: If a member of a UBG holds a certificated credit and wishes to claim that credit then the entire UBG, and not only the member, must make the election to remain taxable under the MBT. The UBG must file and pay under the MBT until the certificated credit and any carryforward of that credit are extinguished.

For MBT, *taxpayer* means a person or a UBG liable for tax, interest, or penalty. Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted.

For more information on UBGs, see the instructions for the *MBT Unitary Business Group Combined Filing Schedule* (Form 4580), and the "Supplemental Instructions for Standard Members in UBGs" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

The gross receipts of a UBG is the sum of the gross receipts of each person included in the UBG, other than a foreign operating entity or a person subject to the tax as an insurance company or financial institution, less any gross receipts arising from transactions between persons included in the UBG. Gross receipts of each member should reflect the accounting method that member used to compute its federal taxable income.

The business income of a UBG is the sum of the business income of each person included in the UBG, other than a foreign operating entity or a person subject to the tax as an insurance company or financial institution, less any items of income and related deductions arising from transactions, including dividends, between persons included in the UBG. Business income of each member should reflect the accounting method that member used to compute its federal taxable income.

In general, phase-ins, thresholds, credit limits, and other components used to determine tax liability relate to the group as a single taxpayer, not to individual persons that comprise the group. Exceptions to this general rule are noted in instructions to the applicable forms. The group of persons on the combined return is treated as the taxpayer (a distinct entity) for purposes of the MBT Act.

Taxpayer Certification

A return filed by a UBG must be signed by an individual authorized to sign on behalf of the DM. Provide a telephone number for that individual at the DM's office.

General Instructions

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

For periods less than 12 months, see the "General Information for Standard Taxpayers" section in Form 4600.

A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return.

A taxpayer, other than a UBG, that does not file a separate federal return must prepare a pro forma federal return or equivalent schedule and use it as the basis for preparing its MBT return. For standard members of a UBG, this pro forma requirement is addressed in Form 4580, Part 2A, and its instructions.

UBGs: Complete Form 4580 before beginning Form 4567. Answer lines 1 through 8 of Form 4567 as they apply to the DM.

MBT Liability: Beginning January 1, 2012, a taxpayer calculates MBT liability as the greater of MBT liability after of all credits, deductions, and exemptions or hypothetical CIT liability minus deductions and credits available under that act and minus certificated credits allowed under the MBT. This calculation of liability requires a taxpayer to calculate the business income and modified gross receipts tax bases and available MBT credits, including certificated credits, deductions, and exemptions available under the MBT. Then, the taxpayer will calculate the CIT comparison on the *Schedule of Corporate Income Tax Liability* (Form 4946). A taxpayer is permitted to reduce hypothetical CIT liability by all deductions and credits which would be allowed under that tax as well as the amount of certificated credit allowed under the MBT. The amount of certificated credit allowed under the MBT is the amount of nonrefundable credit needed to offset MBT liability or the entire amount of a refundable credit.

If the taxpayer's hypothetical CIT liability would be higher than its MBT liability, the taxpayer will add the difference to MBT liability on line 58 of Form 4567. This is the CIT adjustment. If the result of both steps of the calculation is a negative number, the taxpayer will receive a refund of the lower negative; but a nonrefundable credit cannot be used to reduce liability below zero. Remaining nonrefundable certificated credit may be carried forward to succeeding tax years.

For purposes of this calculation: For a Partnership or S Corporation, business income includes payments and items of income and expense attributable to the business activity of the partnership or S corporation and separately reported to the members.

Amended Returns: To amend a current or prior year annual return, complete the Form 4567 that is applicable for that year, check the box in the upper-right corner of the return, and attach a separate sheet explaining the reason for the changes. Include an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document. Include all schedules filed with the original return, even if not amending each schedule. Enter the figures on the amended return as they should be. Do not include a copy of the original return with your amended return.

NOTE: A taxpayer may not amend to revoke the election to remain taxable under the MBT. Once the taxpayer makes a valid election to claim a certificated credit, the taxpayer must remain in the MBT until the credit and any carryforward of that credit are exhausted.

Refund Only: If apportioned or allocated gross receipts are less than $350,000 and the taxpayer is filing Form 4567 to claim a refund of estimates paid, skip lines 13 through 57 and lines 64 through 67.

UBGs: If combined apportioned or allocated gross receipts of all members is less than $350,000 before eliminations and the taxpayer is filing Form 4567 solely to claim a refund of estimates paid, Form 4580 must also be included. The designated member must complete Part 1A, Part 2B (skip lines 18 through 59), Part 3, and Part 4 of Form 4580. For each member listed in Part 1A, complete Part 1B and 2A (skip lines 18 through 59).

Simplified Calculation

See the "2012 General Information for Standard Taxpayers" under the heading Computing the Simplified Calculation on Form 4567 (ITALICS) for instructions on how eligible taxpayers can computed the simplified tax calculation on Form 4567.

Line-by-Line Instructions

Lines not listed are explained on the form.

Line 1: If not a calendar-year taxpayer, enter the beginning and ending dates (MM-DD-YYYY) that correspond to the taxable period as reported to the IRS.

Tax year means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the tax base of a taxpayer is computed. If a return is made for a part of a year, tax year means the period for which the return is made. Generally, a taxpayer's tax year is for the same period as is covered by its federal income tax return.

Fiscal Year Taxpayers: For fiscal years ending in 2012 the tax year will be a short year and will begin January 1, 2012. This short year MBT return will only cover business activity that occurs after December 31, 2011.

Line 2: Enter the complete address and, if other than the United States, enter the two-digit abbreviation for the country code. See the list of country codes in *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Any correspondence regarding the return filed and/or refund will be sent to the address used here. Check the new address box if the address used on this line has changed from last filing. The taxpayer's primary address in Department of Treasury (Treasury) files, identified as the legal address and used for all purposes other than refund and correspondence on a specific MBT return, will not change unless the taxpayer files a *Notice of Change or Discontinuance* (Form 163).

UBGs: In the Name field, enter the name of the DM for the standard members of this UBG.

Line 3: 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, etc.).

Line 4: Enter the start date of first business activity in Michigan.

Line 5: Enter the entity's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at **www.census.gov/eos/www/naics/**, or enter the same NAICS code used when filing the entity's U.S. Form 1120, Schedule K; U.S. Form 1120S; U.S. Form 1065; or U.S. Form 1040, Schedule C.

Line 6: Enter the date, if applicable, on which the taxpayer went out of existence. To complete the discontinuance for Michigan taxes, file a *Notice of Change or Discontinuance* (Form 163), which is available on the Treasury Web site at **www.michigan.gov/treasuryforms**. If the taxpayer is still subject to another tax administered by Treasury, or continues to exist but has stopped doing business in Michigan, do not use this line. Also, do not use this line if the taxpayer is a UBG and one member has stopped doing business.

Line 7: Use the taxpayer's Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) assigned number. Be sure to use the same account number on all forms.

If the taxpayer does not have an FEIN or TR number, the taxpayer must register before filing this form. Taxpayers are encouraged to register online at **www.michigan.gov/businesstaxes**. The Web site provides information on obtaining an FEIN, which is required to submit a return through e-file. Taxpayers usually can obtain an FEIN from the IRS within 48 hours. Taxpayers registering with the State online usually receive an account number within seven days.

Returns received without a registered account number will not be processed until such time as a number is provided.

NOTE: TR numbers are generally assigned to accounts that have not acquired an FEIN. Once an FEIN is received, Treasury will use the FEIN as the account number, if provided. To change account numbers, a taxpayer should submit Form 163 so Treasury can update the records and make sure the account numbers are linked.

UBGs: Enter the FEIN or TR Number of the DM for the standard members of this UBG.

Line 8: Check the box that describes the DM's organization type. A Trust or a Limited Liability Company (LLC) should check the appropriate box based on its federal return.

NOTE: A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return. This means that a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Line 9: Check this box if filing a Michigan UBG return and include a Form 4580 for each member of the UBG included in this filing.

Line 10: Check this box if the taxpayer has receipts from transportation services. Taxpayers that check this box also must complete lines 11a, 11b, and 11c. To calculate Michigan Sales from Transportation Services, see the instructions for line 11 and the table in the "Sourcing of Sales to Michigan" section of these instructions.

Line 11: For a Michigan-based taxpayer, all sales are Michigan sales unless the taxpayer is subject to tax in another state. A taxpayer will be deemed subject to a tax in another state if the taxpayer has due process and commerce clause nexus with that state. In that state, the taxpayer must be subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, a Corporation stock tax, or a tax of the type imposed under the MBT Act, or that state has jurisdiction to subject the taxpayer to one or more of such taxes regardless of whether or not the tax is imposed.

If no Michigan sales, enter zero.

MBT is based only on business activity apportioned to Michigan. A taxpayer that has not established nexus with one other state or a foreign country is subject to MBT on their entire business activity. Business activity is apportioned to Michigan based on sales.

Sale or *Sales* means the amounts received by the taxpayer as consideration from the following:

- The transfer of title to, or possession of, property that is stock in trade or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the tax period, or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business. For intangible property, the amounts received will be limited to any gain received from the disposition of that property.
- Performance of services which constitute business activities.
- The rental, leasing, licensing, or use of tangible or intangible property, including interest, that constitutes business activity.
- Any combination of business activities described above.
- For taxpayers not engaged in any other business activities, sales include interest, dividends, and other income from investment assets and activities and from trading assets and activities.

Complete the Apportionment Calculation using amounts for the taxpayer's business activity only. Do not include amounts from an interest in a Partnership, S Corporation, or LLC.

Use the information in the "Sourcing of Sales to Michigan" section of these instructions to determine Michigan sales. If sales reported are adjusted by a deduction for qualified sales to a qualified customer, as determined by the Michigan Economic Growth Authority (MEGA), attach the Anchor District Tax Credit Certificate or Anchor Jobs Tax Credit Certificate from the Michigan Economic Development Corporation (MEDC) as support.

For sales from the performance of services, see RAB 2010-5, "Michigan Business Tax Where Benefit of Services is Received," on the Treasury Web site at **www.michigan.gov/taxes**. (Click on the "Reference Library" link on the left side of the page.)

For transportation services that source sales based on revenue miles, enter a sales amount on Line 11a by multiplying total sales of the transportation service by the ratio of Michigan revenue miles over revenue miles everywhere as provided in the "Sourcing of Sales to Michigan" chart for that type of transportation service. *Revenue mile* means the transportation for a consideration of one net ton in weight or one passenger the distance of one mile.

Line 11d: Fiscal year filer calculation method. See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Line 11d: UBGs: Do not check the box and do not complete lines 11e through 11g. Proration is calculated for each member separately on Form 4580, Part 2A.

Line 11e: If the box on line 11d is checked, enter the number of months in your MBT tax period beginning January 1, 2012.

Line 11f: If the box on line 11d is checked, enter the total months in the taxpayer's annual accounting period as included in the member's federal return.

Line 11g: If the box on line 11d is checked, divide line 11e by line 11f to arrive at the proration percentage. This percentage will be applied at various points on this and other return forms.

PART 1: MODIFIED GROSS RECEIPTS TAX

Line 12: *Gross receipts* means the entire amount received by the taxpayer, as determined by using the taxpayer's method of accounting for federal income tax purposes, 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.

Calculation of gross receipts also involves a deduction of any amount deducted as bad debt for federal income tax purposes that corresponds to items of gross receipts included in the modified gross receipts tax base for the current tax year or past tax years. This reduction is reflected in the *Gross Receipts Worksheet* (Worksheet 4700) discussed below. Receipts include, but are not limited to:

- Some or all receipts (sales proceeds) 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, subject to a phase-out schedule.
- Dividend and interest income.
- Gross commissions earned.
- Rents.
- Royalties.
- Sales of scrap and other similar items.
- Client reimbursed expenses not obtained in an agency capacity.
- Gross proceeds from sales between affiliated companies, including members of a UBG.

Use Worksheet 4700, in Form 4600, to calculate gross receipts. Attach the worksheet to the return. Gross receipts are not necessarily derived from the federal return, however, the worksheet will calculate gross receipts as defined by law in most instances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce gross receipts not identified by specific lines on Worksheet 4700, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from the worksheet to account properly for such uncommon situations.

A taxpayer should compute its gross receipts using the same accounting method used in the computation of its net income for federal income tax purposes.

Producers of Agricultural Goods: The total gross receipts from all business activity must be reported on line 12, including the gross receipts from agricultural activity of a person whose primary activity is the production of agricultural goods. A subtraction is allowed on line 21 for the gross receipts that have been included on this line that are from the agricultural activity of a person whose primary activity is the production of agricultural goods.

Producers of Oil and Gas: The total gross receipts from all business activity must be reported on line 12, including the gross receipts from the production of oil and gas even if this activity is subject to the Severance Tax on Oil or Gas, 1929 PA 48. A subtraction is allowed on line 21 for the gross receipts that have been included on this line that are from the production of oil and gas that are subject to the Severance Tax on Oil or Gas.

Line 13: Enter inventory acquired during the tax year, including freight, shipping, delivery, or engineering charges included in the original contract price for that inventory, and any pre-paid sales tax required to be paid on the inventory at the time of purchase. Neither pre-paid sales tax, nor the sales tax collected upon resale of that inventory is excluded from gross receipts calculated on Worksheet 4700. This must be reported on line 12 of Form 4567.

Inventory means the stock of goods, including electricity and natural gas, held for resale in the ordinary course of a retail or wholesale business, and finished goods, goods in process of a manufacturer, and raw materials purchased from another person. Inventory also includes shipping and engineering charges so long as such charges are included in the original contract price for the associated inventory and floor plan interest for licensed new car dealers.

For purposes of this deduction, *floor plan interest* means interest paid that finances any part of the person's purchase of new motor vehicle inventory from a manufacturer, distributor, or supplier. However, amounts attributable to any invoiced items used to provide more favorable floor plan assistance to a person subject to the tax imposed under this act than to a person not subject to this tax are considered interest paid by a manufacturer, distributor, or supplier.

For a person that is a securities trader, broker, or dealer or a person included in the UBG of that securities trader, broker, or dealer that buys and sells for its own account, inventory includes contracts that are subject to the Commodity Exchange Act, 7 USC 1 to 27f; the cost of securities as defined under IRC § 475(c)(2); and for a securities trader, the cost of commodities as defined under IRC § 475(e)(2); and for a broker or dealer, the cost of commodities as defined under IRC § 475(e)(2)(b), (c), and (d), excluding interest expense other than interest expense related to repurchase agreements. As used in this provision:

- *Broker* and *dealer* mean those terms as defined under section 78c(a)(4) and (a)(5) of the Securities Exchange Act of 1934, 15 USC 78c.
- *Securities trader* means a person that engages in the trade or business of purchasing and selling investments and trading assets.

Inventory does not include any of the following:

- Personal property under lease or principally intended for lease rather than sale.
- Property allowed a deduction or allowance for depreciation or depletion under the IRC.
- Labor costs.

Line 14: Enter assets purchased from other firms, including the costs of fabrication and installation, acquired during the tax year of a type that are, or under the IRC will become, eligible for depreciation, amortization, or accelerated capital cost recovery for federal income tax purposes.

Line 15: To the extent not included in inventory or depreciable property, enter materials and supplies, including repair parts and fuel.

Materials and supplies means tangible personal property acquired during the tax year to be used or consumed in, and directly connected to, the production or management of the taxpayer's inventory or the operation or maintenance of depreciable assets owned by the taxpayer. Materials and supplies includes repair parts and fuel. Fuel means materials used and consumed to produce heat or power by burning. Fuel does not include electricity.

For example, a physician's or dentist's purchase of sterilizing solution during the tax year that is used to sterilize examination equipment, such as an X-ray machine, may be considered materials and supplies under MCL 208.1113(6)(c).

Line 16: A staffing company may deduct compensation of personnel supplied to its clients, including wages, benefits, workers' compensation costs, and all payroll taxes paid for personnel provided to the clients of staffing companies as defined under MBT. *Staffing company* means a taxpayer whose business activities are included in Industry Group 736 under the Standard Industrial Classification (SIC) Code as compiled by the United States Department of Labor.

Payments to a staffing company by a client do not constitute purchases from other firms.

Line 17: For taxpayers that fall under SIC major groups 15 (Building Construction General Contractors and Operative Builders), 16 (Heavy Construction Other Than Building Construction Contractors), and 17 (Construction Special Trade Contractors) that do not qualify for the Small Business Alternative Credit under MCL 208.1417, the following payments are considered purchases from other firms:

- Payments to subcontractors for a construction project under a contract specific to that project, and
- To the extent not deducted as inventory and materials and supplies, payments for materials deducted as purchases in determining the cost of goods sold for the purpose of calculating total income on the taxpayer's federal income tax return.

UBGs: For purposes of this subtraction, the analysis of whether a person in a UBG does not qualify for a Small Business Alternative Credit should be based on whether the group as a whole qualifies. However, for purposes of the SIC code requirement, it is sufficient that the UBG member that made the payments listed above be included in SIC codes 15, 16, or 17. Therefore, the relevant SIC code is entered in the member's page of Form 4580 (Part 2A, Line 22), and the SIC code field on Form 4567 should be left blank by a UBG.

Persons included in SIC codes 15, 16, and 17 include general contractors (of residential buildings including single-family homes; industrial, commercial, and institutional buildings; bridges, roads, and infrastructure, etc.); operative builders; and trade contractors (such as electricians, plumbers, painters, masons, etc.). See **http://www.osha.gov/pls/imis/sic_manual.html** for a more complete list.

A *subcontractor* is an Individual or entity that enters into a contract and assumes some or all of the obligations of a person included in SIC codes 15, 16, and 17 as set forth in the primary contract specific to a project. Thus, payments made to an independent contractor to provide general labor services to the contractor not specific to a particular contract do not constitute purchases from other firms. However, payments made to a subcontractor for services and materials provided under a contract specific to a particular construction project (such as the construction of commercial property on Main Street) do constitute purchases from other firms. There is no limitation or condition that the subcontractors to whom such payments are made be licensed.

The taxpayer bears the burden to prove it is entitled to a deduction in computing its tax liability. It is presumed that good business practice would include documentation such as a written contract that would support a deduction from gross receipts for payments to subcontractors as purchases from other firms. The supporting information for payments to a subcontractor could be incorporated into the contract for the specific project or memorialized in a separate contract with a subcontractor specifying the project to which the costs pertain.

Line 18: Enter film rental or royalty payments paid by a theater owner to a film distributor, a film producer, or a film distributor and producer.

Line 19: Enter any deduction available to a Qualified Affordable Housing Project.

Public Act (PA) 168 of 2008 provides for a deduction from the modified gross receipts and apportioned business income tax bases for a Qualified Affordable Housing Project.

Qualified Affordable Housing Project means a person that is organized, qualified, and operated as a limited dividend housing association that has a limitation on the amount of dividends or other distributions that may be distributed to its owners in any given year and has received funding, subsidies, grants, operating support, or construction or permanent funding through one or more public sources.

A *limited dividend housing association* is organized and qualified pursuant to Chapter 7 of the State Housing Development Authority Act (MCL 125.1491 et seq).

If these criteria are satisfied, a Qualified Affordable Housing Project may deduct its gross receipts attributable to the residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that Qualified Affordable Housing Project and the denominator of which is the number of all residential rental units in Michigan owned by the project. This deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Amounts received by the management, construction, or development company for completion and operation of the project and rental units do not constitute gross receipts for purposes of the deduction.

MCL 208.1201(8) governs the termination of this deduction.

UBGs: Leave lines 19a through 19f blank and carry the amount from Form 4580, Part 2B, line 24g, column C, to Form 4567, line 19g.

Line 20: Enter payments made by taxpayers licensed under Article 25 (Real Estate Brokers and Salespersons) or Article 26 (Real Estate Appraisers) of the Occupational Code [MCL 339.2501 to 339.2518 and 339.2601 to 339.2637] to independent contractors licensed under Articles 25 or 26.

Line 21: For a person classified under the 2002 North American Industrial Classification System (NAICS) Number 484, as compiled by the United States Office of Management and Budget, that does not qualify for a credit under Section 417, enter the payment, made on or after July 12, 2011, to subcontractors to transport freight by motor vehicle under a contract specific to that freight to be transported by motor vehicle.

Attach a letter to explain the activity that qualifies for this subtraction and the date of the payment. Include your NAICS code.

Enter on this line the gross receipts included on line 12, which result from the agricultural activity of a person whose primary activity (i.e., more than 50 percent of gross receipts) is the production of agricultural goods.

Enter on this line the gross receipts included on line 12 which result from the production of oil and gas if that production of oil and gas is subject to the Severance Tax on Oil or Gas, 1929 PA 48.

Line 26: Enter the amount of MBT Modified Gross Receipts Tax collected in the tax year.

Section 203(5) of the MBT Act permits new motor vehicle dealers licensed under the Michigan Vehicle Code, PA 300 of 1949, MCL 257.1 to 257.923, and dealers of new or used personal watercraft to collect the Modified Gross Receipts Tax in addition to the sales price. The act states the "amount remitted to the Department for the [Modified Gross Receipts Tax] ... shall not be less than the stated and collected amount." Therefore, the entire amount of Modified Gross Receipts Tax stated and collected by new motor vehicle dealers and new or used personal watercraft dealers must be remitted to Treasury. There should be no instance where a dealer would be collecting amounts of Modified Gross Receipts Tax from customers in excess of the amount of taxes remitted to Treasury. Taxpayers who elect to separately collect the Modified Gross Receipts Tax, in addition to sales price, under MCL 208.1203(5) may file and remit the tax as estimated payments with their quarterly or monthly *Combined Return for Michigan Taxes* (Form 160) or their *MBT Quarterly Return* (Form 4548).

NOTE: Only new motor vehicle dealers and dealers of new or used personal watercraft are permitted to separately itemize and collect a tax imposed under the MBT Act from customers in addition to sales price, and that authority is limited to only the Modified Gross Receipts Tax imposed and levied under Section 203 of the MBT Act. The statute does not authorize separate itemizing and collection of the Business Income Tax or surcharge by any taxpayer.

UBGs: Add the combined total after eliminations from Form 4580, Part 2B, line 29, column C, to the number on Form 4567, line 25, and enter the sum on line 26.

PART 2: BUSINESS INCOME TAX

If business activity is protected under Public Law (PL) 86-272, complete and include the *MBT Schedule of Business Activity Protected Under Public Law 86-272* (Form 4586). Leave lines 28 through 50 blank.

UBGs: If business activity of a UBG member is protected under PL 86-272, that member must claim protection by filing Form 4586 (if that member is the DM) or Form 4581 (if a non-designated member). Report only the activities of the member named on that form. If all members of the UBG are claiming PL 86-272 protection, then the UBG will leave lines 28 through 50 blank. So long as one member of a UBG has nexus with Michigan and exceeds the protections of PL 86-272, all members of the UBG — including members protected under PL 86-272 — must be included when calculating the UBG's Business Income Tax base and apportionment formula. PL 86-

272 will only remove business income from the apportionable Business Income Tax base when all members of the UBG are protected under PL 86-272.

Line 28: *Business income* means that part of federal taxable income derived from business activity. For MBT purposes, *federal taxable income* means taxable income as defined by IRC § 63, except that federal taxable income shall be calculated as if IRC § 168(k) [as applied to qualified property placed in service after December 31, 2007] and IRC § 199 were not in effect. For a Partnership or S Corporation (or LLC federally taxed as such), business income includes payments and items of income and expense that are attributable to business activity of the Partnership or S Corporation and separately reported to the partners or shareholders.

Use the *Business Income Worksheet* (Worksheet 4746), in Form 4600, to calculate business income. Attach the worksheet to the return. The worksheet will calculate business income as defined by law in most instances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce business income not identified by specific lines on the worksheet, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from Worksheet 4746 to account properly for such uncommon situations.

For an organization that is a mutual or cooperative electric company exempt under IRC § 501(c)(12), business income equals the organization's excess or deficiency of revenues over expenses as reported to the federal government by those organizations exempt from the federal income tax under the IRC, less capital credits paid to members of that organization, less income attributed to equity in another organization's net income, and less income resulting from a charge approved by a state or federal regulatory agency that is restricted for a specified purpose and refundable if it is not used for the specified purpose.

For a tax-exempt person, *business income* means only that part of federal taxable income (as defined for MBT purposes) derived from unrelated business activity.

For an Individual or an Estate, or for a Partnership or Trust organized for estate or gift planning purposes, business income is that part of federal taxable income (as defined for MBT purposes) derived from transactions, activities, and sources in the regular course of the person's trade or business, including the following:

- All income from tangible and intangible property if the acquisition, rental, lease, management, or disposition of the property constitutes integral parts of the person's regular trade or business operations.
- Gains or losses incurred in the taxpayer's trade or business from stock and securities of any foreign or domestic corporation and dividend and interest income.
- Income derived from isolated sales, leases, assignments, licenses, divisions, or other infrequently occurring dispositions, transfers, or transactions involving tangible, intangible, or real property if the property is or was used in the person's trade or business operation.
- Income derived from the sale of an interest in a business that constitutes an integral part of the person;'s regular trade or business.
- Income derived from the lease or rental of real property

NOTE: Personal investment income, gains from the sale of property held for personal use and enjoyment, or other assets not used in a trade or business, and any other income not specifically derived from a trade or business that is earned, received, or otherwise acquired by an Individual, an Estate, or a Trust or Partnership organized or established for estate or gift planning purposes, a person organized exclusively to conduct investment activity solely for a third party individual or a person related to that individual, or a common trust established under the Collective Investment Funds Act of 2941, is not included in the Business Income Tax base. This exclusion only applies to the specific types of taxpayers identified above. Investment income and any other types of income earned or received by all other types of persons or taxpayers not specifically referenced must be included in the business income of the taxpayer.

Additions to Income

Additions are generally required to the extent deducted in arriving at federal taxable income. (Business income, line 28.)

Line 29: Enter any interest income and dividends from bonds and similar obligations or securities of states other than Michigan and their political subdivisions in the same amount that was excluded from federal taxable income (as defined for MBT purposes). Reduce this addition by any expenses related to the foregoing income that were disallowed on the federal return by IRC § 265 or 291.

Line 30: 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 31: Enter the Michigan Business Tax, including surcharge, claimed as a deduction on the federal return.

Line 32: Enter any net operating loss carryback or carryover that was deducted in arriving at federal taxable income (as defined for MBT purposes) reported on line 28. Enter this amount as a positive number.

Line 33: Enter any losses included in federal taxable income (as defined for MBT purposes) that are attributable to other entities that have made a valid election to file under the MBT and have filed under the MBT. If there is only one such entity to report, enter its FEIN or TR number in the field on this form. If there is more than one such entity to report, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this loss add-back that is attributable to each entity. In any case, the amount on line 33 should be the total of all losses, not just the loss of the one entity identified on the form.

UBGs: It is not necessary to attach a list of entities in connection with this line item because all entities for which a loss add-back is being reported have been identified on the corresponding line of Form 4580, or a similar list required as an attachment to Form 4580.

Line 34: Enter any royalty, interest, or other expense paid to a person related to the taxpayer by ownership or control for the use of an intangible asset if the person is not included in the taxpayer's UBG. Royalty, interest, or other expense described here is not required to be included if the taxpayer can demonstrate that the transaction has a nontax business purpose other than avoidance of this tax, is conducted with arm's-length pricing and rates and terms as applied in accordance with IRC § 482 and 1274(d), and satisfies one of the following:

- Is a pass-through of another transaction between a third party and the related person with comparable rates and terms.
- Results in double taxation. For this purpose, double taxation exists if the transaction is subject to tax in another jurisdiction.
- Is unreasonable as determined by Treasury, and the taxpayer agrees that the addition would be unreasonable based on the taxpayer's facts and circumstances.
- The related person (recipient of the transaction) is organized under the laws of a foreign nation which has in force a comprehensive income tax treaty with the United States.

Line 35: There currently are no additions required that are recorded on this line. Leave this line blank.

Subtractions from Income

Subtractions are generally available to the extent included in arriving at federal taxable income (Business Income, line 28).

Line 38: Enter any dividends and royalties received from persons other than United States persons and foreign operating entities, including, but not limited to, amounts determined under IRC § 78 or IRC § 951 to 964.

Line 39: Enter any income included in federal taxable income (as defined for MBT purposes) that are attributable to other entities that have made a valid election to file under the MBT and have filed under the MBT. If there is only one such entity to report, enter its FEIN or TR number in the field on this form. If there is more than one such entity to report, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this income subtraction that is attributable to each entity. In any case, the amount on line 39 should be the total of all income, not just the income of the one entity identified on the form.

UBGs: It is not necessary to attach a list of entities in connection with this line item because all entities for which an income subtraction is being reported have been identified on the corresponding line of Form 4580, or a similar list required as an attachment to Form 4580.

Line 40: To the extent included in federal taxable income (as defined for MBT purposes), deduct interest income derived from United States obligations.

Line 41: To the extent included in federal taxable income (as defined for MBT purposes), deduct any earnings that are net earnings from self-employment as defined under IRC § 1402 of the taxpayer, or a partner or LLC member of the taxpayer, except to the extent that those net earnings represent a reasonable return on capital. If less than zero, enter zero.

Under IRC § 1402, the business income of an Individual or sole proprietor, and a partner's distributive share of Partnership income, whether distributed or not, from any trade or business carried on by the Partnership, may be considered self-employment income (with certain statutory exceptions), and subject to the Federal Self-Employment Tax. Therefore, a sole proprietorship or Partnership may deduct any income subject to the Federal Self-Employment Tax when computing the MBT Business Income Tax base. Shareholders of Corporations, including S Corporations, are not subject to the Federal Self-Employment Tax, and, as a result, no deduction is allowed for earnings from self-employment income for corporate entities. There is no deduction allowed for S Corporation distributions that is equivalent to the self-employment deduction allowed for Partnerships and sole proprietorships under MBT.

Line 42: For tax years that begin after December 31, 2009, to the extent included in federal taxable income, deduct the amount of a charitable contribution made to the Advance Tuition Payment fund created under section 9 of the Michigan Education Trust Act, PA 316 of 1986, MCL 390.1429. This is deductible only to the extent that contribution was **NOT** federally deductible.

Line 45: If line 45 is negative, enter as a negative number. A loss on line 45 will create (or increase) the MBT business loss carryforward for the next year.

Line 46: Deduct any available MBT business loss incurred after December 31, 2007. Enter as a positive number.

Business loss means a negative business income tax base, after apportionment, if applicable.

Only an MBT business loss may be used and only from prior consecutive years when the taxpayer was an MBT taxpayer.

NOTE: MBT business loss carryforward is not the same as the federal net operating loss carryforward or carryback. It also is not the same as the Single Business Tax business loss carryforward, which was partially allowed against the Modified Gross Receipts tax base only for tax years ending in 2008. It is also not the same as a Corporate Income Tax business loss carryforward. Neither a SBT business loss carryforward nor a CIT business loss carryforward may be entered on this line or applied against the MBT tax base.

Line 47: Subtract line 46 from line 45. Any negative amount on line 47 is an MBT business loss which may be carried forward to the next filing period, except to the extent that all or some portion of this business loss has exceeded its usable life of ten tax years.

NOTE: Any business loss created on this return may only be applied against a subsequent MBT business income tax base. This business loss may not be applied against a subsequent Corporate Income Tax tax base.

Line 48: If line 47 is positive, enter the Qualified Affordable Housing Deduction, if applicable.

PA 168 of 2008 provides for a deduction from the apportioned Business Income Tax base to a Qualified Affordable Housing Project and a seller of residential rental units to a Qualified Affordable Housing Project. Qualified Affordable Housing

Project is defined under instructions for line 19.

The seller may take a deduction from its apportioned Business Income Tax base equal to the gain from the sale of the residential rental units to the Qualified Affordable Housing Project, as calculated on the MBT Qualified Affordable Housing Seller's Deduction (Form 4579). Enter the amount from Form 4579, line 5. (All MBT forms, including Form 4579, are available online at **www.michigan.gov/mbt**.)

The Qualified Affordable Housing Project may deduct from its apportioned Business Income Tax base an amount equal to the product of the taxable income attributable to residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that Qualified Affordable Housing Project and the denominator of which is the number of all residential rental units in Michigan owned by the project. MCL 208.1201(8) governs the termination of this deduction.

In general, taxable income attributable to residential rental units is gross rental receipts attributable to residential rental units in Michigan (purchased pursuant to an operation agreement) less rental expenses attributable to residential rental units in Michigan, including, but not limited to, repairs, interest, insurance, maintenance, utilities, and depreciation.

Specifically, Partnerships may use a Rental Real Estate Income and Expenses of a Partnership or an S Corporation (U.S. Form 8825) to determine its taxable income attributable to residential rental units in Michigan. To the extent that the Qualified Affordable Housing Project is taxed as something other than a Partnership or S Corporation, the Qualified Affordable Housing Project may use the Supplemental Income and Loss (U.S. Form 1040, Schedule E) or the relevant portions of the U.S. Corporation Income Tax Return (U.S. Form 1120), as appropriate. If the Qualified Affordable Housing Project is a Corporation, the expenses permitted should be limited to those also listed on the Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition (U.S. Form 8823) and U.S. Form 1040, Schedule E. Rental receipts and expenses must be calculated without regard to any gain or loss resulting from the disposition of rental property. Also, since Partnerships are subject to tax as a person under MBT, flow-through amounts from other Partnerships are not considered.

Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, are not deductible rental expenses. Any passive activity loss limitations applicable to the Qualified Affordable Housing Project's federal return also apply for purposes of MCL 208.1201(7).

The Qualified Affordable Housing Project's deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Income received by the management, construction, or development company for completion and operation of the project and rental units does not constitute taxable income attributable to residential rental units.

UBGs: Leave lines 48a through 48h blank and carry the amount from Form 4580, Part 2B, line 45i, column C, to line 48i.

When the seller claims a deduction for the year of sale, the State will place a lien on the property equal to the amount of the seller's deduction. If the buyer fails to qualify as a Qualified Affordable Housing Project or fails to operate any of the residential rental units as rent restricted units in accordance with the operation agreement within 15 years after the date of purchase, the lien placed on the property for the amount of the seller's deduction becomes payable to the State. The lien is payable through a "recapture" to be added to the tax liability of the buyer in the year the recapture event occurs. The recapture is calculated on *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587), and is reduced proportionally for the number of years the buyer qualified for the deduction.

PART 3: TOTAL MICHIGAN BUSINESS TAX

Line 52: In addition to the taxes imposed and levied under MBT, an annual surcharge is imposed and levied on each standard taxpayer equal to 21.99 percent of the taxpayer's tax liability.

The amount of the surcharge imposed and levied on any taxpayer may not exceed $6,000,000 for any single tax year.

Line 54: Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Line 55: IMPORTANT: If apportioned or allocated gross receipts are less than $350,000, enter a zero on this line. If a business operated less than 12 months, annualize gross receipts to determine if a filing requirement exists.

UBGs: If apportioned or allocated gross receipts before intercompany eliminations (gross receipts from Form 4580, Part 2B, line 17, column A, multiplied by the apportionment percentage reported on Form 4567, line 11c) are less than $350,000, enter a zero on this line.

Line 58: If the amount entered on Form 4946, line 39, is a positive number, enter that amount on this line. Only a positive amount may be entered on this line.

NOTE: Include a completed copy of Form 4946 with this return regardless of whether an amount is entered on Line 58.

PART 4: PAYMENTS, REFUNDABLE CREDITS, AND TAX DUE

Line 61: Enter the total estimated taxes paid. 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 62: Enter the total withholding payments made on your behalf by flow-through entities. Include all withholding payments made on returns that apply to the tax year included in this return. Included on this line would be Flow-Through Withholding payments made by flow-through entities whose tax years ended with or within the tax year included in this return. For example, a calendar year filer would include Flow-Through Withholding payments made by a flow-through entity whose tax year ended on or after January 1, 2102, and through the end of the taxpayer's tax year reported in this return. Any flow-through entity that has withheld on behalf of the taxpayer should have provided the taxpayer with the amount for its records.

If an amount is entered on this line, complete the MBT Schedule of Flow-Through Withholding (Form 4966) to account for the Flow-Through Withholding payments received. The amount entered on this line must equal the sum of the combined amount from Form 4966, column E.

Amended Returns Only:	
Line 66a:	Enter payment made with original return.
Line 66b:	Enter overpayment received (refund received plus credit forward created) on the original return.
Line 66c:	Add lines 65 and 66a and subtract line 66b from the sum.

Line 68: If penalty and interest are owed for not filing estimated returns or for underestimating tax, complete the *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582) 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 69: Enter the annual return penalty rate in line 69a. Add the overdue tax penalty in line 69b to the overdue tax interest in line 69c. Enter total in line 69d.

Refer to the "Computing Penalty and Interest" section in Form 4600 to determine the annual return penalty rate and use the following "Overdue Tax Penalty" and "Overdue Tax Interest" worksheets.

WORKSHEET – OVERDUE TAX PENALTY

A.	Tax due from Form 4567, line 67.........		00
B.	Late/extension or insufficient payment penalty percentage................		%
C.	Multiply line A by line B.....................		00

Carry amount from line C to Form 4567, line 69b.

WORKSHEET – OVERDUE TAX INTEREST

A.	Tax due from Form 4567, line 67.........		00
B.	Applicable daily interest percentage ..		%
C.	Number of days return was past due ...		
D.	Multiply line B by line C		%
E.	Multiply line A by line D		00

Carry amount from line E to Form 4567, line 69c.

Line 69c: NOTE: If the late period spans more than one interest rate period, divide the late period into the number of days in each of the interest rate periods identified in the "Computing Penalty and Interest" section in Form 4600, and apply the calculations in the "Overdue Tax Interest" worksheet separately to each portion of the late period. Combine these interest subtotals and carry the total to line 66c.

PART 5: REFUND OR CREDIT FORWARD

Line 71: If the amount of the overpayment, less any penalty and interest due on lines 68 and 69d is less than zero, enter the difference (as a positive number) on line 70. If the amount is greater than zero, enter on line 71.

NOTE: If an overpayment exists, a taxpayer must elect a refund of all or a portion of the amount and/or designate all or a portion of the overpayment to be used as an estimate for the next MBT tax year. Complete lines 72 and 73 as applicable.

Line 72: If the taxpayer anticipates an MBT liability in the filing period subsequent to this return, some or all of any overpayment from line 71 may be credited forward to the next tax year as an estimated payment. Enter the desired amount to use as an estimate for the next MBT tax year.

Reminder: Taxpayers must sign and date returns. Preparers must provide a Preparer Taxpayer Identification Number (PTIN), FEIN or Social Security number (SSN), a business name, and a business address and phone number.

Other Supporting Forms and Schedules

Federal Forms: Attach copies of these forms to the return.

UBGs: See Form 4580 instructions for information regarding federal attachments for members of UBGs.

- **C Corporations:** U.S. Form *1120* (pages 1 through 4), *Schedule D*, Form *851*, Form *4562*, and Form *4797*. If filing as part of a consolidated federal return, attach a pro forma or consolidated schedule.
- **S Corporations:** U.S. Form *1120-S* (pages 1 through 4)*, *Schedule D*, Form *851*, Form *4562*, Form *4797*, Form *8825*.
- **Individuals:** U.S. Form *1040* (pages 1 and 2), Schedules *C*, *C-EZ*, *D*, *E*, and Form *4797*.
- **Fiduciaries:** U.S. Form *1041* (pages 1 through 2), *Schedule D*, and Form *4797*.
- **Partnerships:** U.S. Form *1065*, (pages 1 through 5)*, *Schedule D*, Form *4797*, and Form *8825*.
- **Limited Liability Companies:** Attach appropriate schedules listed above based on federal return filed.
- **Federally Exempt Entities:** In certain circumstances, a federally tax exempt entity must file an MBT return. In those cases, attach U.S. Form 990-T (pages 1 through 4).

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

Sourcing of Sales to Michigan

TANGIBLE AND REAL PROPERTY

Sale of tangible personal property

Property is shipped or delivered, or, in the case of electricity and gas, the contract requires the property to be shipped or delivered, to any purchaser within this State based on the ultimate destination at the point that the property comes to rest regardless of the free on board point or other conditions of the sales.

NOTE: *Tangible personal property* means that term as defined in Section 2 of the Use Tax Act, Public Act (PA) 94 of 1937, MCL 205.92.

Sale, lease, rental or licensing of real property

Property is located in this State.

Lease or rental of tangible personal property

To the extent the property is used in this State. Extent of use is determined by multiplying the receipts by a fraction, the numerator is the number of days of physical location of the property in this State during the lease or rental period in the tax year and the denominator is the number of days of physical location of the property everywhere during all lease or rental periods in the tax year.

If the physical location of the property during the lease or rental period is unknown or cannot be determined, the tangible personal property is used in the state in which the property was located at the time the lease or rental payer obtained possession.

Lease or rental of mobile transportation property owned by the taxpayer

To the extent property is used in this State. For example, the extent an aircraft will be deemed to be used is determined by multiplying all the receipts from the lease or rental of the aircraft by a fraction, the numerator of the fraction is the number of landings of the aircraft in this State and the denominator of the fraction is the total number of landings of the aircraft.

If the extent of use of any transportation property within this State cannot be determined, then the receipts are in this State if the property has its principal base of operations in this State.

INTANGIBLE PROPERTY (IN GENERAL)

Royalties and other income received for use of or for the privilege of using intangible property including patents, knowhow, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, computer software, or similar items

Property is used by the purchaser in this State. If property is used in more than one state, royalties or other income will be apportioned to this State pro rata according to the portion of use in this State.

If the portion of use in this State cannot be determined, the royalties or other income will be excluded from both the numerator and the denominator.

If the purchaser of intangible property uses it or the rights to the intangible property, in the regular course of its business operations in this State, regardless of the location of the purchaser's customers.

SALES FROM PERFORMANCE OF SERVICES (IN GENERAL)

Receipts from performance of services, in general

Recipient of services receives all of the benefit of the services in this State.

If the recipient of the services receives some of the benefit of the services in this State, receipts are included in the numerator of the apportionment factor in proportion to the extent that the recipient receives benefit of the services in this State.

For more information regarding how a taxpayer determines where the recipient of services performed receives the benefit of those services, see RAB 2010-5, Michigan Business Tax Where Benefit of Services is Received, on the Michigan Department of Treasury (Treasury) Web site at **www.michigan.gov/taxes**.

FINANCIAL SERVICES

Sales derived from securities brokerage services including commissions on transactions, the spread earned on principal transactions in which broker buys or sells from its account, total margin interest paid on behalf of brokerage accounts owned by broker's customers, and fees and receipts of all kinds from underwriting of securities

Multiply the total dollar amount of receipts from securities brokerage services by a fraction, the numerator of which is the sales of securities brokerage services to customers within this State, and the denominator of which is the sales of securities brokerage services to all customers.

If receipts from brokerage services can be associated with a particular customer, but it is impractical to associate the receipts with the address of the customer, then the address of the customer will be presumed to be the address of the branch office that generates the transactions for the customer.

Sales of services derived directly or indirectly from sale of management, distribution, administration, or securities brokerage services to, or on behalf of, a regulated investment company or its beneficial owners, including receipts derived directly or indirectly from trustees, sponsors, or participants of employee benefit plans that have accounts in a regulated investment company

To the extent the shareholders of the regulated investment company are domiciled within this State. For this purpose, *domicile* means the shareholder's mailing address on the records of the regulated investment company.

If the regulated investment company or the person providing management services to the regulated investment company has actual knowledge that the shareholder's primary residence or principal place of business is different than the shareholder's mailing address, then the shareholder's primary residence or principal place of business is the shareholder's domicile.

A separate computation must be made with respect to receipts derived from each regulated investment company. Total amount of sales attributable to this State must be equal to total receipts received by each regulated investment company multiplied by a fraction determined as follows:

- The numerator of the fraction is the average of the sum of the beginning-of-year and end-of-year number of shares owned by the regulated investment company shareholders who have their domicile in this State.
- The denominator of the fraction is the average of the sum of the beginning-of-year and end-of-year number of shares owned by all shareholders.
- For purposes of the fraction, the year will be the tax year of the regulated investment company that ends with or within the tax year of the taxpayer.

Receipts from the origination of a loan or gains from sale of a loan secured by residential real property

Only if one or more of the following apply:

- Real property is located in this State.
- Real property is located both within this State and one or more other states and more than 50 percent of the fair market value of the real property is located within this State.
- More than 50 percent of the real property is not located in any one state and the borrower is located in this State.*

Interest from loans secured by real property

Property is located in this State.

If property is located both in this State and one or more other states, if more than 50 percent of the fair market value of the real property is located within this State.

If more than 50 percent of the fair market value of the real property is not located within any one state, if the borrower is located in this State.*

The determination of whether the real property securing a loan is located in this State will be made at the time the original agreement was made and any and all subsequent substitutions of collateral will be disregarded.

Interest from a loan not secured by real property

Borrower is located in this State.*

Gains from sale of a loan not secured by real property, including income recorded under coupon stripping rules of IRC 1286

Borrower is located in this State.*

Credit card receivables, including interest, fees, and penalties from credit card receivables and receipts from fees charged to cardholders, such as annual fees

Billing address of the cardholder is located in this State.

Sale of credit card or other receivables

Billing address of the customer is located in this State.

Credit card issuer's reimbursements fees

Billing address of the cardholder is located in this State.

Merchant discounts, computed net of any cardholder chargebacks, but not reduced by any interchange transaction fees or by any issuer's reimbursement fees paid to another for charges made by its cardholders

Commercial domicile of the merchant is located in this State.

Loan servicing fees derived from loans of another secured by real property

Real property is located in this State.

Real property is located both in and out of this State and one or more states if more than 50 percent of the fair market value of the real property is located in this State.

More than 50 percent of the fair market value of the real property is not located in any one state, and the borrower is located in this State.*

If the location of the security cannot be determined, then loan servicing fees for servicing either the secured or the unsecured loans of another are in this State if the lender to whom the loan servicing service is provided is located in this State.

Loan servicing fees derived from loans of another not secured by real property

Borrower is located in this State.*

If location of the security cannot be determined, then loan servicing fees for servicing either the secured or the unsecured loans of another are in this State if the lender to whom the loan servicing service is provided is located in this State.

Sale of securities and other assets from investment and trading activities, including, but not limited to, interest, dividends, and gains

Attributable to the State if the person's customer is in this State, or if the location of the person's customer cannot be determined, both of the following:

- Interest, dividends, and other income from investment assets and activities and from trading assets and activities, including, but not limited to, investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions are in this State if the average value of the assets is assigned to a regular place of business of the taxpayer within this State.

*A borrower is considered located in this State if the borrower's billing address is in this State.

○ Interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements are in this State if the average value of the assets is assigned to a regular place of business of the taxpayer within this State.

○ Amount of receipts and other income from investment assets and activities is in this State if assets are assigned to a regular place of business of the taxpayer within this State.

• Amount of receipts from trading assets and activities, including, but not limited to, assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, but excluding amounts otherwise sourced in this section, are in this State if the assets are assigned to a regular place of business of the taxpayer within this State.

TRANSPORTATION SERVICES

Receipts from transportation services

Generally, receipts will be proportioned based on the ratio that revenue miles of the person in this State bear to the revenue miles of the person everywhere.

Receipts from maritime transportation services will be attributable to this State as follows:

• 50 percent of those receipts that either originate or terminate in this State.

• 100 percent of those receipts that both originate and terminate in this State.

Receipts attributable to this State of a person whose business activity consists of the transportation of:

• Property and individuals – Proportioned based on the total gross receipts for passenger miles and ton mile fractions, separately computed and individually weighted by the ratio of gross receipts from passenger transportation to total gross receipts from all transportation, and by the ratio of gross receipts from freight transportation to total gross receipts from all transportation, respectively.

$$\frac{\text{Michigan Ton Miles}}{\text{Total Ton Miles}} \times \text{Gross Receipts from Transportation of Property}$$

$$+$$

$$\frac{\text{Michigan Passenger Miles}}{\text{Total Passenger Miles}} \times \text{Gross Receipts from Transportation of Passengers}$$

$$= \text{Michigan Sales from Transportation Services}$$

• Oil by pipeline – Proportioned based on the ratio that the gross receipts for the barrel miles transported in this State bear to the gross receipts for the barrel miles transported by the person everywhere.

• Gas by pipeline – Proportioned based on the ratio that the gross receipts for the 1,000 cubic feet miles transported in this State bear to the gross receipts for the 1,000 cubic feet miles transported by the person everywhere.

NOTE: If a taxpayer can show that revenue mile information is not available or cannot be obtained without unreasonable expense to the taxpayer, receipts attributable to this State will be that portion of the revenue derived from transportation services everywhere performed that the miles of transportation services performed in this State bears to the miles of transportation services performed everywhere. If Treasury determines that the information required for the calculations above are not available or cannot be obtained without unreasonable expense to the taxpayer, Treasury may use other available information that in the opinion of Treasury will result in an equitable allocation of the taxpayer's receipts to this State.

NOTE: For transportation services that source sales based on revenue miles, enter a sales amount on Form 4567, Line 11a, by multiplying total sales of the transportation service by the ratio of Michigan revenue miles over revenue miles everywhere as provided in the table on this page for that type of transportation service. *Revenue mile* means the transportation for a consideration of one net ton in weight or one passenger the distance of one mile.

TELECOMMUNICATIONS SERVICES

Sale of telecommunications service or mobile telecommunications service, in general

Customer's place of primary use of the service is in this State. As used here, *place of primary use* means the customer's residential street address or primary business street address where the customer's use of the telecommunications service primarily occurs.

For mobile telecommunications service, the customer's residential street address or primary business street address is the place of primary use only if it is within the licensed service area of the customer's home service provider.

Sale of telecommunications service sold on an individual call-by-call basis

Call both originates and terminates in this State.

Call either originates or terminates in this State and the service address is located in this State.

Sale of postpaid telecommunications service

Origination point of telecommunication signal (as first identified by the service provider's telecommunication system or as identified by information received by the seller from its service provider if system used to transport telecommunication signals is not the seller's) is located in this State.

Sale of prepaid telecommunications service or prepaid mobile telecommunications service

Purchaser obtains the prepaid card or similar means of conveyance at a location in this State.

Recharging a prepaid telecommunications service or mobile telecommunications service

Purchaser's billing information indicates a location in this State.

Sale of private communication services

100 percent of the receipts from the sale of each channel termination point within this State.

100 percent of the receipts from the sale of the total channel mileage between each termination point within this State.

50 percent of the receipts from the sale of service segments for a channel between two customer channel termination points, one of which is located in this State and the other is located outside of this State, which segments are separately charged.

Receipts from the sale of service for segments with a channel termination point located in this State and in two or more other states or equivalent jurisdictions, and which segments are not separately billed, are in this State based on a percentage determined by dividing the number of customer channel termination points in this State by the total number of customer channel termination points.

Sale of billing services and ancillary services for telecommunications service

Based on the location of the purchaser's customers.

If the location of the purchaser's customers is not known or cannot be determined, the sale of billing services and ancillary services for telecommunications service are in this State based on the location of the purchaser.

To access a carrier's network or from the sale of telecommunications services for resale

100 percent of the receipts from access fees attributable to intrastate telecommunications service that both originates and terminates in this State.

50 percent of the receipts from access fees attributable to interstate telecommunications service if the interstate call either originates or terminates in this State.

100 percent of receipts from interstate end user access line charges, if customer's service address is in this State. As used here, "interstate end user access line charges" includes, but is not limited to, the surcharge approved by the federal communications commission and levied pursuant to 47 CFR 69.

Gross receipts from sales of telecommunications services to other telecommunication service providers for resale will be sourced to this State using the apportionment concepts used for non-resale receipts of telecommunications services if the information is readily available to make that determination. If the information is not readily available, then the taxpayer may use any other reasonable and consistent method.

Taxpayer whose business activities include live radio or television programming as described in Subsector Code 7922 of Industry Group 792 or are included in Industry Groups 483, 484, 781, or 782, under the SIC Code as compiled by the U.S. Department of Labor, or any combination of the business activities included in those groups

Media receipts are attributable to this State only if the commercial domicile of the customer is in this State and the customer has a direct connection or relationship with the taxpayer pursuant to a contract under which the media receipts are derived.

Media receipts from the sale of advertising are attributable to this State if the customer of that advertising is commercially domiciled in this State and receives some of the benefit of the sale of that advertising in this State. Sales are included in proportion to the extent that the customer receives the benefit of the advertising in this State.

If the taxpayer is a broadcaster and if the customer receives some of the benefit of the advertising in this State, the media receipts for that sale of advertising from that customer will be proportioned based on the ratio that the broadcaster's viewing or listening audience in this State bears to its total viewing or listening audience everywhere.

Media property means motion pictures, television programs, Internet programs and Web sites, other audiovisual works, and any other similar property embodying words, ideas, concepts, images, or sound without regard to the means or methods of distribution or the medium in which the property is embodied.

Media receipts means receipts from the sale, license, broadcast, transmission, distribution, exhibition, or other use of media property and receipts from the sale of media services. Media receipts do not include receipts from the sale of media property that is a consumer product that is ultimately sold at retail.

Media services means services in which the use of the media property is integral to the performance of those services.

NOTE: Terms used to describe the sale of telecommunications service or mobile telecommunications service have the same meaning as those terms defined in the Streamlined Sales and Use Tax Agreement administered under the Streamlined Sales and Use Tax Administration Act, PA 174 of 2004, MCL 205.801 to 205.833.

OTHER

Default for all other receipts not otherwise sourced here

Sourced based on where the benefit to the customer is received, or if where the benefit to the customer is received cannot be determined, sourced to the customer's location.

For more information regarding how a taxpayer determines where the recipient of services performed receives the benefit of those services, see RAB 2010-5, Michigan Business Tax Where Benefit of Services is Received, on the Treasury Web site at **www.michigan.gov/taxes**.

Attachment 26

2012 MICHIGAN Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer

Issued under authority of Public Act 36 of 2007 and PA 39 of 2011.

Name (print or type)	Federal Employer Identification Number (FEIN)

PART 1: APPORTIONMENT CALCULATION

1.	Michigan sales of the taxpayer. (If no Michigan sales, enter zero.)	1.	00
2.	Total sales of the taxpayer	2.	00
3.	Apportionment percentage. Divide line 1 by line 2	3.	%

PART 2: BUSINESS INCOME TAX

4.	Federal taxable income from U.S. Form 1120 (Non-C Corporations, see instructions)	4.	00
5.	Domestic Production Activities deduction based on IRC § 199 reported on U.S. Form 8903, to the extent deducted from federal taxable income	5.	00
6.	Miscellaneous (see instructions)	6.	00
7.	Adjustments due to decoupling of Michigan depreciation from IRC § 168(k). If adjustment is negative, enter as negative:		
	a. Net bonus depreciation adjustment ... 7a. 00		
	b. Gain/loss adjustment on sale of an eligible depreciable asset ... 7b. 00		
	c. Add lines 7a and 7b. If negative, enter as negative	7c.	00
8.	Add lines 4, 5, 6 and 7c	8.	00
9.	For a UBG, total group eliminations from federal taxable income. All other filers, enter zero	9.	00
10.	**Business Income.** All filers, subtract line 9 from line 8. If negative, enter as a negative	10.	00

Additions to Business Income

11.	Interest income and dividends derived from obligations or securities of states other than Michigan	11.	00
12.	Taxes on or measured by net income	12.	00
13.	Any carryback or carryover of a federal net operating loss (enter as a positive number)	13.	00
14.	Royalty, interest, and other expenses paid to a related person that is not a UBG member of this taxpayer	14.	00
15.	Miscellaneous (see instructions)	15.	00
16.	Total Additions to Income. Add lines 11 through 15	16.	00
17.	**Corporate Income Tax Base After Additions.** Add lines 10 and 16. If negative, enter as a negative	17.	00

Subtractions from Business Income

18.	Income from Flow-Through Entities that are not members of the UBG (enter loss as a negative)	18.	00
19.	Dividends and royalties received from persons other than U.S. persons and foreign operating entities	19.	00
20.	Interest income derived from United States obligations	20.	00
21.	Miscellaneous (see instructions)	21.	00
22.	Total Subtractions from Income. Add lines 18 through 21	22.	00

23.	**Corporate Income Tax Base.** Subtract line 22 from line 17. If negative, enter as a negative	23.	00
24.	Apportioned Corporate Income Tax Base. Multiply line 23 by percentage from line 3	24.	00
25.	Apportioned Income from Flow-Through Entities that are not members of the UBG (see instructions)	25.	00
26.	a. Add line 24 and line 25. If negative, enter zero	26a.	00
	b. If Form 4567, box 11d, is checked, multiply line 26a by the percentage on Form 4567, line 11g	26b.	00
27.	**Corporate Income Tax Before Credit.** Multiply line 26a or 26b, whichever applies, by 6% (0.06)	27.	00

Continue on Page 2

Taxpayer FEIN

PART 3: TOTAL CORPORATE INCOME TAX

28.	Small Business Alternative Credit (see instructions)	28.	00
29.	**Tax Liability after the Small Business Alternative Credit.** Subtract line 28 from line 27	29.	00

PART 4: CERTIFICATED AND RECAPTURED CREDITS

30.	Certificated Nonrefundable Credits from Form 4947, line 11	30.	00
31.	Subtract line 30 from line 29. If less than zero, enter zero	31.	00
32.	Recapture of Certain Business Tax Credits for CIT from Form 4947, line 28	32.	00
33.	Total Tax Liability. Add line 31 and line 32	33.	00
34.	Certificated Refundable Credits from Form 4947, line 39	34.	00
35.	Subtract line 34 from line 33. If negative, enter as a negative number	35.	00

PART 5: MBT CALCULATION TO COMPARE AGAINST CIT

36.	Total MBT Liability after Recapture from Form 4567, line 57	36.	00
37.	Refundable Credits from Form 4574, line 23	37.	00
38.	MBT Liability after Refundable Credits. Subtract line 37 from line 36. If less than zero, enter as a negative number. A negative number here represents an overpayment	38.	00
39.	If line 35 is greater than line 38, enter the difference. If line 38 is greater than or equal to line 35, enter zero. Carry to Form 4567, line 58. (See examples below.)	39.	00

EXAMPLES

1. If both lines 38 and 35 are tax due:
   Example A: Line 38 = $100; line 35 = $300; enter 200 on line 39
   Example B: Line 38 = $300; line 35 = $100; enter 0 on line 39
2. If both lines 38 and 39 are overpayments
   Example C: Line 38 = ($700); line 35 = ($400); enter 300 on line 39
   Example D: Line 38 = ($400); line 35 = ($700); enter 0 on line 39
3. Of lines 38 and 39, if one is tax due and one is an overpayment
   Example E: Line 38 = ($500); line 35 = $200; enter 700 on line 39
   Example F: Line 38 = $200; line 35 = ($500); enter 0 on line 39

Instructions for Form 4946
Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer

IMPORTANT NOTE: In April 2013, the Michigan Department of Treasury introduced instruction revisions affecting taxpayers filing a 2012 Michigan Business Tax Return. The changes have been noted with a gray highlight.

Purpose

To calculate the Corporate Income Tax (CIT) liability for standard taxpayers filing a Michigan Business Tax (MBT) return.

A taxpayer calculates the business income and modified gross receipts tax bases of the MBT and applies all credits, including certificated credits, deductions, and exemptions available under the MBT. Then, a taxpayer calculates the business income tax base under the CIT, applies all credits and deductions available under the CIT and the amount of certificated credit allowed from the MBT. The amount of certificated credit allowed from the MBT is the amount of nonrefundable credit needed to offset MBT liability plus the entire amount of a refundable credit. If the result of both steps of the calculation is a negative number, the taxpayer will receive a refund of the lower negative; but a nonrefundable credit cannot be used to reduce liability below zero. A taxpayer must pay the higher liability or take the lower refund.

Line-by-Line Instructions

Lines not listed are explained on the form.

Public Law 86-272 Protection: If business activity is protected under Public Law (PL) 86-272, leave lines 4 through 29 blank. For more information, please see the instructions to Part 2 of Form 4567.

Name and Account Number: Enter the name and Federal Employer Identification Number (FEIN) as they appear on the corresponding copy of the *Michigan Business Tax Annual Return* (Form 4567).

UBGs: Complete one Form 4946 for the group, with all numbers entered reflecting the total amount for all members in the group.

Part 1: Apportionment Calculation

For a Michigan-based taxpayer, all sales are Michigan sales unless the taxpayer is subject to tax in another state or foreign country. A taxpayer is subject to a tax in another state or foreign country if the taxpayer is subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, a corporate stock tax, or if the state or foreign country has jurisdiction to subject the taxpayer to 1 or more of the above listed taxes. In that state, the taxpayer must be subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporation stock tax, or that state has jurisdiction to subject the taxpayer to one or more of such taxes regardless of whether the tax is imposed.

The CIT is based only on business activity apportioned to Michigan. A taxpayer that has not established nexus with one other state or a foreign country is subject to the CIT on its entire business activity. Business activity is apportioned to Michigan based on sales.

Sale or *Sales* means the amounts received by the taxpayer as consideration from the following:

- The transfer of title to, or possession of, property that is stock in trade or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the tax period, or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business. For intangible property, the amounts received will be limited to any gain received from the disposition of that property.
- Performance of services which constitute business activities.
- The rental, leasing, licensing, or use of tangible or intangible property, including interest, that constitutes business activity.
- Any combination of business activities described above.
- For taxpayers not engaged in any other business activities, sales include interest, dividends, and other income from investment assets and activities and from trading assets and activities.

Complete the Apportionment Calculation using amounts for the taxpayer's business activity only. Do not include amounts received from a profits interest in a Partnership, S Corporation, or LLC. If a taxpayer has either directly or indirectly, an ownership or beneficial interest in a flow-through entity, the business income directly attributable to the business activity of that flow-through entity is apportioned to Michigan using the sales factor of the flow-through entity, unless the flow-through entity is unitary with the taxpayer. This amount is brought in on line 25 of this form.

If a flow-through entity is unitary with the taxpayer, the group's sales factor includes the sales of the flow-through entity. Sales between the taxpayer and flow-through entities that are unitary with the taxpayer are eliminated.

Use the information in the "Sourcing of Sales to Michigan" section of these instructions to determine Michigan sales.

There are two major differences in the apportionment of a taxpayer's MBT liability and the taxpayer's CIT comparison calculation. The first major deference concerns the definition of "sales" and the treatment of royalties or other income received for the use of computer software. Under the MBT, royalties or other income received for the use or for the privilege of using computer software is attributable to the state in which the property is used by the purchaser. Under the CIT, only the royalties or other income received for the use or for the privilege of using **custom computer software** is attributable to the state in which the property is used by the purchaser. This difference should be reflected in the sales factors for MBT and the CIT comparison calculation.

The second major difference concerns flow-through entities that are unitary with a taxpayer under the CIT. For purposes of the MBT and the CIT comparison calculation, flow-through entities that are unitary with a CIT taxpayer are treated as members of the taxpayer's unitary business group. Because of this, the entire amount of Michigan and total sales of the flow-through entity are included in line 1 and line 2 of this form, respectively.

Line 1: Enter the Michigan sales that are directly attributable to the taxpayer.

Transportation services that source sales based on revenue miles: Enter on this line the taxpayer's total sales multiplied by the ratio of Michigan revenue miles over revenue miles everywhere as provided in the "Sourcing of Sales to Michigan" chart for that type of transportation service. Revenue mile means the transportation for consideration of one net ton in weight or one passenger the distance of one mile.

UBGs: Enter on this line the entire amount of Michigan sales of all members in the group after eliminations. For more information see the instructions for *Data for Unitary Business Group Members* (Form 4897).

Line 2: Enter the total sales that are directly attributable to the taxpayer.

Transportation services that source sales based on revenue miles: Enter on this line the total sales that are directly attributable to the taxpayer.

UBGs: Enter on this line the entire amount of total sales of all members in the group after eliminations. For more information see the instructions for *Data on Unitary Business Group Members* (Form 4897).

PART 2: BUSINESS INCOME

Line 4: Non-C Corporations enter this line as business income. Business income includes payments and items of income and expense attributable to the business activity of the Non-C Corporation (Partnership or S Corporation) and separately reported to the members.

Line 6: Include income from the production of agricultural activities if not included on line 4. Farms are not exempt under the CIT. Furthermore, the tax base attributable to the production of agricultural goods by a person whose primary activity is the production of agricultural goods is similarly not exempt.

Line 9: **For UBGs only:** Enter the group's total eliminations from federal taxable income.

NOTE: Elimination, where required, applies to transactions between any members of the UBG supported by this form. For example, if the UBG includes standard taxpayers (not owned by and unitary with a financial institution in the UBG), an insurance company, and a financial institution with nexus, transactions between a standard taxpayer member and an insurance or financial member are eliminated whenever elimination is required, despite the fact that the insurance and financial members are not reported on the combined return filed by standard taxpayer members. If a transaction between two members of a UBG is reported on the group's current return by one member but reported on the preceding or succeeding group return by the other member (due to differing year ends or accounting methods of the members), the side of that transaction that is included in the group's current filing period must be eliminated. The other side of the same transaction will be eliminated on the group return for the filing period in which the other member reports the transaction.

However, there is no elimination with an otherwise related entity if the related entity is excluded from the UBG. For example, consider a group with a U.S. parent, a U.S. subsidiary, and a foreign operating entity subsidiary that would otherwise be a UBG, but the foreign operating entity is excluded from the UBG by definition. The U.S. parent filing a UBG return may not eliminate intercompany transactions between itself and the foreign operating entity.

Additions to Business Income

Line 11: Enter any interest income and dividends from bonds and similar obligations or securities of states other than Michigan and their political subdivisions in the same amount that was excluded from federal taxable income (as defined for CIT purposes). Reduce this addition by any expenses related to the foregoing income that were disallowed on the federal return by IRC § 265 and § 291.

Line 12: 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 taxpayer's federal return. This would include the tax imposed under the CIT to the extent claimed as a deduction on the taxpayer's federal return. This would also include the tax imposed under the Business Income Tax portion of the Michigan Business Tax.

Line 13: Enter any net operating loss carryback or carryover that was deducted in arriving at federal taxable income (as defined for CIT purposes). Enter this amount as a positive number.

Line 14: Enter, to the extent deducted in arriving at federal taxable income (as defined for CIT purposes), any royalty, interest, or other expense paid to a person related to the taxpayer by ownership or control for the use of an intangible asset if the person is not included in the taxpayer's UBG. Royalty, interest, or other expense described here is not required to be included if the taxpayer can demonstrate that the transaction has a nontax business purpose other than avoidance of this tax, is conducted with arm's-length pricing and rates and terms as applied in accordance with IRC § 482 and § 1274(d), and satisfies one of the following:

- Is a pass through of another transaction between a third party and the related person with comparable rates and terms.
- Results in double taxation. For this purpose, double taxation exists if the transaction is subject to tax in another jurisdiction.
- Is unreasonable as determined by the Treasurer, and the taxpayer agrees that the addition would be unreasonable based on the taxpayer's facts and circumstances.
- The related person (recipient of the transaction) is organized under the laws of a foreign nation which has in force a comprehensive income tax treaty with the United States.

Line 15: There currently are no additions required that are recorded on this line. Leave this line blank.

Subtractions from Business Income

Subtractions are generally available to the extent included in arriving at FTI (as defined for CIT purposes).

Line 18: Enter the distributive share of flow-through income that is included in the taxpayer's federal taxable income that is received from a flow-through entity that is not member of a UBG with the taxpayer. Flow-through entities include Partnerships and S Corporations as well as limited liability companies that are not taxed as a C Corporation.

For further instruction, see the instructions to Column C of *Non-Unitary Relationships with Flow-Through Entities* (Form 4898).

UBGs: For UBG members using the annual method, the amounts received by each non-unitary flow-through refer to the annual amount received multiplied by the member's proration percentage, which varies according to the member's number of months reported on the group's tax year.

Line 19: Enter, to the extent included in federal taxable income (as defined for CIT purposes), any dividends and royalties received from persons other than United States persons and foreign operating entities, including, but not limited to, amounts determined under IRC § 78 or IRC §§ 951 to 964.

Line 20: To the extent included in federal taxable income (as defined for CIT purposes), deduct interest income derived from United States obligations.

Line 21: There currently are no subtractions required that are recorded on this line. Leave this line blank.

Line 25: Enter the apportioned amount of distributive share of flow-through income received by the taxpayer from a flow-through entity that is not a member of a UBG with the taxpayer. To calculate this amount, multiply the distributive share entered on Line 18 by the flow-through entity's apportionment percentage. This apportionment percentage is calculated by dividing the flow-through entity's MI sales by the flow-through entity's total sales. Leave the figure as a decimal, carrying it out 4 digits to the right of the decimal point.

For further instruction, see the instructions to Columns D and E of Form 4898.

Line 27: If Form 4567, box 11d, is checked, multiply line 26b by 6% (0.06), otherwise multiply line 26a by 6% (0.06).

IMPORTANT: If apportioned or allocated gross receipts, as defined under the MBT, are less than $350,000, enter a zero on this line. If a business operated less than 12 months, annualize gross receipts to determine if this rule applies.

PART 3: TOTAL CORPORATE INCOME TAX

Line 28: Calculate this line by using the Small Business Alternative Credit Calculation for the Corporate Income Tax worksheet later in these instructions.

Retain the worksheet with your tax records. Do not include the worksheet as part of your return.

Include completed Form 4946 as part of the tax return filing.

Small Business Alternative Credit Calculation for the Corporate Income Tax Worksheet for the 2012 Michigan Business Tax

The Small Business Alternative Credit is NOT available if any of the following conditions exist:

- Gross receipts exceed $20,000,000; or
- Adjusted business income after loss adjustment exceeds $1,300,000; or
- Any shareholder or officer has allocated income after loss adjustment of over $180,000, as determined on the *MBT Schedule of Shareholders and Officers* (Form 4894).
- Compensation and director fees of a shareholder or officer exceed $180,000.

The Small Business Alternative Credit must be reduced if any of the following conditions exist:

- Any shareholder or officer has allocated income after loss adjustment of over $160,000 but not over $180,000, as determined on Form 4894.
- Gross receipts exceed $19,000,000 but are less than $20,000,000.

1. Gross Receipts (see instructions)	1.	.00
2. Tax liability prior to this credit from Form 4946, line 27	2.	.00

Adjusted Business Income

3. Business Income from Form 4946, line 10	3.	.00
4. Carryback or carryover capital loss. Enter as a positive number (see instructions)	4.	.00
5. Carryback or carryover of a federal net operating loss from Form 4946, line 13. Enter as a positive number	5.	.00
6a. Subtotal. Add lines 3, 4 and 5	6a.	.00
6b. Fiscal filers: If box 11d on Form 4567 is checked, multiply line 6a by the percentage from Form 4567, line 11g	6b.	.00
6c. If box 11d on Form 4567 is checked, enter the amount from line 6b. All others, enter the amount from line 6a	6c.	.00
7. Compensation and director fees of active shareholders from Form 4894, line 1	7.	.00
8. Compensation and director fees of officers from Form 4894, line 2	8.	.00
9. Adjusted Business Income. Add lines 6c, 7 and 8	9.	.00

Small Business Alternative Credit Calculation

10. Small Business Alternative Tax. Multiply line 9 by 1.8% (0.018). If less than zero, enter zero	10.	.00
11. **Small Business Alternative Credit**. Subtract line 10 from line 2. If less than zero, enter zero	11.	.00
12. Allocated income/distributive share of income used for reduction (see instructions) .. 12. ______ .00		
13. Reduction percentage from Reduced Credit Table at bottom of this page (based on amount from line 12)	13.	%
14. **Reduced Credit.** Multiply the percentage on line 13 by the credit on line 11. If gross receipts from line 1 are less than or equal to $19,000,000, carry amount to Form 4946, line 28 (see instructions)	14.	.00

Reduction Based on Gross Receipts

Complete this section if gross receipts are more than $19,000,000 but not more than $20,000,000.

15. Excess gross receipts. Subtract $19,000,000 from line 1	15.	.00
16. Excess percentage. Divide line 15 by $1,000,000	16.	%
17. Allowable percentage. Subtract line 16 from 100%	17.	%
18. **Small Business Alternative Credit.** Multiply the percentage on line 17 by the credit on line 14. Carry amount to Form 4946, line 28	18.	.00

REDUCED CREDIT TABLE

If allocated* income is:	The reduced credit is:
$0 - $160,000	100% of the Small Business Alternative Credit
$160,001 - $164,999	80% of the Small Business Alternative Credit
$165,000 - $169,999	60% of the Small Business Alternative Credit
$170,000 - $174,999	40% of the Small Business Alternative Credit
$175,000 - $180,000	20% of the Small Business Alternative Credit

* See instructions for tax years less than 12 months.

Instructions for the Small Business Alternative Credit Calculation for the Corporate Income Tax Worksheet

Purpose

This worksheet is used to allow a taxpayer to calculate the CIT Small Business Alternative Credit for standard taxpayers filing a Michigan Business Tax (MBT) return.

Due to differences between the MBT Small Business Alternative Credit and the CIT Small Business Alternative Credit, a taxpayer must use this worksheet and may not use *MBT Common Credits for Small Businesses* (Form 4571) when calculating its CIT Small Business Alternative Credit.

A taxpayer is disqualified from taking the Small Business Alternative Credit under certain circumstances, which are detailed below. Financial institutions and insurance companies are not eligible for this credit

Do not attach this worksheet or any supporting forms to the MBT filing. A taxpayer must retain this worksheet and any supporting forms in its records.

Eligibility for the Small Business Alternative Credit

Taxpayers are not eligible for the Small Business Alternative Credit if any of the following conditions exist:

- Gross receipts exceed $20,000,000.
- Adjusted business income after loss adjustment exceeds $1,300,000 for Corporations (and LLCs federally taxed as such).
- Any shareholder or officer has allocated income after loss adjustment of over $180,000, as determined on the *CIT Schedule of Shareholders and Officers* (Form 4894). (Retain a pro forma copy of Form 4894 for your records, if necessary.)

In addition, the Small Business Alternative Credit is reduced if a shareholder or an officer has allocated income after loss adjustment of more than $160,000 but less than $180,000. This reduction is based on the officer/shareholder with the largest allocated income.

The Small Business Alternative Credit also is reduced if gross receipts exceed $19,000,000 but are not more than $20,000,000.

Allocated income is the greater of either:

(a) Shareholders' or officers' compensation and director fees from Form 4894, column L, or

(b) Shareholders' compensation, director fees, and share of business income (or loss) after loss adjustment, from Form 4894, column N.

If either (a) or (b) is greater than $180,000, the Corporation is not eligible for the Small Business Alternative Credit. In addition, if either (a) or (b) is more than $160,000 but not more than $180,000, the Corporation must reduce the Small Business Alternative Credit based on the officer or shareholder with the largest allocated income.

Tax Years Less Than 12 Months

If the reported tax year is less than 12 months, gross receipts, adjusted business income, and shareholders' or officers' compensation and share of business income must be annualized to determine eligibility. If annualized gross receipts exceed $19,000,000 but do not exceed $20,000,000, annualize figures to compute the Reduction Based on Gross Receipts, lines 15 through 18.

Annualizing

Multiply each applicable amount, total gross receipts, adjusted business income, and shareholder and officer income by 12 and divide the result by the number of months in the tax year. If the tax year is less than one month, consider the tax year to be one month for the purposes of this calculation.

Loss Adjustment

If taxpayers are not eligible for the full Small Business Alternative Credit due to an adjusted business income or allocated income disqualifier, they may benefit from the *CIT Loss Adjustment for the Small Business Alternative Credit* (Form 4895). If the adjusted business income was less than zero in any of the five years immediately preceding this filing period and a Single Business Tax (SBT) Small Business Credit or Michigan Business Tax (MBT) Small Business Alternative Credit was received for that same year, the taxpayer may be able to reduce the current year's adjusted business income or allocated income amounts by the loss. See Form 4895 for more details. Do not attach a copy of Form 4895 to the MBT filing. If a loss adjustment is used, the taxpayer must retain a completed Form 4895 in its records. Do not attach Form 4895 to this return.

<u>**UBGs:**</u> See "Special Instructions for UBGs" for Form 4895.

A loss adjustment will not prevent a reduction or elimination of the Small Business Alternative Credit based on gross receipts that exceed $19,000,000. It will also not change the amount of compensation on Form 4894, column L.

NOTE: If using a loss adjustment, Form 4895 must be used when using this worksheet to calculate the CIT Small Business Alternative Credit. This form must be used in place of Form 4571 due to the differences between the MBT Small Business Alternative Credit and the CIT Small Business Alternative Credit.

Special Instructions for UBGs

UBGs calculate the gross receipts and adjusted business income disqualifiers at the UBG level without eliminating intercompany transactions. For a UBG to claim a Small Business Alternative Credit, each member of the UBG that is a corporation (including an entity taxed federally as such) must complete Form 4894, column L. Retain a completed Form 4895 in your records; do not attach Form 4895 to this return.

The disqualifier that is based on compensation and/or share of business income attributable to an owner or officer is applied on a combined basis. All items paid or allocable to a single individual will be combined when calculating the disqualifier, regardless of the number of entities from which the amounts may be derived.

NOTE: This is a change from the comparable calculation in MBT. For more information on UBGs, see the "Supplemental Instructions for UBGs" in Form 4890.

In addition, a disqualifier applies to a UBG if such disqualifier applies to any member of that UBG. For example, a UBG is disqualified from taking the Small Business Alternative Credit if that UBG includes a member from which the allocated income of a shareholder is $200,000, even if the allocated income of that shareholder from another UBG member is a $50,000 loss, producing a net (groupwide) allocated income of $150,000.

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 *MBT Annual Return* (Form 4567).

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

Line 1: Enter amount from Form 4567, line 12. For periods less than 12 months, enter annualized gross receipts. For guidance, see the "Annualizing" section at the beginning of these instructions.

UBGs: All UBG filers will use the amount from Form 4567, line 12. For periods less than 12 months, line 10 reflects the annualized amount for the purpose of completing Form 4893.

Adjusted Business Income

Line 3: Enter business income from Form 4946, line 10.

NOTE: The adjusted business income (ABI) disqualifier is based on annualized ABI, but the credit calculations performed here are based on actual ABI.

UBGs: Enter business income for all members from Form 4946, line 10.

Line 4: Enter, to the extent deducted in determining federal taxable income, a carryback or carryover of a capital loss from Schedule D of federal Form 1120. Enter as a positive number.

UBGs: Combine for all members all carryback or carryover of a capital loss, to the extent deducted in determining federal taxable income, and enter on line 4. Enter as a positive number.

Line 9: If loss adjustment is successfully applied to cure an ABI disqualifier, ignore the apparent disqualification on line 9 of the worksheet and proceed with calculating the SBAC on the remainder of the worksheet.

Small Business Alternative Credit Calculation

Line 12: The Small Business Alternative Credit is reduced if a shareholder or an officer has allocated income after loss adjustment of more than $160,000 but not more than $180,000. This reduction is based on the officer/shareholder with the largest allocated income. Enter the allocated income of the shareholder or officer with the highest allocated income after loss adjustment, even if that figure is $160,000 or less.

If loss adjustment is successfully applied to fully or partially cure a shareholder's allocated income disqualifier, enter on line 12 the number from Form 4895, line 12

Line 13: For a taxpayer whose shareholders or officers all have allocated income (after loss adjustment) of $160,000 or less, enter 100 percent.

All other taxpayers, see the table at the bottom of this worksheet to determine what percent to enter on this line.

Line 14: All taxpayers must complete this line.

If gross receipts from line 1 are $19,000,000 or less, carry the amount on line 14 to Form 4946, line 28.

Reduction Based on Gross Receipts

Complete this section if gross receipts are more than $19,000,000 but not more than $20,000,000.

Line 17: For a result less than zero, enter zero.

Do not include a completed worksheet as part of the tax return filing.

Attachment 29

2012 MICHIGAN Schedule of Certificated Credits

Issued under authority of Public Act 38 of 2011.

Name (print or type)	Federal Employer Identification Number (FEIN)

PART 1: CERTIFICATED NONREFUNDABLE CREDITS

1.	NASCAR Speedway Credit from Form 4568, line 13	1.	00
2.	Renaissance Zone Credit. See instructions	2.	00
3.	Historic Preservation Credit Net of Recapture from Form 4568, line 22	3.	00
4.	MEGA Federal Contracts Credit from Form 4568, line 28	4.	00
5.	Brownfield Redevelopment Credit from Form 4568, line 32	5.	00
6.	Film Infrastructure Credit from Form 4568, line 35	6.	00
7.	MEGA Plug-In Traction Battery Manufacturing Credit from Form 4568, line 36	7.	00
8.	Anchor Company Payroll Credit from Form 4568, line 37	8.	00
9.	Anchor Company Taxable Value Credit from Form 4568, line 38	9.	00
10.	MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits from Form 4568, line 39	10.	00
11.	Certificated Nonrefundable Credits for CIT. Add lines 1 through 10 and carry to Form 4946, line 30	11.	00

PART 2: RECAPTURE OF CERTAIN BUSINESS TAX CREDITS — Amount may not be less than zero. See instructions.

12.	Recapture of MBT Investment Tax Credit (see instructions)	12.	00
13.	Recapture of Single Business Tax (SBT) Investment Tax Credit form Form 4585, line 7	13.	00
14.	Recapture of MEGA Research and Development Credit from Form 4587, line 1	14.	00
15.	Recapture of MBT MEGA Employment Tax Credit from Form 4587, line 2a	15.	00
16.	Recapture of SBT MEGA Employment Tax Credit from Form 4587, line 2b	16.	00
17.	Recapture of SBT MEGA Business Activity Credit from Form 4587, line 2c	17.	00
18.	Recapture of Entrepreneurial Credit from Form 4587, line 3	18.	00
19.	Recapture of MEGA Federal Contract Credit from Form 4587, line 4	19.	00
20.	Recapture of MEGA Photovoltaic Technology Credit from Form 4587, line 5	20.	00
21.	Recapture of Biofuel Infrastructure Credit from Form 4587, line 6	21.	00
22.	Recapture of MBT Brownfield Redevelopment Credit from Form 4587, line 7	22.	00
23.	Recapture of Film Infrastructure Credit from Form 4587, line 8f	23.	00
24.	Recapture of Anchor Company Payroll Credit from Form 4587, line 9	24.	00
25.	Recapture of Anchor Company Taxable Value Credit from Form 4587, line 10	25.	00
26.	Recapture of Miscellaneous MEGA Battery Credits from Form 4587, line 12a	26.	00
27.	Recapture of Start-Up Business Credit from Form 4573, line 8	27.	00
28.	Total Recapture of Certain Business Tax Credits for CIT. Add lines 12 through 27, and carry to Form 4946, line 32	28.	00

PART 3: CERTIFICATED REFUNDABLE CREDITS — Amount may not be less than zero. See instructions.

29.	MEGA Employment Tax Credit from Form 4574, line 12	29.	00
30.	Hybrid Technology Research and Development Credit from Form 4574, line 14	30.	00
31.	Farmland Preservation Credit from Form 4574, line 15	31.	00
32.	MEGA Federal Contract Credit from Form 4574, line 16	32.	00
33.	MEGA Photovoltaic Technology Credit from Form 4574, line 17	33.	00
34.	Film Production Credit from Form 4574, line 18	34.	00
35.	MEGA Plug-In Traction Battery Manufacturing Credit from Form 4574, line 19	35.	00
36.	Anchor Company Payroll Credit from 4574, line 20	36.	00
37.	Anchor Company Taxable Value Credit from 4574, line 21	37.	00
38.	MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits from Form 4574, line 22	38.	00
39.	Certificated Refundable Credits. Add lines 29 through 38, and carry to Form 4946, line 34	39.	00

Instructions for Form 4947
Schedule of Certificated Credits

Purpose

To allow qualified taxpayers that elect to file Michigan Business Tax (MBT) for tax years ending after 2011 to identify their certificated credits and recapture of certain tax credits. These amounts will be used in calculating the pro forma Corporate Income Tax (CIT) liability on the *Schedule of CIT Liability for a MBT Filer* (Form 4946), which is a required element in calculating MBT liability for tax years ending after 2011.

NOTE: Only a limited number of credits and recaptures listed on this form apply to financial institutions or insurance companies. Credits and recaptures applicable to financial institutions are identified in the instructions of the forms from which figures on this form originate. A credit or recapture should not be reported on Form 4947 if it is not reported on one of the following forms:

- *Nonrefundable Credits Summary* (Form 4568)
- *Credits for Compensation, Investment, and Research and Development* (Form 4570)
- *Miscellaneous Nonrefundable Credits* (Form 4573)
- *Refundable Credits* (Form 4574)
- *Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax* (Form 4585)
- *Schedule of Recapture of Certain Business Tax Credits* (Form 4587)
- *Renaissance Zone Credit Schedule* (Form 4595).

NOTE for Insurance Companies: Insurance Companies calculate certificated credits separately on the *Miscellaneous Credits for Insurance Companies* (Form 4596) and the *Schedule of Corporate Income Tax Liability for a Michigan Business Tax Insurance Filer* (Form 4974).

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 applicable MBT annual return (either *MBT Annual Return* (Form 4567) for standard taxpayers, *MBT Annual Return for Financial Institutions* (Form 4590), or *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588).

UBGs: Complete one form for the group. Enter designated member's name and account number. To the extent that credits are calculated on a pro-forma, member level basis on the 4568, 4595, or 4574, enter the total credit amount for the group on this form.

PART 1: Certificated Nonrefundable Credits

If not taking any credits in Part 1, skip to Part 2.

Line 2: Not all Renaissance Zone credits are certificated credits to be reported on this form. See special instructions on the *MBT Renaissance Zone Credit Schedule* (Form 4595) to determine which Renaissance Zone credits are certificated. A certificated Renaissance Zone credit will be identified by the checkbox on line 2 of Form 4595. Only a credit of that type may be reported here. Enter credit amount from Form 4595, line 25b.

If a taxpayer has activity in more than one certificated Renaissance Zone, a separate Form 4595 will be filed for each Zone. In that case, report here the combined total of credits claimed on all Forms 4595, line 25b, for which certificated status is properly claimed on Form 4595, line 2.

DO NOT use the Renaissance Zone credit amount from Form 4573 or Form 4596 to complete this form.

Line 3: An Historic Preservation Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Historic Preservation Credit that is properly classified as nonrefundable. If a refundable historic preservation credit was claimed as an accelerated credit on the *Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4889), that credit amount is not reported on this form. Standard taxpayers and financial institutions use the Historic Preservation Credit Net of Recapture amount as reported on Form 4568, line 22.

Line 4: A MEGA Federal Contracts Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Federal Contracts Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 5: A Brownfield Redevelopment Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a Brownfield Redevelopment Credit that is properly classified as nonrefundable. If a refundable Brownfield credit was claimed as an accelerated credit on Form 4889, that credit amount is not reported on this form. Standard taxpayers and financial institutions use the Brownfield Redevelopment Credit amount as reported on Form 4568, line 32

Line 6: Standard taxpayers and financial institutions use the amount from Form 4568, line 35.

Line 7: A MEGA Plug-In Traction Battery Manufacturing Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Plug-In Traction Battery Manufacturing Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 8: An Anchor Company Payroll Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Payroll Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 9: An Anchor Company Taxable Value Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Taxable Value Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 10: A MEGA Poly-Silicon Energy Cost Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Poly-Silicon Energy Cost Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 11: Financial Institutions: Carry to Form 4975, line 8.

PART 2: Recapture of Certain Business Tax Credits

If not reporting any recaptures in Part 2, skip to Part 3.

Line 12: See the section "Calculation of MBT ITC Credit Recapture Amount" later in these instructions.

Line 13: If less than zero, enter zero.

UBGs: In a UBG, a separate copy of Form 4585 is filed for each member that has activity reportable on that form. If the return includes multiple copies of Form 4585, report here the combined total of recapture reported on all Forms 4585, line 7.

Line 23: If less than zero, enter zero.

Line 28: Financial Institutions: Carry to Form 4975, line 10.

PART 3: Certificated Refundable Credits

Line 29: Standard taxpayers and financial institutions use the MEGA Employment Tax Credit amount as reported on Form 4574, line 12.

Line 32: A MEGA Federal Contracts Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Federal Contracts Credit that is properly classified as refundable, and reported on Form 4574.

Line 33: Standard taxpayers and financial institutions use the MEGA Photovoltaic Technology Credit amount as reported on Form 4574, line 17.

Line 34: Standard taxpayers and financial institutions use the Film Production Credit amount as reported on Form 4574, line 18.

Line 35: A MEGA Plug-In Traction Battery Manufacturing Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Plug-In Traction Battery Manufacturing Credit that is properly classified as refundable, and reported on Form 4574.

Line 36: An Anchor Company Payroll Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Payroll Credit that is properly classified as refundable, and reported on Form 4574.

Line 37: An Anchor Company Taxable Value Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Taxable Value Credit that is properly classified as refundable, and reported on Form 4574.

Line 38: A MEGA Poly-Silicon Energy Cost Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Poly-Silicon Energy Cost Credit that is properly classified as refundable, and reported on Form 4574.

Line 39: Financial Institutions: Carry to Form 4975, line 12.

Calculation of MBT ITC Credit Recapture Bases

For each category of asset disposed (or moved out of Michigan) that triggers an MBT ITC credit recapture, enter the information requested below.

In each category of disposed/moved asset, group assets by taxable year in which they were acquired. All events that have varying dates must be listed separately. Multiple dispositions (or transfers) may be combined as one entry, subject to the following: all combined events must satisfy the terms of the table in which they are entered. "Taxable Year in which disposed assets were acquired" must be the same for all events combined on a single line.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report in this line information requested in each column only from the member's single filings, not the group's.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture based upon the entire sale price in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years, and must be reported on column C of the appropriate Worksheet based on the type of asset. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

UBGs: The recapture of capital investments for UBGs is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit or its recapture. Disposing of or transferring an asset outside of the UBG triggers recapture. Also, moving an asset outside of Michigan creates recapture, even if the transfer is to a member of the UBG.

Worksheet 1a — Depreciable Tangible Assets

Enter all dispositions of depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter the taxable year in which the disposed assets were acquired. Enter combined gross sales price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1b — Depreciable Mobile Tangible Assets

Enter all dispositions of depreciable mobile tangible assets that were acquired after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter

Worksheet 1a — Depreciable Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D MBT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	E Apportioned Gain/Loss *Multiply Column C by Column D*	F SBT ITC Recapture (Base 1) *Subtract Column E From Column B*

Worksheet 1b — Depreciable Mobile Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Adjusted Proceeds *Subtract Column C From Column B*	E MBT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	F SBT ITC Recapture (Base 2) *Multiply Column D by Column E*

Worksheet 1c — Assets Transferred Outside Michigan

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B SBT ITC Recapture Combined Adjusted Federal Basis of Disposed Assets by Year of Acquisition (Base 3)

the taxable year in which the disposed assets were acquired. Enter gross sales price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

For property placed in service after December 31, 2007, gain reflected in federal taxable income (as defined for MBT purposes) is the gain reported federally except that it shall be calculated as if IRC § 168(k) were not in effect.

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1c — Assets Transferred Outside Michigan

Enter all depreciable tangible assets other than mobile tangible assets acquired after 2007 that were eligible for ITC and were transferred outside Michigan during the filing period. Give all information required for each disposition in columns A through E. In column A, enter the taxable year in which the disposed assets were acquired, and in column B, enter adjusted basis as used for federal purposes. Do not use a recomputed MBT basis for this purpose.

Calculation of MBT ITC Recapture Rates and Amounts

Complete Worksheet 2 (on the following page), entering each taxable year (End Date) in which the disposed assets that triggered MBT ITC credit recapture were acquired.

NOTE: Lines references on columns below are based on 2010 MBT form 4579. Lines for 2008 MBT forms are different, so if copying information from a 2008 MBT form, choose the appropriate lines.

Worksheet 2

• Column A: Enter in chronological order, beginning with the earliest, the tax year end date of each acquisition year of disposed assets that triggered MBT ITC recapture from Worksheet 1a through 1c.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report in this line information requested in each column only from the member's single filings, not the group's.

• Column B: Enter allowable MI compensation and ITC credits amount from Form 4570, line 26 with the corresponding acquisition year in column A.

• Column C: Enter the MI compensation credit amount from Form 4570, line 3 with the corresponding acquisition year in column A.

• Column D: Calculate net ITC credit amount: subtract column C from column B for each taxable year. If difference is less than zero (is negative), enter zero. This is the amount of ITC credit that offsets MBT liability.

• Column F: MBT capital investment amount. Enter total amount of capital investment reported on Form 4570, line 9 for each taxable year listed on column E.

• Column G: ITC rate. Enter 2.32% for taxable years on column E that end with 2008, otherwise enter 2.9%.

• Column H: Calculate possible recapture rate: divide column E by column G for each taxable year.

• Column I: Calculate used recapture rate: if column H > 0, enter column H, otherwise enter 0 for each taxable year.

• Column J: MBT recapture of capital investment. Enter total amount of recapture of capital investment reported on form 4570, line 16, for each taxable year listed on column I.

• Column L: Gross MBT ITC credit recapture amount. Multiply column J by column K. This represents the total amount of ITC credit recapture available to be reported in the tax year.

• Column M: MBT ITC credit recapture amount offset by credit. Enter the lesser of columns H and L. This is the amount of available ITC credit recapture that was offset by the total amount of available ITC credit in the year.

• Column O: SBT credit recapture amount. Enter total amount from Form 4570, line 19 for each taxable year listed on column N.

• Column P: SBT ITC credit recapture amount offset by credit. Enter lesser of the amount on column O, and the amount of column H minus column K. This is the amount of SBT ITC credit recapture that was offset by the total amount of available ITC credit in the taxable year.

• Column Q: Total MBT ITC used. Add columns D, M, and P. The total amount of MBT ITC used equals to the amount of credit that offsets MBT ITC credit recapture, SBT ITC credit recapture, and the MBT liability.

• Column R: Extent used rate. Divide amounts on column Q by amounts on column H.

• Column T: MBT recapture base. Enter total amount of recapture capital investment from Worksheet 1a, column F; Worksheet 1b, column F and Worksheet 1c, column B.

• Column U: MBT recapture amount. Multiply amount in column T by rates in column G, and in column R.

Add up figures in each row of column U, and carry that amount to Form 4947, line 12.

Worksheet 2 — Calculation of MBT ITC Recapture Rates and Amounts

A Taxable Year (End Date) in which MBT ITC Disposed Assets were acquired	B Allowable Michigan compensation and ITC credit amount from Form 4570, line 26	C Michigan Compensation Credit Amount from Form 4570, line 3	D ITC that offsets MBT liability Subtract column C from column B (Enter 0 if less than 0)

E Taxable Year (repeat from column A)	F MBT Capital Investment Amount from Form 4570, line 9	G ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	H Gross ITC Credit Amount Multiply column F by column G

I Taxable Year (repeat from column A)	J MBT Recapture of Capital Investment Amount from Form 4570, line 16	K ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	L Gross MBT ITC Recapture Multiply column J by column K	M MBT ITC Recapture Amount Offset by Credit Lesser of column L and M

N Taxable Year (repeat from column A)	O SBT ITC Credit Recapture Amount from Form 4570, line 19	P SBT ITC Recapture Amount Offset by Credit Lesser of column O, and column (H – M)	Q Total MBT ITC Credit Used Add columns D, M, and P	R Extent Credit Used Rate Divide column Q by column H

S Taxable Year (repeat from column A)	T Recapture base. Enter total amount of recapture from Worksheet 1a, column F; Worksheet 1 b, column F; and Worksheet 1c, column B.	U Recapture Amount. Multiply column T by column G and by column R

Attachment 30

2012 Michigan Business Tax Schedule of Flow-Through Withholding

Issued under authority of Public Act 38 of 2011.

Complete this form if Flow-Through Withholding was withheld on behalf of the taxpayer by a Flow-Through Entity, and the Flow-Through Entity's tax year ended with or within the taxpayer's filing period. Sum the amount of withholding in Column E and carry to Form 4567, line 62; Form 4588, line 50; or Form 4590, line 35.

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

A Flow-Through Entity Name	B FEIN or TR Number	C Check if the Flow-Through is a part of the UBG	D Income from the Flow-Through Entity	E Withholding Paid by the Flow-Through Entity on Behalf of this Taxpayer

If more space is needed, include additional 4966 forms. Identify the taxpayer by Name and FEIN in the appropriate fields at the top of the page.

Instructions for Form 4966
Michigan Business Tax Schedule of Flow-Through Withholding

Purpose

The purpose of this form is to report the Flow-Through Withholding payments made by a flow-through entity on behalf of a Michigan Business Tax (MBT) filer.

General Instructions

This form is intended to be used by a taxpayer that is a standard filer, insurance company, financial institution, or Unitary Business Group (UBG) that has an ownership or beneficial interest in a flow-through entity that has remitted Flow-Through Withholding payments to the state of Michigan on behalf of the taxpayer that is filing this form. Reported on this form will be the Flow-Through Withholding payments made by the flow-through entity if that flow-through entity's tax year ended with or within the tax year of the taxpayer filing this form.

A flow-through entity is an entity that, for the applicable tax year, is treated as a subchapter S Corporation under section 1362(a) of the internal revenue code, a general partnership, a trust, a limited partnership, a limited liability partnership, or a limited liability company that is not taxed as a C Corporation for federal income tax purposes.

Column-by-Column Instructions

Name and Account Number: Enter the name and Federal Employer Identification Number (FEIN) of the taxpayer as reported on page 1 of the *Michigan Business Tax Annual Return* (Form 4567), *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588), or *Michigan Business Tax Annual Return for Financial Institutions* (Form 4590).

UBGs: Complete one form for each member of the UBG. Enter the FEIN and name of the Designated Member in the Taxpayer Name and FEIN fields and the member's name and FEIN to whom the schedule applies on the line below.

Columns A and B: Identify each flow-through entity that remitted Flow-Through Withholding payments on behalf of the taxpayer filing this form by name and FEIN.

Column C: UBGs only: Enter an 'X' in this column if the flow-through entity is in a UBG with the member that is completing this form.

Column D: Enter the apportioned distributive share of the flow-through entity's taxable income received by the taxpayer completing this form.

Column E: Enter the total withholding payments paid on behalf of the taxpayer filing this form that apply to the tax year included in this return. Included on this column would be Flow-Through Withholding payments made by flow-through entities whose tax years ended within the tax year of the taxpayer filing this form. For example, a calendar year filer would include Flow-Through Withholding payments made by a flow-through entity whose tax year ended on or after January 1, 2012, and on or before December 31, 2012. Any flow-through entity that has withheld on behalf of the taxpayer filing this form should have provided the taxpayer the amount for its records.

The combined amount entered in this column should be entered on line 62 of Form 4567 if this form is filed by a standard taxpayer; line 68 of Part 2B of the *MBT UBG Combined Filing Schedule for Standard Members* (Form 4580) if this form is filled out by a member of a UBG of standard taxpayers; line 50 of Form 4588 if this form is filled out by an insurance company; line 35 of Form 4590 if this form is filled out by a financial institution; or line 35 of the *MBT UBG Combined Filing Schedule for Financial Institutions* (Form 4752) if this form is filled out by a member of UBG of financial institutions.

Attachment 02

2012 MICHIGAN Business Tax Nonrefundable Credits Summary

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

1.	Tax before all credits from Form 4567, line 53, or Form 4590, line 26		1. 00
2.	SBT credit carryforwards used from Form 4569, line 13		2. 00
3.	Tax After SBT credit carryforwards. Subtract line 2 from line 1. If less than zero, enter zero	3. 00	
4.	a. Compensation and Investment Tax Credits from Form 4570, line 26		4a. 00
	b. If Form 4570, line 20, is negative, enter here as a negative number. Otherwise, leave blank		4b. 00
5.	Research and Development Credit from Form 4570, line 33		5. 00
6.	Tax After Research and Development Credit. Subtract lines 4a, 4b and 5 from line 3 (see instructions)	6. 00	
7.	Small Business Alternative Credit from Form 4571, line 13 or 19, whichever applies		7. 00
8.	Gross Receipts Filing Threshold Credit from Form 4571, line 27		8. 00
9.	Tax After Gross Receipts Filing Threshold Credit. Subtract lines 7 and 8 from line 6 (see instructions)	9. 00	
10.	Community and Education Foundations Credit from Form 4572, line 5		10. 00
11.	Homeless Shelter/Food Bank Credit from Form 4572, line 9		11. 00
12.	Tax After Homeless Shelter/Food Bank Credit. Subtract lines 10 and 11 from line 9. If less than zero, enter zero	12. 00	
13.	NASCAR Speedway Credit from Form 4573, line 3		13. 00
14.	Stadium Credit from Form 4573, line 6		14. 00
15.	Start-up Business Credit from Form 4573, line 9. If less than zero, enter as a negative number		15. 00
16.	Tax After Start-up Business Credit. Subtract lines 13, 14 and 15 from line 12. If less than zero, enter zero	16. 00	
17.	Public Contribution Credit from Form 4572, line 14		17. 00
18.	Arts and Culture Credit from Form 4572, line 19		18. 00
19.	Tax After Arts and Culture Credit. Subtract lines 17 and 18 from line 16 (see instructions)	19. 00	
20.	Next Energy Business Activity Credit from Form 4573, line 12		20. 00
21.	Renaissance Zone Credit from Form 4573, line 14		21. 00
22.	Historic Preservation Credit Net of Recapture from Form 4573, line 17b		22. 00
23.	Low-Grade Hematite Credit from Form 4573, line 22		23. 00
24.	New Motor Vehicle Dealer Inventory Credit from Form 4573, line 27		24. 00

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Continue on Page 2

FEIN or TR Number

25.	Large Food Retailer Credit from Form 4573, line 31	25.	00
26.	Mid-size Food Retailer Credit from Form 4573, line 35	26.	00
27.	Bottle Deposit Administration Credit from Form 4573, line 39	27.	00
28.	MEGA Federal Contract Credit from Form 4573, line 41	28.	00
29.	Individual or Family Development Account Credit from Form 4573, line 47	29.	00
30.	Bonus Depreciation Credit from Form 4573, line 51	30.	00
31.	International Auto Show Credit from Form 4573, line 54	31.	00
32.	Brownfield Redevelopment Credit from Form 4573, line 56	32.	00
33.	Private Equity Fund Credit from Form 4573, line 61	33.	00
34.	Film Job Training Credit from Form 4573, line 66	34.	00
35.	Film Infrastructure Credit from Form 4573, line 72	35.	00
36.	MEGA Plug-In Traction Battery Manufacturing Credit from Form 4573, line 75	36.	00
37.	Anchor Company Payroll Credit from Form 4573, line 77	37.	00
38.	Anchor Company Taxable Value Credit from Form 4573, line 79	38.	00
39.	MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits from Form 4573, line 81	39.	00
40.	Total Nonrefundable Credits. Add lines 2, 4a, 4b, 5, 7, 8, 10, 11, 13, 14, 15, 17, 18, and 20 through 39. Enter total here and carry total to Form 4567, line 54, or Form 4590, line 27	40.	00
41.	Tax After Nonrefundable Credits. Subtract line 40 from line 1. If less than zero, enter zero. (This line must be equal to Form 4567, line 55, or Form 4590, line 28.)	41.	00

Instructions for Form 4568
Michigan Business Tax (MBT) Nonrefundable Credits Summary

Purpose

The purpose of this form is to determine a taxpayer's tax liability after application of nonrefundable tax credits.

Form 4568 is intended to summarize all applicable nonrefundable credits. Specific eligibility criteria, including varying credit carryforward life spans, apply to each of the nonrefundable credits. For more details about each of the credits, refer to the MBT Act or the instructions for the specific forms referenced on this form.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

NOTE: This form may be used by both standard taxpayers and financial institutions. Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they may be eligible. Of the credits listed on this form, financial institutions may only claim the following:

- Single Business Tax (SBT) Credit Carryforwards
- Compensation Credit
- Renaissance Zone Credit
- Historic Preservation Credit
- Individual or Family Development Account Credit
- Brownfield Redevelopment Credit
- Film Infrastructure Credit.

The goal of arranging credits in this fashion is to minimize the need for taxpayers to go through all the available forms before deciding which ones may be applicable to them. Under the present arrangement, taxpayers are able to identify the forms pertaining to them, and efficiently prepare the tax return. Taxpayers should claim all credits for which they are eligible.

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated for the calculation of any credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute.

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

Complete one Form 4568 for the group.

Further UBG instructions are provided on the forms where the credits are calculated.

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 applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

Line 6: Although most of the entries on this form are credits that cause tax liability to decrease, if there is an entry on line 4b, subtracting that negative number will cause tax liability to increase.

The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Line 9: The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Line 16: Although most of the entries on this form are credits that cause tax liability to decrease, if there is a negative entry on line 15, subtracting that negative number will cause tax liability to increase.

Line 19: The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Include completed Form 4568 as part of the tax return filing.

Attachment 03

2012 MICHIGAN Business Tax - Single Business Tax (SBT) Credit Carryforwards

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

1. Tax before credit from Form 4567, line 53, or Form 4588, line 23, or Form 4590, line 26 .... 1. 00

SBT HISTORIC PRESERVATION CREDIT. If not claiming this credit, carry amount from line 1 to line 5.

2. Enter any unused credit carryforward from the 2011 Form 4569, line 4. (UBGs, see instructions)...................... 2. 00
3. SBT Historic Preservation Credit Carryforward used. Enter lesser of line 1 or line 2... 3. 00
4. SBT Credit Carryforward to 2013. If line 2 is greater than line 1, enter the difference (see instructions)............ 4. 00
5. Tax After Credit Carryforward. Subtract line 3 from line 1. Cannot be less than zero 5. 00

SBT "NEW" BROWNFIELD CREDIT. If not claiming this credit, carry amount from line 5 to line 12.

6. Enter any unused credit carryforward from the 2011 Form 4569, line 11. (UBGs, see instructions).................... 6. 00
7. Recapture of MBT Brownfield Credit in the current tax year 7. 00
8. If line 7 is greater than line 6, enter the difference. Carry amount to Form 4584, line 39.. 8. 00
9. Remaining credit carryforward from 2011. If line 6 is greater than line 7, enter the difference. Otherwise, enter zero 9. 00
10. SBT New Brownfield Credit Carryforward used. Enter lesser of line 5 or line 9... 10. 00
11. SBT Credit Carryforward to 2013. If line 9 is greater than line 5, enter the difference (see instructions)............ 11. 00
12. Tax After Credit Carryforward. Subtract line 10 from line 5. Cannot be less than zero. (This line must be equal to Form 4568, line 3, or Form 4596, line 9.)... 12. 00
13. **TOTAL SBT CREDIT CARRYFORWARDS USED.** Add lines 3 and 10. Enter here and carry to Form 4568, line 2, and Form 4570, line 23; or carry to Form 4596, line 6 .... 13. 00

Instructions for Form 4569
Single Business Tax (SBT) Credit Carryforwards

Purpose

This form is designed to calculate the amount of the SBT Historic Preservation Credit and/or the SBT "New" Brownfield Credit carryforwards that may be claimed for the current tax year and the credit carryforward to the taxpayer's next Michigan Business Tax (MBT) return (subject to expiration, as described below).

Credit carryforwards are totaled here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568) or the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer making a valid certificated credit election may also claim the credits on this form.

General Information

SBT Historic Preservation Credit and "New" Brownfield Credit carryforwards may be claimed against MBT until the SBT Act lifespans of those two carryforwards expire.

In addition to the time limitation on their use against MBT, each SBT credit carryforward is limited to the amount of MBT liability calculated immediately prior to claiming that carryforward. If the tax liability after a credit carryforward is zero, any credit carryforward available after that point will not be allowed in the current filing period.

However, the remainder of this form must be completed to calculate the amount of SBT credit carryforward that may be available for the taxpayer's next MBT return (subject to expiration rules).

This opportunity to claim SBT credit carryforwards is available to standard taxpayers, financial institutions, and insurance companies.

Special Instructions for Unitary Business Groups

All members of a Unitary Business Group (UBG) should combine their SBT credit carryforwards by type. If more than one member of a UBG has the same type of SBT credit carryforward, the UBG must use the oldest one first. The combined credit carryforwards will be applied to the entire UBG's tax liability. As support, credit carryforwards are reported on a separate entity basis by each standard taxpayer member of the UBG on the *Unitary Business Group Combined Filing Schedule* (Form 4580).

Complete one Form 4569 for the group.

Find additional information on calculating credit carryforwards in the "Supplemental Instructions for Standard Members in UBGs" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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 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 *MBT Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

SBT HISTORIC PRESERVATION CREDIT

Line 2: UBGs: Enter the carryforward amount from Form 4580, Part 2B, line 46, column C.

Line 3: This is the amount of SBT Historic Preservation Credit carryforward that may be used in this filing period. Credit recapture is calculated and reported on the *MBT Election of Refund or Carryforward of Credits* (Form 4584).

Line 4: This is the amount of SBT Historic Preservation Credit carryforward to be carried to the taxpayer's next MBT return (subject to expiration rules).

SBT "NEW" BROWNFIELD CREDIT

Line 6: UBGs: Enter the carryforward amount from Form 4580, Part 2B, line 47, column C.

Line 7: Recapture of MBT Brownfield Redevelopment Credit in the current tax year. The amount that should otherwise be added to the tax liability may instead be used to reduce the credit carryforward reported.

Line 8: Carry amount to Form 4584, line 40. (This is the amount of MBT recapture still remaining, and will be used to reduce the MBT credit reported on Form 4584. Any recapture amount remaining after application of the current year credit will increase the tax liability.)

Line 11: This is the amount of SBT "New" Brownfield Credit carryforward to be carried to the taxpayer's next MBT return (subject to expiration rules).

Line 13: Total SBT Credit Carryforwards Used. Standard taxpayers and financial institutions carry this amount to the *MBT Nonrefundable Credits Summary* (Form 4568), line 2, and, if applicable, the *MBT Credits for Compensation, Investment and Research and Development* (Form 4570), line 23. Insurance companies carry to the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596), line 8.

Include completed Form 4569 as part of the tax return filing.

Attachment 04

2012 MICHIGAN Business Tax Credits for Compensation, Investment, and Research and Development

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

1. Tax liability before the Compensation and Investment Tax Credits from Form 4568, line 3 .... 1. ______ 00

PART 1: COMPENSATION CREDIT.
If not claiming this credit, go to Part 2.

2. Michigan Compensation .... 2. ______ 00
3. Multiply line 2 by 0.37% (0.0037). .... 3. ______ 00

PART 2: INVESTMENT TAX CREDIT

Read instructions to ensure eligibility before claiming this credit. If not claiming this credit, carry amount from line 3 to line 21.

Capital Investments

4. Total eligible depreciable tangible assets **located in Michigan** that were acquired during the tax year (from line 35). .... 4. ______ 00
5. Total eligible depreciable tangible assets purchased or acquired for use outside of Michigan in a tax year beginning after December 31, 2007, that were **transferred into Michigan** during the tax year (from line 36) .... 5. ______ 00
6. Total eligible depreciable **mobile tangible assets** that were acquired during the tax year (from line 37) .... 6. ______ 00
7. **Mobile Tangible Assets**. If subject to apportionment, multiply line 6 by the percentage from Form 4567, line 11c. If not subject to apportionment, enter amount from line 6 .... 7. ______ 00
8. **Total Capital Investments**. Add lines 4, 5 and 7 .... 8. ______ 00
9. Total cost paid or accrued of all depreciable real and personal property located everywhere that was acquired during the tax year (authorized under MCL 208.1513(3)) .... 9. ______ 00

LINE 9 IS FOR STATISTICAL PURPOSES ONLY AND SHOULD NOT BE USED IN ANY CALCULATION ON THIS FORM.

Recapture of Capital Investments

10. Adjusted Proceeds from recapture of eligible depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after December 31, 2007, and were sold or otherwise disposed of during the tax year (from line 39) .... 10. ______ 00

If subject to apportionment, complete lines 11 and 12; otherwise, go to line 13.

11. Apportioned gains/losses. Multiply line 38, column F, by the percentage from Form 4567, line 11c .... 11. ______ 00
12. Apportioned Adjusted Proceeds. If line 11 is a gain, subtract it from line 38, column E. If line 11 is a loss, add its positive value to line 38, column E .... 12. ______ 00
13. Adjusted Proceeds from recapture of eligible depreciable mobile tangible assets acquired in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of during the tax year (from line 41) ... 13. ______ 00

If subject to apportionment, complete line 14; otherwise, go to line 15.

14. Apportioned Adjusted Proceeds. Multiply line 13 by percentage from Form 4567, line 11c .... 14. ______ 00
15. Adjusted Federal Basis of eligible depreciable tangible assets other than mobile tangible assets acquired in tax years beginning after December 31, 2007, that were eligible for the Investment Tax Credit in tax years beginning after December 31, 2007, and transferred outside Michigan during the tax year (from line 42) .... 15. ______ 00
16. **Recapture of Capital Investments.** Add lines 10, 13, and 15. Or, if taxable in another state, add lines 12, 14, and 15 .... 16. ______ 00

Continue on Page 2

FEIN or TR Number

Net Capital Investments

17.	**Net MBT Capital Investment.** Subtract line 16 from line 8	17.	00
18.	Multiply line 17 by 2.9% (0.029)	18.	00
19.	Net Recapture Amount from Single Business Tax Assets from Form 4585, line 7	19.	00
20.	Subtract line 19 from line 18. If negative, carry amount to Form 4568, line 4b	20.	00

PART 3: REDUCED COMPENSATION AND INVESTMENT TAX CREDITS

21.	Add lines 3 and 20. If line 20 is negative, enter amount from line 3	21.	00
22.	Tax Before Surcharge from Form 4567, line 51, or Form 4590, line 22	22.	00
23.	Total SBT credit carryforwards used from Form 4569, line 13	23.	00
24.	Subtract line 23 from line 22. If less than zero, enter zero	24.	00
25.	Multiply line 24 by 52% (0.52)	25.	00
26.	**Allowable Credit.** Enter lesser of line 21 or line 25. Carry amount to Form 4568, line 4a	26.	00
27.	If line 20 is negative, enter amount from line 20 as a positive number. If line 20 is positive, leave this line blank	27.	00
28.	Tax After Compensation and Investment Tax Credits. Subtract line 26 from line 1 and add line 27	28.	00

PART 4: RESEARCH AND DEVELOPMENT CREDIT

29.	Research and development expenses in Michigan	29.	00
30.	Multiply line 29 by 1.9% (0.019)	30.	00
31.	Multiply line 24 by 65% (0.65)	31.	00
32.	Ceiling for Research and Development Credit. Subtract line 26 from line 31	32.	00
33.	**Research and Development Credit.** Enter the lesser of line 30 or line 32. Carry amount to Form 4568, line 5	33.	00
34.	Tax After Research and Development Credit. Subtract line 33 from line 28. (This line must be equal to Form 4568, line 6.)	34.	00

Continue on Page 3

FEIN or TR Number

Table 1 - Enter all eligible depreciable tangible assets **located in Michigan** that were acquired during the tax year.

A Description	B City	C Date Acquired (MM-DD-YYYY)	D Cost Paid or Accrued During Tax Year

35. **Total** of column D. Carry amount to line 4, page 1 .... 35. 00

Table 2 - Enter all eligible depreciable tangible assets purchased or acquired for use outside of Michigan in a tax year beginning after December 31, 2007, that were **transferred into Michigan** during the tax year.

A Description	B City	C Date Physically Located in Michigan (MM-DD-YYYY)	D Federal Adjusted Basis as of Date Moved

36. **Total** of column D. Carry amount to line 5, page 1 .... 36. 00

Table 3 - Enter all eligible depreciable **mobile tangible assets** that were acquired during the tax year.

A Description	B State	C Date Acquired (MM-DD-YYYY)	D Cost Paid or Accrued During Tax Year

37. **Total** of column D. Carry amount to line 6, page 1 .... 37. 00

Continue on Page 4

FEIN or TR Number

Table 4 - Enter all eligible depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after December 31, 2007, and were sold or otherwise disposed of during the tax year. (Enter dates as MM-DD-YYYY.)

A Description	B City	C Date Acquired	D Date Sold	E Gross Sales Price	F Gain/Loss

38. Totals of columns E and F. A loss in column F will increase recapture........................... 38. 00 00

39. Adjusted Proceeds. If line 38, column F, is a gain, subtract it from line 38, column E. If line 38, column F, is a loss, add its positive value to line 38, column E. Carry amount to line 10, page 1.. 39. 00

Table 5 - Enter all eligible depreciable mobile tangible assets acquired in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of during the tax year. (Enter dates as MM-DD-YYYY.)

A Description	B State	C Date Acquired	D Date Sold	E Gross Sales Price	F Gain/Loss

40. Totals of columns E and F. A loss in column F will increase recapture........................... 40. 00 00

41. Adjusted Proceeds. If line 40, column F, is a gain, subtract it from line 40, column E. If line 40, column F, is a loss, add its positive value to line 40, column E. Carry amount to line 13, page 1.. 41. 00

Table 6 - Enter all eligible depreciable tangible assets other than mobile tangible assets acquired in tax years beginning after December 31, 2007, that were eligible for the Investment Tax Credit in tax years beginning after December 31, 2007, and were transferred outside Michigan during the tax year. (Enter dates as MM-DD-YYYY.)

A Description	B City	C Date Acquired	D Date Transferred	E Federal Adjusted Basis

42. Adjusted Federal Basis. Total of column E. Carry amount to line 15, page 1.. 42. 00

Amended Instructions for Form 4570
Michigan Business Tax (MBT) Credits for Compensation, Investment, and Research and Development

Changes for tax years beginning on or after January 1, 2010
As amended under Public Act 282 of 2014

Public Act 282 of 2014

Public Act (PA) 282 of 2014 resulted in the following changes to the Michigan Business Tax (MBT), **retroactive to tax years beginning on or after January 1, 2010**:

1) Exclusion of Cancelation of Debt Income (CODI) from gross receipts.

2) A change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT.

3) A change to the calculation of the Renaissance Zone Credit for taxpayers located in a Renaissance Zone before December 1, 2002.

Amended Returns

An amended return for changes due to PA 282 of 2014 must be filed no sooner than January 1, 2015, and no later than December 31, 2015, and must contain amendments for only the three items above. Refund claims must be made within the statute of limitations. If amendments for other than the three items above are required, a separate amended return must be filed.

PA 282 of 2014 requires that any refund as a result of an amended return based on these changes will be paid out over a six-year period beginning in 2016. An overpayment on an amended return for claims due to PA 282 of 2014 must be refunded and may not be credited forward.

Original Returns

If a taxpayer has not yet filed an original return for a tax year beginning on or after January 1, 2010, the taxpayer should implement the three changes listed above in the original return. An original return is not necessarily bound by the 2015 calendar year filing requirement. Traditional due date and statute of limitations restrictions still apply. An overpayment on an original return will not be subject to the six-year payout provision and may be credited forward, if available and if desired.

Instruction Change, Lines 10-19

Recapture of Capital Investments (Dispositions)

Use this section to compute credit recapture from disposition (or moving out of Michigan) of tangible, depreciable real or personal property that was acquired in a tax year beginning after 2007. Recapture from the disposition of qualifying property that was acquired in a tax year beginning after 1999 but before 2008 is calculated on Form 4585 and reported here.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture based upon the entire sale price in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

UBGs: If the taxpayer is a UBG, the recapture of capital investments is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit or its recapture. However, moving an asset outside of Michigan creates recapture, even if the transfer is to a member of the UBG.

PA 282 OF 2014

Enter information on Tables 4, 5, 6 as explained below **ONLY** for assets that are being disposed of in the current filing period, and that were purchased, acquired, or moved into Michigan **ALSO** in the current filing period.

Information for assets disposed of in the current filing period and purchased, acquired, or moved into Michigan in tax years included in **PREVIOUS** filing periods must be entered on worksheets 1a, 1b, and 1c provided at the end of the instructions for this form. Recapture for assets that were acquired in a tax year beginning before 2008 and disposed of during the current filing period is reported on Form 4585.

The total credit recapture for assets reported on worksheets 1a, 1b, and 1c is calculated on Worksheet 2 at the end of this instructions, and will be reported on line 19 on this form. If the filer is also reporting SBT ITC recapture on Form 4585, add both the total sum from Worksheet 2, column U, and the amount from Form 4585, line 7 and enter the sum on line 19 on Form 4570 (this form).

NOTE: For Tables 4 through 6, all events that have varying dates must be listed separately. "Various" is not a valid entry in a date field. Multiple dispositions (or transfers) may be combined as one entry, subject to the following: All combined events must satisfy the terms of the table in which they are entered. "Date Acquired" must be the same for all events combined on a single line, and "Date Sold" (or "Date Transferred") also must be the same.

Table 4: Enter all dispositions of depreciable tangible assets located in Michigan that were acquired or moved into Michigan in the current filing period, and were **ALSO** sold

or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter a short description (for example, equipment, building, etc.). Enter gross sales price (net of costs of sale) in column E, and in column F, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

NOTE: Sales price includes any benefit derived from the sale.

If multiple pages of Form 4570, Table 4, are included, carry the grand total of all line 39 entries to line 10.

Table 5: Enter all dispositions of depreciable mobile tangible assets that were acquired in the current filing period and were **ALSO** sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter a short description (for example, construction equipment, aircraft, etc.). Enter gross sales price (net of costs of sale) in column E, and in column F, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

For property placed in service in the current filing period, gain reflected in federal taxable income (as defined for MBT purposes) is the gain reported federally except that it shall be calculated as if IRC § 168(k) were not in effect.

NOTE: Sales price includes any benefit derived from the sale.

If multiple pages of Form 4570, Table 5, are included, carry the grand total of all line 41 entries to line 13.

Table 6: Enter all depreciable tangible assets other than mobile tangible assets acquired in the current filing period that were eligible for ITC and were **ALSO** transferred outside Michigan during the current filing period. Give all information required for each disposition in columns A through E. In column A, enter a short description (e.g., equipment, automobile, etc.) and in column B, enter the Michigan city or township in which the asset was located before its transfer. In column E, enter adjusted basis as used for federal purposes. Do not use a recomputed MBT basis for this purpose.

If multiple pages of Form 4570, Table 6, are included, carry the grand total of all Table 6, column E, entries to line 15.

IMPORTANT: Complete the worksheets on the following pages for assets disposed (or moved out of Michigan) in the current filing period that were purchased, acquired, or moved into Michigan in a previous tax year beginning after December 31, 2007.

Calculation of MBT ITC Credit Recapture Amount

Calculation of MBT ITC Credit Recapture Bases

For each category of asset disposed (or moved out of Michigan) that triggers an MBT ITC credit recapture, enter the information requested below.

Due to PA 282 of 2014, use the worksheets below to report information **ONLY on assets disposed (or moved out of Michigan) in the current filing period that were purchased, acquired, or moved into Michigan in a PREVIOUS tax year beginning after December 31, 2007.** Use tables 4, 5, and 6 on the form to report assets that were disposed of or moved out of Michigan in the current filing period **AND** were also purchased, acquired, or moved into Michigan in the same current filing period.

In each category of disposed/moved asset, group assets by taxable year in which they were acquired. All events that have varying dates must be listed separately. Multiple dispositions (or transfers) may be combined as one entry, subject to the following: all combined events must satisfy the terms of the table in which they are entered. "Taxable Year in which disposed assets were acquired" must be the same for all events combined on a single line.

UBGs: If an asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report in this line information requested in each column only from the member's single filings, not the group's.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture based upon the entire sale price in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years, and must be reported on column C of the appropriate Worksheet based on the type of asset. For property placed in service prior to January 1, 2008, the gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

UBGs: The recapture of capital investments for UBGs is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit or its recapture. Disposing of or transferring an asset outside of the UBG triggers recapture. Also, moving an asset outside of Michigan creates recapture, even if the transfer is to a member of the UBG.

Worksheet 1a — Depreciable Tangible Assets

Enter all dispositions of depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter the taxable year in which the disposed assets were acquired. Enter combined gross sales

Worksheet 1a — Depreciable Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D CIT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	E Apportioned Gain/Loss *Multiply Column C by Column D*	F MBT ITC Recapture (Base 1) *Subtract Column E From Column B*

Worksheet 1b — Depreciable Mobile Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Adjusted Proceeds *Subtract Column C From Column B*	E CIT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	F MBT ITC Recapture (Base 2) *Multiply Column D by Column E*

Worksheet 1c — Assets Transferred Outside Michigan

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B MBT ITC Recapture Combined Adjusted Federal Basis of Disposed Assets by Year of Acquisition (Base 3)

price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1b — Depreciable Mobile Tangible Assets

Enter all dispositions of depreciable mobile tangible assets that were acquired after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter the taxable year in which the disposed assets were acquired. Enter gross sales price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

For property placed in service after December 31, 2007, gain reflected in federal taxable income (as defined for MBT purposes) is the gain reported federally except that it shall be calculated as if IRC § 168(k) were not in effect.

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1c — Assets Transferred Outside Michigan

Enter all depreciable tangible assets other than mobile tangible assets acquired after 2007 that were eligible for ITC and were transferred outside Michigan during the filing period. Give all information required for each disposition in column A and B. In column A, enter the taxable year in which the disposed assets were acquired, and in column B, enter adjusted basis as used for federal purposes. Do not use a recomputed MBT basis for this purpose.

Calculation of MBT ITC Recapture Rates and Amounts

Complete Worksheet 2 (on the following page), entering each taxable year (End Date) in which the disposed assets that triggered MBT ITC credit recapture were acquired.

> **NOTE:** Lines references on columns below are based on 2010 MBT form 4570. Lines for MBT forms prior to 2010 are different, so if copying information from MBT forms other than 2010, choose the appropriate lines.

Worksheet 2

• Column A: Enter in chronological order, beginning with the earliest, the tax year end date of each acquisition year of disposed assets that triggered MBT ITC recapture from Worksheet 1a through 1c.

UBGs: If an asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report in this line information requested in each column only from the member's single filings, not the group's.

• Column B: Enter allowable MI compensation and ITC credits amount from Form 4570, line 26 with the corresponding acquisition year in column A.

• Column C: Enter the MI compensation credit amount from Form 4570, line 3 with the corresponding acquisition year in column A.

• Column D: Calculate net ITC credit amount: subtract column C from column B for each taxable year. If difference is less than zero (is negative), enter zero. This is the amount of ITC credit that offsets MBT liability.

• Column F: MBT capital investment amount. Enter total amount of capital investment reported on Form 4570, line 8, for each taxable year listed on column E.

• Column G: ITC rate. Enter 2.32% for taxable years on column E that end with 2008, otherwise enter 2.9%.

• Column H: Calculate gross ITC credit amount: multiply column F by column G for each taxable year.

• Column J: MBT recapture of capital investment. Enter total amount of recapture of capital investment reported on Form 4570, line 16, for each taxable year listed on column I.

• Column L: Gross MBT ITC credit recapture amount. Multiply column J by column K. This represents the total amount of ITC credit recapture available to be reported in the tax year.

• Column M: MBT ITC credit recapture amount offset by credit. Enter the lesser of columns H and L. This is the amount of available ITC credit recapture that was offset by the total amount of available ITC credit in the year.

• Column O: SBT credit recapture amount. Enter total amount from Form 4570, line 19 for each taxable year listed on column N.

• Column P: SBT ITC credit recapture amount offset by credit. Enter lesser of the amount on column O, and the amount of column H minus column M. This is the amount of SBT ITC credit recapture that was offset by the total amount of available ITC credit in the taxable year.

• Column Q: Total MBT ITC used. Add columns D, M, and P. The total amount of MBT ITC used equals to the amount of credit that offsets MBT ITC credit recapture, SBT ITC credit recapture, and the MBT liability.

• Column R: Extent used rate. Divide amounts on column Q by amounts on column H.

• Column T: MBT recapture base. Enter total amount of recapture capital investment from Worksheet 1a, column F; Worksheet 1b, column F and Worksheet 1c, column B.

• Column U: MBT recapture amount. Multiply amount in column T by rates in column G, and in column R.

Add up figures in each row of column U, and carry that amount to line 19. If filer is also reporting SBT ITC recapture, add both the total sum from column U in this form, and the amount from Form 4585, line 7 and enter the sum on line 19 on this form.

Worksheet 2 — Calculation of MBT ITC Recapture Rates and Amounts

A Taxable Year (End Date) in which MBT ITC Disposed Assets were acquired	B Allowable Michigan compensation and ITC credit amount from Form 4570, line 26	C Michigan Compensation Credit Amount from Form 4570, line 3	D ITC that offsets MBT liability Subtract column C from column B (Enter 0 if less than 0)

E Taxable Year (repeat from column A)	F MBT Capital Investment Amount from Form 4570, line 8	G ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	H Gross ITC Credit Amount Multiply column F by column G

I Taxable Year (repeat from column A)	J MBT Recapture of Capital Investment Amount from Form 4570, line 16	K ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	L Gross MBT ITC Recapture Multiply column J by column K	M MBT ITC Recapture Amount Offset by Credit Lesser of column L and H

N Taxable Year (repeat from column A)	O SBT ITC Credit Recapture Amount from Form 4570, line 19	P SBT ITC Recapture Amount Offset by Credit Lesser of column O, and column (H – M)	Q Total MBT ITC Credit Used Add columns D, M, and P	R Extent Credit Used Rate Divide column Q by column H

S Taxable Year (repeat from column A)	T Recapture base. Enter total amount of recapture from Worksheet 1a, column F; Worksheet 1 b, column F; and Worksheet 1c, column B.	U Recapture Amount. Multiply column T by column G and by column R

End of Amended Instructions

Instructions for Form 4570, Michigan Business Tax (MBT) Credits for Compensation, Investment, and Research and Development

Purpose

To claim the Compensation Credit, Investment Tax Credit (ITC), and the Research and Development Credit calculated here and carried to the *MBT Nonrefundable Credits Summary* (Form 4568).

NOTE: This form may be used by standard taxpayers to claim eligible credits and by financial institutions to claim the Compensation Credit only. Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they may be eligible.

The Compensation Credit and ITC together are limited to 52 percent of the pre-surcharge total tax liability. The Research and Development Credit, combined with the Compensation Credit and ITC, are limited to 65 percent of the pre-surcharge tax liability.

This form will also determine an ITC recapture that potentially could increase the tax liability.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer making a valid certificated credit election may also claim the credits on this form.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. The credits on this form are calculated on a group basis. Intercompany transactions are not eliminated for the calculation of any credits. Assets transferred between members of the group are not considered capital investments in qualifying assets for purposes of calculating the ITC in Part 2. Credits are generally applied against the tax liability of the Unitary Business Group (UBG), unless otherwise specified by statute.

Complete one Form 4570 for the group.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

Name and Account Number: Enter 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 or the *MBT Annual Return for Financial Institutions* (Form 4590)).

PART 1: COMPENSATION CREDIT

UBGs: If the taxpayer is a UBG, the Compensation Credit is calculated on the combined Michigan compensation of the UBG members. Intercompany transactions are not eliminated for this purpose.

Line 2: Enter compensation paid in the tax year on behalf of or for the benefit of employees, officers, or directors as defined in Michigan Compiled Laws 208.1107(2). Generally, under this definition, compensation includes, but is not limited to, payments that are subject to or specifically exempt or excepted from withholding under Internal Revenue Code (IRC) § 3401 through § 3406.

Compensation also includes fringe benefits and any earnings that are net earnings from self-employment, as defined under IRC § 1402, of the taxpayer, partner, or Limited Liability Company member of the taxpayer. Wages, salaries, fees, bonuses, commissions, and other payments made in the tax year on behalf of or for the benefit of employees, officers, or directors, as well as net earnings from self-employment, must be reported on a cash basis.

Payments made to a pension plan, retirement or profit sharing plan, employee insurance plans, and payments under health and welfare benefit plans, as well as the administration fees paid for the administration of the health and welfare benefit plan, are compensation. Compensation also includes certain payments made by licensed taxpayers that are statutorily identified. These compensation payments are calculated on a cash or accrual basis consistent with the taxpayer's method of accounting for federal income taxes. The statute provides for certain exclusions from compensation, including employee discounts on merchandise and services, payments for State and federal unemployment compensation and federal insurance contributions, and payments made to most independent contractors.

Expenses incurred for the benefit of the taxpayer rather than for the benefit of employees of the taxpayer are not compensation. Noncompensation expenses might include payments reported on a Form 1099 to an employee for the rental of a building or for interest income.

This credit is calculated on the taxpayer's Michigan compensation.

Compensation is "in this state" if (a) the individual's service is performed entirely within Michigan, or (b) the individual's service is performed both within Michigan and outside Michigan, but the services performed outside Michigan are incidental to the individual's service within Michigan.

Example 1: Sales Co. employs Salesperson whose territory includes both Detroit, Michigan, and Toledo, Ohio. Salesperson calls on customers located in both Michigan and Ohio. The compensation paid to Salesperson is not "compensation in this state" because Salesperson's activity is not limited solely to Michigan, and calling on customers in Ohio is not incidental to Salesperson's activity in Michigan.

Example 2: Manufacturer employs Engineer at its Michigan facility. Several times a year, Engineer travels out of state to meet with suppliers. Although Engineer performs services both within Michigan and outside Michigan, Engineer's out-of-state services are incidental to Engineer's services within Michigan. The compensation paid to Engineer is "compensation in this state."

PART 2: INVESTMENT TAX CREDIT

Use Part 2 to determine the total eligible acquisitions and dispositions for the filing period. Complete Tables 1 through 6 (lines 35 through 42) before completing lines 4 through 16. If more space is needed for any assets acquired, sold, or disposed of in this tax year, include additional copies of page 3 or page 4 (as applicable) of the form identifying the name and account number at the top with only the additional applicable fields completed. Financial institutions and insurance companies do not qualify for this credit.

For tax years beginning after 2007, taxpayers may claim an ITC for a percentage of the net costs paid or accrued in the filing period for qualifying tangible assets physically located in Michigan. The assets must be of a type that are or will become eligible for depreciation, amortization, or accelerated capital cost recovery for federal income tax. Mobile tangible assets (defined in the instructions for line 8), wherever located, are subject to apportionment in the same manner as the tax base. Assets purchased or acquired after 2007 for use outside of Michigan and moved into Michigan during the filing period, also qualify for ITC. Disposition of an asset, or moving an asset out of Michigan, creates recapture that reduces the credit. If recapture exceeds the positive credit earned by acquisitions, the tax liability is increased.

NOTE: Recapture from dispositions during the filing period of assets acquired (or moved into Michigan) after 1999 and before 2008 is calculated on the *MBT Investment Tax Credit Recapture from Sale of Assets Acquired Under Single Business Tax* (Form 4585).

If, during the filing period, a taxpayer acquired depreciable real or personal property or disposed of depreciable real or personal property that was acquired in a tax year beginning after 1999, complete this form and include it as part of the annual return. If property disposed of during the filing period was acquired in a tax year beginning after 1999 and before 2008, also complete and include Form 4585.

UBGs: If the taxpayer is a UBG, the ITC is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit.

The following instructions for the Part 2 "Capital Investments (Acquisitions)" and "Recapture of Capital Investments (Dispositions)" sections provide information on completing the tables on pages 3 and 4 of this form. The instructions for Part 4 follow these sections.

Capital Investments (Acquisitions)

NOTE: For Tables 1 through 3, all events that have varying dates must be listed separately. "Various" is not a valid entry in a date field. Multiple acquisitions (or transfers) may be combined as one entry, subject to the following: All combined events must satisfy the terms of the table in which they are entered. "Date Acquired" (or "Date Physically Located in Michigan") must be the same for all events combined on a single line. Cost includes costs of fabrication and installation.

Table 1: Enter a short description (for example, equipment, building, etc.), city or township in which the asset is located, date acquired, and cost paid or accrued of all eligible depreciable tangible assets located in Michigan that were acquired during the filing period.

If multiple pages of Form 4570, Table 1, are included, carry the grand total of all Table 1, column D, entries to line 4.

Table 2: Enter a short description (for example, equipment, automobile, etc.), city or township in which the asset is located, date physically located in Michigan, and adjusted basis (as calculated for federal purposes) as of the date moved of all eligible depreciable tangible assets purchased or acquired for use outside of Michigan after 2007 that were moved into Michigan during the filing period for a business use. Do not include mobile tangible assets (see below).

If multiple pages of Form 4570, Table 2, are included, carry the grand total of all Table 2, column D, entries to line 5.

Table 3: Enter a short description (for example, construction equipment, aircraft, etc.), the state in which the asset primarily was based during the tax year, date acquired, and cost paid or accrued during the filing period for all depreciable mobile tangible assets that were acquired during the filing period, whether located in Michigan or outside Michigan.

Mobile tangible assets are all of the following:

- Motor vehicles that have a gross vehicle weight rating of 10,000 pounds or more and are used to transport property or persons for compensation.
- Rolling stock (railroad freight or passenger cars, locomotives, or other railcars), aircraft, and watercraft used by the owner to transport property or persons for compensation or used by the owner to transport the owner's property for sale, rental, or further processing.
- Equipment used directly in completion of, or in construction contracts for, the construction, alteration, repair, or improvement of property.

If multiple pages of Form 4570, Table 3, are included, carry the grand total of all Table 3, column D, entries to line 6.

Recapture of Capital Investments (Dispositions)

Use this section to compute credit recapture from disposition (or moving out of Michigan) of tangible, depreciable real or personal property that was acquired in a tax year beginning after 2007. Recapture from the disposition of qualifying property that was acquired in a tax year beginning after 1999 but before 2008 is calculated on Form 4585 and reported here.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture based upon the entire sale price in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

UBGs: If the taxpayer is a UBG, the recapture of capital investments is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit or its recapture. However, moving an asset outside of Michigan creates recapture, even if the transfer is to a member of the UBG.

NOTE: For Tables 4 through 6, all events that have varying dates must be listed separately. "Various" is not a valid entry in a date field. Multiple dispositions (or transfers) may be combined as one entry, subject to the following: All combined events must satisfy the terms of the table in which they are entered. "Date Acquired" must be the same for all events combined on a single line, and "Date Sold" (or "Date Transferred") also must be the same.

Table 4: Enter all dispositions of depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 2007 and were sold or otherwise disposed of during the filing period. Give all information required for each disposition in columns A through F. In column A, enter a short description (for example, equipment, building, etc.). Enter gross sales price (net of costs of sale) in column E, and in column F, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

NOTE: Sales price includes any benefit derived from the sale.

If multiple pages of Form 4570, Table 4, are included, carry the grand total of all line 39 entries to line 10.

Table 5: Enter all dispositions of depreciable mobile tangible assets that were acquired after 2007 and were sold or otherwise disposed of during the filing period. Give all information required for each disposition in columns A through F. In column A, enter a short description (for example, construction equipment, aircraft, etc.). Enter gross sales price (net of costs of sale) in column E, and in column F, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes. For property placed in service after December 31, 2007, gain reflected in federal taxable income (as defined for MBT purposes) is the gain reported federally except that it shall be calculated as if IRC § 168(k) were not in effect.

NOTE: Sales price includes any benefit derived from the sale.

If multiple pages of Form 4570, Table 5, are included, carry the grand total of all line 41 entries to line 13.

Table 6: Enter all depreciable tangible assets other than mobile tangible assets acquired after 2007 that were eligible for ITC and were transferred outside Michigan during the filing period. Give all information required for each disposition in columns A through E. In column A, enter a short description (e.g., equipment, automobile, etc.) and in column B, enter the Michigan city or township in which the asset was located before its transfer. In column E, enter adjusted basis as used for federal purposes. Do not use a recomputed MBT basis for this purpose.

If multiple pages of Form 4570, Table 6, are included, carry the grand total of all Table 6, column E, entries to line 15.

PART 4: RESEARCH AND DEVELOPMENT CREDIT

Line 29: As used in this part, *research and development expenses* means that term as defined in IRC § 41(b).

UBGs: If the taxpayer is a UBG, the Research and Development Credit is calculated on the combined research and development expenses of standard members of the UBG. Intercompany transactions are not eliminated for this purpose. Qualified expenses incurred by members of a UBG that are paid to fellow members are included in calculating the group's credit.

Include completed Form 4570 as part of the tax return filing.

Attachment 06

2012 MICHIGAN Business Tax Common Credits for Small Businesses

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

The Small Business Alternative Credit is NOT available if any of the following conditions exist:

- Gross receipts exceed $20,000,000; or
- Adjusted business income after loss adjustment exceeds $1,344,200; or
- Any individual, shareholder or officer has allocated income after loss adjustment of over $180,000, or any partner has distributive share of income after loss adjustment of over $180,000, as determined on Form 4577 or 4578. Form 4577 or 4578 must be included.**
- Compensation and director fees of a shareholder or officer of a C Corporation exceed $180,000.

The Small Business Alternative Credit must be reduced if any of the following conditions exist:

- Any individual, shareholder or officer has allocated income after loss adjustment of over $160,000 but not over $180,000, or any partner has distributive share of income after loss adjustment of over $160,000 but not over $180,000, as determined on Forms 4577 or 4578. Form 4577 or 4578 must be included.**
- Gross receipts exceed $19,000,000 but are less than $20,000,000.

** *Individuals and fiduciaries filing as individuals need not file Forms 4577 or 4578.*

1.	Tax liability prior to this credit from Form 4568, line 6	1.	00

PART 1: SMALL BUSINESS ALTERNATIVE CREDIT

If not claiming a Small Business Alternative Credit, skip to Part 2.

Adjusted Business Income

2.	Business Income from Form 4567, line 28 (see instructions)	2.	00
3.	Gross capital loss utilized on federal return (see instructions)	3.	00
4.	Federal net operating loss carryover or carryback from Form 4567, line 32	4.	00
5a.	Add lines 2, 3, and 4	5a.	00
5b.	Fiscal Filers: If Form 4567, box 11d, is checked, multiply line 5a by the percentage on Form 4567, line 11g. All others leave blank	5b.	00
5c.	Subtotal. If Form 4567, box 11d is checked, enter amount from line 5b. All others, enter amount from line 5a	5c.	00
6.	Compensation and director fees of active shareholders from Form 4577, line 3	6.	00
7.	Compensation and director fees of officers from Form 4577, line 4	7.	00
8.	Adjusted Business Income. Add lines 5c through 7	8.	00

Small Business Alternative Credit Calculation

9.	Small Business Alternative Tax. Multiply line 8 by 1.8% (0.018). If less than zero, enter zero	9.	00
10.	**Small Business Alternative Credit**. Subtract line 9 from line 1. If less than zero, enter zero	10.	00
11.	Allocated income/distributive share of income used for reduction (see instructions)	11.	00
12.	Reduction percentage from Reduced Credit Table on page 2 (based on amount from line 11)	12.	%
13.	**Reduced Credit.** Multiply line 12 by line 10. If gross receipts from Form 4567, line 12, are less than or equal to $19,000,000, carry amount to Form 4568, line 7 (see instructions)	13.	00
14.	Tax After Small Business Alternative Credit. Subtract line 13 from line 1	14.	00

Reduction Based on Gross Receipts

Complete this section if gross receipts are more than $19,000,000 but not more than $20,000,000.

15.	Gross receipts from Form 4567, line 12 (see instructions)	15.	00
16.	Excess gross receipts. Subtract $19,000,000 from line 15	16.	00
17.	Excess percentage. Divide line 16 by $1,000,000	17.	%
18.	Allowable percentage. Subtract line 17 from 100%	18.	%
19.	**Small Business Alternative Credit.** Multiply percentage on line 18 by the credit on line 13. Carry amount to Form 4568, line 7	19.	00
20.	Tax After Small Business Alternative Credit. Subtract line 19 from line 1	20.	00

Continue on Page 2

FEIN or TR Number

PART 2: GROSS RECEIPTS FILING THRESHOLD CREDIT

Complete this section if apportioned gross receipts are equal to or greater than $350,000 but less than $700,000.
See instructions for tax years less than 12 months.

21.	Tax before credit from line 1, 14 or 20, whichever applies	21.		00
22.	Threshold Ceiling	22.	700,000	00
23.	Gross Receipts from Form 4567, line 12 (see instructions)	23.		00
24.	Apportioned Gross Receipts. Multiply line 23 by percentage from Form 4567, line 11c	24.		00
25.	Excess Gross Receipts. Subtract line 24 from line 22. If negative, enter zero on line 27 (no credit allowed)	25.		00
26.	Gross Receipts Filing Threshold Credit Percentage. Divide line 25 by $350,000	26.		%
27.	**Gross Receipts Filing Threshold Credit**. Multiply line 26 by line 21. Carry amount to Form 4568, line 8	27.		00
28.	Tax After Gross Receipts Filing Threshold Credit. Subtract line 27 from line 21. (This line must be equal to Form 4568, line 9.)	28.		00

REDUCED CREDIT TABLE

If allocated* income is:	The reduced credit is:
$0 - $160,000	100% of the Small Business Alternative Credit
$160,001 - $164,999	80% of the Small Business Alternative Credit
$165,000 - $169,999	60% of the Small Business Alternative Credit
$170,000 - $174,999	40% of the Small Business Alternative Credit
$175,000 - $180,000	20% of the Small Business Alternative Credit

* See instructions for tax years less than 12 months.

Instructions for Form 4571
Michigan Business Tax (MBT) Common Credits for Small Businesses

NOTICE: The disqualifying amount of adjusted business income (ABI) is misstated on the *Michigan Business Tax Common Credits for Small Businesses* (Form 4571), due to a Michigan Department of Treasury error in calculating the annual inflation adjustment for this item. For the 2012 form the correct figure is $1,375,400 (not $1,344,200, as shown on the form). The face of the form will not be altered to reflect this change. The instructions have been corrected, effective February 13, 2014. Taxpayers impacted by this change may elect to file an amended return.

Purpose

To allow taxpayers to calculate the Small Business Alternative Credit and the Gross Receipts Filing Threshold Credit. Credits are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568).

A taxpayer is disqualified from taking the Small Business Alternative Credit under certain circumstances, which are detailed below.

A taxpayer with gross receipts allocated or apportioned to Michigan equal to or greater than $350,000, but less than $700,000, may claim a Gross Receipts Filing Threshold Credit.

Unitary Business Groups (UBGs): Taxpayers that are part of a UBG must use the gross receipts of the entire group before eliminations to determine if the gross receipts allocated or apportioned to Michigan are between $350,000 and $700,000.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer making a valid certificated credit election may also claim the credits on this form.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner, shareholder, or owner, based on the federal tax classification of the LLC. An LLC taxed as a Partnership for federal purposes is required to file as a Partnership for MBT. Similarly, an LLC taxed as a C Corporation or an S Corporation for federal purposes must file under that same entity type for MBT.

NOTE: A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Eligibility for the Small Business Alternative Credit

Taxpayers are not eligible for the Small Business Alternative Credit if any of the following conditions exist:

- Gross receipts exceed $20,000,000.
- Adjusted business income after loss adjustment exceeds:
  - $1,375,400 for Corporations or Partnerships (and LLCs federally taxed as such).
  - $180,000 for Individuals or Fiduciaries.
- Any shareholder or officer has allocated income after loss adjustment of over $180,000 or any partner has distributive share of income after loss adjustment of over $180,000, as determined on the *MBT Schedule of Shareholders and Officers* (Form 4577) or the *MBT Schedule of Partners* (Form 4578).

In addition, the Small Business Alternative Credit is reduced if an Individual, a partner in a Partnership, a shareholder of a Corporation, or an officer of a C Corporation has allocated income (or distributive share of income, for a partner) after loss adjustment of more than $160,000. This reduction is based on the individual/partner/officer/shareholder with the largest allocated or distributive share of income.

The Small Business Alternative Credit also is reduced if gross receipts exceed $19,000,000 but are not more than $20,000,000.

C Corporations

Allocated income for C Corporations is either:

(a) A shareholder or officer's compensation and director fees from Form 4577, column L, or

(b) A shareholder's compensation, director fees, and share of business income (or loss) after loss adjustment, from Form 4577, column N.

If either (a) or (b) is greater than $180,000 for any shareholder or officer, the Corporation is not eligible for the Small Business Alternative Credit. In addition, if either (a) or (b) is more than $160,000 but not more than $180,000 for any shareholder or officer, the Corporation must reduce the Small Business Alternative Credit based on the officer or shareholder with the largest allocated income.

S Corporations

Allocated income for S Corporations is shareholder's compensation, director fees, and share of business income (or loss), after loss adjustment, from Form 4577, column N.

NOTE: Individuals and Fiduciaries filing as Individuals do not need to file Form 4577 or Form 4578.

NOTE: Taxpayers leasing employees from professional employer organizations must include the compensation of officers (of the operating company) and shareholders who receive compensation in determining the eligibility for the Small Business Alternative Credit even though their compensation is paid by the professional employer organization.

Tax Years Less Than 12 Months

If the reported tax year is less than 12 months, gross receipts, adjusted business income, partners' distributive share of business income, and shareholders' and officers' allocated or distributive share of income must be annualized to determine eligibility. If annualized gross receipts exceed $19,000,000 but do not exceed $20,000,000, annualize figures to compute the Reduction Based on Gross Receipts, lines 15 through 20.

Annualizing

Multiply each applicable amount, total gross receipts, adjusted business income, and shareholder, officer, and partner income by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month. If the tax year is less than one month, consider the tax year to be one month for the purposes of the calculation.

Loss Adjustment

If taxpayers are not eligible for the full Small Business Alternative Credit due to an adjusted business income or allocated income disqualifier, they may benefit from the *MBT Loss Adjustment for the Small Business Alternative Credit* (Form 4575). If the adjusted business income was less than zero in any of the five years immediately preceding the tax year for which a taxpayer is claiming a credit and a Single Business Tax (SBT) Small Business Credit or MBT Small Business Alternative Credit was received for that same year, the taxpayer may be able to reduce the current year's adjusted business income or allocated income amounts by the loss. See Form 4575 for more details.

A loss adjustment will not prevent a reduction to the Small Business Alternative Credit based on gross receipts that exceed $19,000,000. It will also not change the amount of compensation on Form 4577, column L, for a C Corporation.

Special Instructions for UBGs

UBGs calculate the gross receipts and adjusted business income disqualifiers at the UBG level without eliminating intercompany transactions. For a UBG to claim a small business alternative credit, each member of the UBG that is a corporation (including an entity taxed federally as such) must file Form 4577. Each member of the UBG that is a partnership (including an entity taxed federally as such) must file Form 4578. The disqualifier that is based on allocated or distributive share of income is applied on a separate entity basis using a pro forma calculation for business income and is not a combined amount received from all members of a UBG. See the "Supplemental Instructions for Standard Members in UBGs" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

A disqualifier applies to a UBG if such disqualifier applies to any member of that UBG. For example, a UBG is disqualified from taking the Small Business Alternative Credit if that UBG includes a member that is a Partnership and any one partner of that Partnership receives more than $180,000 as a distributive share of the adjusted business income minus loss adjustment of the Partnership.

Similarly, the reduction percentages apply to a taxpayer that is a UBG if such reduction percentages apply to any member of that UBG. For example, the Small Business Alternative Credit of a taxpayer is reduced by 20 percent if the taxpayer is a UBG that includes a member that is a C Corporation, and the compensation and director fees of an officer of that member C Corporation exceed $160,000, but are less than $165,000.

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 *MBT Annual Return* (Form 4567).

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

PART 1: SMALL BUSINESS ALTERNATIVE CREDIT

Skip to Part 2 of this form if not claiming a Small Business Alternative Credit.

Business income is adjusted by federal net operating loss carryover or carryback from Form 4567, line 32. It is also adjusted by compensation and director fees of active shareholders and officers from Form 4577 and by capital losses.

Adjusted Business Income

Line 2: Enter business income from Form 4567, line 28. If not subject to Business Income Tax, enter business income from the *Business Income Worksheet* (Worksheet 4746) in Form 4600. Attach this worksheet to the return.

UBGs: Enter the business income before eliminations from Form 4580, Part 2B, line 30A.

Line 3: Enter all capital losses that were used federally to offset capital gain. This is not the net figure found on the Schedule D lines identified below. It is the amount of capital losses that were used in reaching the net figure on the federal return lines. If filing a U.S. Form 1040 or 1041, include the capital loss amount that the Individual or Fiduciary was able to use against the capital gain and the capital loss amount that the Individual or Fiduciary was permitted to deduct from ordinary income ($3,000 or less). Use both long-term and short-term capital losses here.

Identify the capital losses used in calculating the net figure using "Net short-term capital gain or (loss)" and "Net long-term capital gain or (loss)" from Schedule D of federal Forms 1040, 1041, 1065, 1120 and 1120S as applicable.

UBGs: Combine all capital losses for all members and enter on line 3.

Line 6 and line 7: Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Small Business Alternative Credit Calculation

Line 11: The Small Business Alternative Credit is reduced if an Individual, a partner in a Partnership, a shareholder of a Corporation, or an officer of a C Corporation has allocated income (or distributive share of income, for a partner) after loss adjustment of more than $160,000. This reduction is based on the individual/partner/officer/shareholder with the largest allocated or distributive share of income. Enter the allocated income of the shareholder or officer with the highest allocated income after loss adjustment or the highest distributive share of income assigned to a partner or individual, even if that figure is $160,000 or less.

If loss adjustment is successfully applied to fully or partially cure an owner's allocated or distributive income disqualifier, enter on line 11 the number from Form 4575, line 5.

Line 12: For a taxpayer whose owners or officers all have allocated or distributive share of income after loss adjustment of $160,000 or less, enter 100 percent. All other taxpayers, see the table at the bottom of page 2 of this form to determine what percent to enter on this line.

Line 13: All taxpayers must complete this line.

If gross receipts from Form 4567, line 12, are $19,000,000 or less, carry the amount on line 13 to Form 4568, line 7. For tax years less than 12 months, use annualized gross receipts. For guidance, see the "Annualizing" section at the beginning of these instructions.

UBGs: For the purpose of calculating the credit reduction based on gross receipts, the UBG combined gross receipts must reflect the sum of every member's gross receipts on a 12-month basis, before eliminations. Therefore, if no members of the UBG are short-year filers, use the amount from the *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580), Part 2B, line 17A. Otherwise, for all short-year members of the group, annualize their gross receipts amount from Form 4580, Part 2A, line 17A, and then combine the annualized amounts with the gross receipts (Form 4580, Part 2A, line 17A) for the remaining group members.

Reduction Based on Gross Receipts

Line 15: For tax periods less than 12 months, enter annualized gross receipts to determine if annualized gross receipts are more than $19,000,000 but not more than $20,000,000.

UBGs: To calculate the entry for this line, see the UBG guidance under line 13. Enter the sum of all members' 12-month basis gross receipts, before eliminations, on line 15 of this form.

PART 2: GROSS RECEIPTS FILING THRESHOLD CREDIT

Complete Part 2 if apportioned gross receipts are equal to or greater than $350,000 but less than $700,000.

Line 23: For tax periods less than 12 months, enter annualized gross receipts. For guidance, see the "Annualizing" section at the beginning of these instructions.

UBGs: To calculate the entry for this line, see the UBG guidance under line 13. Enter the sum of all members' 12-month basis gross receipts, before eliminations, on line 23 of this form.

Include completed Form 4571 as part of the tax return filing.

Attachment 10

2012 MICHIGAN Business Tax Charitable Contribution Credits

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

1. Tax liability prior to this credit from Form 4568, line 9 .... 1. ______ 00

COMMUNITY AND EDUCATION FOUNDATIONS CREDIT

If not claiming the Community or Education Foundations Credit, carry amount from line 1 to line 6.

2. Enter Community and/or Education Foundation Code(s) (see instructions) .... 2. Code 1 ______ Code 2 ______
3. Community and Education Foundations donation amount .... 3. ______ 00
4. Multiply line 3 by 50% (0.50) .... 4. ______ 00
5. **Community and Education Foundations Credit.** Enter the lesser of line 4, $5,000, or 5% (0.05) of the tax on Form 4567, line 53. Carry amount to Form 4568, line 10 .... 5. ______ 00
6. Tax After Community and Education Foundations Credit. Subtract line 5 from line 1. If less than zero, enter zero .... 6. ______ 00

HOMELESS SHELTER/FOOD BANK CREDIT

If not claiming the Homeless Shelter/Food Bank Credit, carry amount from line 6 to line 10.

7. Homeless Shelter/Food Bank cash donation amount .... 7. ______ 00
8. Multiply line 7 by 50% (0.50) .... 8. ______ 00
9. **Homeless Shelter/Food Bank Credit.** Enter the lesser of line 8, $5,000, or 5% (0.05) of the tax on Form 4567, line 53. Carry amount to Form 4568, line 11 .... 9. ______ 00
10. Tax After Homeless Shelter/Food Bank Credit. Subtract line 9 from line 6. If less than zero, enter zero. (This line must be equal to Form 4568, line 12.) .... 10. ______ 00

PUBLIC CONTRIBUTION CREDIT

If not claiming the Public Contribution Credit, complete line 11 and carry amount to line 15.

11. Enter tax amount from Form 4568, line 16 .... 11. ______ 00
12. Public Contribution donation amount .... 12. ______ 00
13. Multiply line 12 by 50% (0.50) .... 13. ______ 00
14. **Public Contribution Credit**. Enter the lesser of line 13, or $5,000, or 5% (0.05) of line 11. Carry amount to Form 4568, line 17 .... 14. ______ 00
15. Tax After Public Contribution Credit. Subtract line 14 from line 11. If less than zero, enter zero .... 15. ______ 00

ARTS AND CULTURE CREDIT

If not claiming the Arts and Culture Credit, carry amount from line 15 to line 20.

16. Arts and Culture donation amount (see instructions) .... 16. ______ 00
17. Qualified donation amount. Subtract $50,000 from line 16. If less than zero, enter zero .... 17. ______ 00
18. Multiply line 17 by 50% (0.50) .... 18. ______ 00
19. **Arts and Culture Credit.** Enter the lesser of line 18, $100,000, or the tax from line 15. Carry amount to Form 4568, line 18 .... 19. ______ 00
20. Tax After Arts and Culture Credit. Subtract line 19 from line 15. If less than zero, enter zero. (This line must be equal to Form 4568, line 19.) .... 20. ______ 00

Instructions for Form 4572
Michigan Business Tax (MBT) Charitable Contribution Credits

Purpose

To allow standard taxpayers to claim the charitable contribution credits. Credits are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568).

NOTE: Financial institutions and insurance companies are not eligible for these credits.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer making a valid certificated credit election may also claim the credits on this form.

Special Instructions for Unitary Business Groups

Credits are generally earned and calculated on a group basis, unless the relevant statute contains entity-specific provisions. These credits, including the ceilings on these credits, are calculated on a group basis.

Complete one Form 4572 for the group.

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 *MBT Annual Return* (Form 4567).

Lines 3, 7, 12, and 16: Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Credits

COMMUNITY AND EDUCATION FOUNDATIONS CREDIT

A partial credit is allowed when donating to the endowment fund of a certified community foundation or education foundation. A complete list is in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600). If a valid code is not entered, a credit will not be allowed. If donations were made to more than two foundations, attach a list referencing the additional foundations. For a contribution to a community foundation endowment, a taxpayer that also is subject to the Michigan Income Tax Act (Public Act (PA) 281 of 1967) may choose to claim a credit on the Individual Income Tax return or the MBT return, but not both. A contribution to an education foundation endowment, however, is available only under the MBT.

HOMELESS SHELTER/FOOD BANK CREDIT

A partial credit is allowed when making a cash donation to a qualifying shelter for homeless persons, food kitchen, food bank, or other entity whose primary purpose is to provide overnight accommodations, food, or meals to indigent persons. For more information, see Michigan Compiled Law 208.1427, found online at **www.legislature.mi.gov**. For a donation that qualifies for this credit, a taxpayer that also is subject to the Michigan Income Tax Act (PA 281 of 1967) may choose to claim a credit on the Individual Income Tax return or the MBT return, but not both.

PUBLIC CONTRIBUTION CREDIT

A partial credit is allowed for Corporations and Partnerships (and Limited Liability Companies federally taxed as such) when donations are made during the taxable year to public broadcast stations located in Michigan, Michigan public libraries, institutions of higher learning located in Michigan or a nonprofit corporation, fund, foundation, trust, or association organized and operated exclusively for the benefit of an institution of higher learning, the Michigan Colleges Foundation, and the Michigan Housing and Community Development Fund. A taxpayer that also is subject to the Michigan Income Tax Act (PA 281 of 1967) may not claim this credit under the MBT.

ARTS AND CULTURE CREDIT

A partial credit is allowed when donations are made to either of the following:

- **Category A:** A municipality or a nonprofit corporation affiliated with a municipality and an art, historical, or zoological institute for the purpose of benefiting the art, historical, or zoological institute, OR
- **Category B:** An institute devoted to the procurement, care, study, and display of objects of lasting interest or value.

To calculate the Arts and Culture Credit, a taxpayer may count aggregate contributions to the charities described in Category A above if those contributions exceed $50,000, as well as aggregate contributions to charities described in Category B if those contributions exceed $50,000. A taxpayer is not precluded from taking the credit for donations made to both categories as long as the taxpayer meets the minimum donation separately for each category and does not exceed the overall credit limitation of $100,000.

Contributions within a category may be aggregated to reach the $50,000 minimum. However, contributions made to one category may not be aggregated with contributions to the other to reach the $50,000 minimum.

Line 16: Use the worksheet below to calculate the donation amount.

If aggregate contributions to Category A institutions exceed $50,000, enter that aggregate amount here	
+	
If aggregate contributions to Category B institutions exceed $50,000, enter that aggregate amount here	
=	
TOTAL Arts and Culture donation amount	

Include completed Form 4572 as part of the tax return filing.

Attachment 11

2012 MICHIGAN Business Tax Miscellaneous Nonrefundable Credits

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

PART 1 - If not taking any credits in Part 1, skip to Part 2.

NASCAR SPEEDWAY CREDIT.

1. If eligible for this credit, enter tax from Form 4568, line 12 .... 1. 00
2. Eligible capital expenditures 2. 00
3. **NASCAR Speedway Credit.** Enter the lesser of line 1, line 2, or $1,580,000. Carry amount to Form 4568, line 13 .... 3. 00

STADIUM CREDIT.

4. If eligible for this credit, enter tax from Form 4568, line 12 .... 4. 00
5. Multiply line 4 by 25% (0.25) 5. 00
6. **Stadium Credit.** Enter the lesser of line 5 or $650,000. Carry amount to Form 4568, line 14 .... 6. 00

START-UP BUSINESS CREDIT

7. Start-Up Business Credit (attach MEDC Certificate) 7. 00
8. Recapture of Start-Up Business Credit 8. 00
9. **Start-Up Business Credit**. Subtract line 8 from line 7. Carry to Form 4568, line 15. If less than zero, enter as a negative number 9. 00

PART 2

10. Tax from Form 4568, line 19 .... 10. 00

NEXT ENERGY BUSINESS ACTIVITY CREDIT. If not claiming, carry amount from line 10 to line 13.

11. Next Energy Business Activity Credit (attach MEDC Certificate) 11. 00
12. **Next Energy Business Activity Credit.** Enter the lesser of line 10 or 11. Carry amount to Form 4568, line 20 .... 12. 00
13. Tax After Next Energy Business Activity Credit. Subtract line 12 from line 10 .... 13. 00

RENAISSANCE ZONE CREDIT. If not claiming, carry amount from line 13 to line 15.
If claiming, complete and include the *Renaissance Zone Credit Schedule*, Form 4595.

14. **Renaissance Zone Credit.** Amount from Form 4595, line 25b. Carry amount to Form 4568, line 21 .... 14. 00
15. Tax After Renaissance Zone Credit. Subtract line 14 from line 13. If less than zero, enter zero 15. 00

HISTORIC PRESERVATION CREDIT. If not claiming, carry amount from line 15 to line 18.

16. **Historic Preservation Credit** from Form 4584, line 28 .... 16. 00

17a. Recapture of Historic Preservation Tax Credit from Form 4584, line 2 .... 17a. 00

17b. Historic Preservation Credit Net of Recapture. Subtract line 17a from line 16. If less than zero, enter as a negative number. Carry to Form 4568, line 22 .... 17b. 00

18. Tax After Historic Preservation Credit. Subtract line 16 from line 15 and add line 17a 18. 00

LOW-GRADE HEMATITE CREDIT. If not claiming, carry amount from line 18 to line 23.

19. Current Year Credit. Multiply $1.00 by number of long tons of qualified low-grade hematite used 19. 00
20. Unused credit from previous period MBT return 20. 00
21. Total Available Credit. Add lines 19 and 20 .... 21. 00
22. **Low-Grade Hematite Credit.** Enter the lesser of line 18 or line 21. Carry amount to Form 4568, line 23 .... 22. 00
23. Tax After Low-Grade Hematite Credit. Subtract line 22 from line 18 .... 23. 00
24. Credit Carryforward. If line 21 is greater than line 18, enter the difference 24. 00

NEW MOTOR VEHICLE DEALER INVENTORY CREDIT. If not claiming, carry amount from line 23 to line 28.

25. Amount paid to acquire new motor vehicle inventory in the tax year 25. 00
26. Multiply line 25 by 0.25% (0.0025) 26. 00
27. **New Motor Vehicle Dealer Inventory Credit.** Enter lesser of line 23 or line 26. Carry amount to Form 4568, line 24 .... 27. 00
28. Tax After New Motor Vehicle Dealer Inventory Credit. Subtract line 27 from line 23. If less than zero, enter zero 28. 00

Continue on Page 2.

FEIN or TR Number:

LARGE FOOD RETAILER CREDIT. If not claiming, carry amount from line 28 to line 32.

29.	Michigan compensation	29.	00
30.	Multiply line 29 by 1% (0.01)	30.	00
31.	**Large Food Retailer Credit.** Enter lesser of line 28, line 30, or $8,500,000. Carry amount to Form 4568, line 25	31.	00
32.	Tax After Large Food Retailer Credit. Subtract line 31 from line 28. If less than zero, enter zero	32.	00

MID-SIZE FOOD RETAILER CREDIT. If not claiming, carry amount from line 32 to line 36.

33.	Michigan compensation	33.	00
34.	Multiply line 33 by 0.125% (0.00125)	34.	00
35.	**Mid-size Food Retailer Credit.** Enter lesser of line 32, line 34, or $300,000. Carry amount to Form 4568, line 26	35.	00
36.	Tax After Mid-size Food Retailer Credit. Subtract line 35 from line 32. If less than zero, enter zero	36.	00

BOTTLE DEPOSIT ADMINISTRATION CREDIT. If not claiming, carry amount from line 36 to line 40.

37.	Expenses incurred in compliance with MCL 445.571 - 445.576	37.	00
38.	Multiply line 37 by 30.5% (0.305)	38.	00
39.	**Bottle Deposit Administration Credit**. Enter the lesser of line 36 or 38. Carry amount to Form 4568, line 27	39.	00
40.	Tax After Bottle Deposit Administration Credit. Subtract line 39 from line 36. If less than zero, enter zero	40.	00

MEGA FEDERAL CONTRACT CREDIT. If not claiming, carry amount from line 40 to line 42.

41.	**MEGA Federal Contract Credit** from Form 4584, line 37. Carry amount to Form 4568, line 28	41.	00
42.	Tax After MEGA Federal Contract Credit. Subtract line 41 from line 40. If less than zero, enter zero	42.	00

INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT CREDIT. If not claiming, carry amount from line 42 to line 48.

43.	Contribution amount from MSHDA certificate (attach)	43.	00
44.	Current Individual or Family Development Account (IFDA) Credit. Multiply amount on line 43 by 75% (0.75)	44.	00
45.	Unused credit from previous period MBT return	45.	00
46.	Total Available Credit. Add lines 44 and 45	46.	00
47.	**IFDA Credit.** Enter the lesser of line 42 or 46. Carry to Form 4568, line 29	47.	00
48.	Tax After IFDA Credit. Subtract line 47 from line 42. If less than zero, enter zero	48.	00
49.	Credit Carryforward. If line 46 is greater than line 42, enter the difference 49. 00		

BONUS DEPRECIATION CREDIT. If not claiming, carry amount from line 48 to line 52. Fiscal year filers, see instructions.

50.	Unused credit from previous MBT return	50.	00
51.	**Bonus Depreciation Credit.** Enter the lesser of line 48 or line 50. Carry to Form 4568, line 30	51.	00
52.	Tax After Bonus Depreciation Credit. Subtract line 51 from line 48. If less than zero, enter zero	52.	00
53.	Credit Carryforward. If line 50 is greater than line 48, enter the difference 53. 00		

INTERNATIONAL AUTO SHOW CREDIT. If not claiming, carry amount from line 52 to line 55.

54.	**International Auto Show Credit.** Enter the lesser of line 52 or $250,000. Carry to Form 4568, line 31	54.	00
55.	Tax After International Auto Show Credit. Subtract line 54 from line 52	55.	00

BROWNFIELD REDEVELOPMENT CREDIT. If not claiming, carry amount from line 55 to line 57.

56.	**Brownfield Redevelopment Credit** from Form 4584, line 55. Carry amount to Form 4568, line 32	56.	00
57.	Tax After Brownfield Redevelopment Credit. Subtract line 56 from line 55. If less than zero, enter zero	57.	00

PRIVATE EQUITY FUND CREDIT. If not claiming, carry amount from line 57 to line 62.

58.	Total activity of fund manager conducted in Michigan in the tax year	58.	00
59.	Total activity of fund manager conducted everywhere in the tax year	59.	00
60.	Credit percentage. Divide line 58 by line 59	60.	%
61.	**Private Equity Fund Credit.** Multiply line 57 by line 60. Carry amount to Form 4568, line 33	61.	00
62.	Tax After Private Equity Fund Credit. Subtract line 61 from line 57. If less than zero, enter zero	62.	00

FILM JOB TRAINING CREDIT. If not claiming, carry amount from line 62 to line 67.

63.	Amount from *Qualified Job Training Expenditure Certificate* provided by Michigan Film Office (attach)	63.	00
64.	Unused credit from previous period MBT return	64.	00
65.	Total Available Credit. Add lines 63 and 64	65.	00
66.	**Film Job Training Credit.** Enter the lesser of line 62 or line 65. Carry amount to Form 4568, line 34	66.	00
67.	Tax After Film Job Training Credit. Subtract line 66 from line 62. If less than zero, enter zero	67.	00
68.	Credit Carryforward. If line 65 is greater than line 62, enter the difference 68. 00		

Continue on Page 3.

FEIN or TR Number:

FILM INFRASTRUCTURE CREDIT. If not claiming, carry amount from line 67 to line 73.

69.	Amount from *Investment Expenditure Certificate* provided by Film Office (attach) or assigned credit amount	69.	00
70.	Unused credit from previous period MBT return	70.	00
71.	Total Available Credit. Add lines 69 and 70	71.	00
72.	**Film Infrastructure Credit.** Enter the lesser of line 67 or line 71. Carry amount to Form 4568, line 35	72.	00
73.	Tax After Film Infrastructure Credit. Subtract line 72 from line 67. If less than zero, enter zero	73.	00
74.	Credit Carryforward. If line 71 is greater than line 67, enter the difference 74. 00		

MEGA PLUG-IN TRACTION BATTERY MANUFACTURING CREDIT. If not claiming, carry amount from line 73 to line 76.

75.	**MEGA Plug-In Traction Battery Manufacturing Credit** from Form 4584, line 64. Carry amount to Form 4568, line 36	75.	00
76.	Tax After MEGA Plug-In Traction Battery Manufacturing Credit. Subtract line 75 from line 73. If less than zero, enter zero	76.	00

ANCHOR COMPANY PAYROLL CREDIT. If not claiming, carry amount from line 76 to line 78.

77.	**Anchor Company Payroll Credit** from Form 4584, line 72. Carry amount to Form 4568, line 37	77.	00
78.	Tax After Anchor Company Payroll Credit. Subtract line 77 from line 76. If less than zero, enter zero	78.	00

ANCHOR COMPANY TAXABLE VALUE CREDIT. If not claiming, carry amount from line 78 to line 80.

79.	**Anchor Company Taxable Value Credit** from Form 4584, line 80. Carry amount to Form 4568, line 38	79.	00
80.	Tax After Anchor Company Taxable Value Credit. Subtract line 79 from line 78. If less than zero, enter zero	80.	00

MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS.
If not claiming, carry amount from line 80 to line 82.

81.	**MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits** from Form 4584, line 88. Carry amount to Form 4568, line 39	81.	00
82.	Tax After Miscellaneous MEGA Battery Credit. Subtract line 81 from line 80. If less than zero, enter zero	82.	00

Instructions for Form 4573
Michigan Business Tax (MBT) Miscellaneous Nonrefundable Credits

IMPORTANT NOTE: In June 2013, the Michigan Department of Treasury updated the instructions for the Historic Preservation Credit and Brownfield Redevelopment Credit to clarify when those credits are eligible for refund.

Purpose

To allow standard taxpayers to claim certain miscellaneous nonrefundable credits. Generally, credits and any carryforwards allowed are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568). Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

NOTE: This form may also be used by financial institutions to claim a limited number of credits:

- Renaissance Zone Credit
- Historic Preservation Credit
- Individual or Family Development Account Credit
- Brownfield Redevelopment Credit
- Assigned Film Infrastructure Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

Fiscal Year Filers: All credits must be calculated using actual numbers from the period included on this return. For more information, see "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

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

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members will be entered on each corresponding line on the form.

To the extent that a qualified taxpayer earning the Brownfield Redevelopment Credit or Historic Preservation Credit is included within a UBG taxpayer for relevant tax years, the qualified taxpayer's unused pre-2008 Brownfield Redevelopment Credit and/or Historic Preservation Credit (that is, such credits earned under the Single Business Tax (SBT)) may be applied against the tax liability imposed on the entire UBG taxpayer (of which the qualified taxpayer is a member) for the tax years the carryforward would have been available under SBT. These carryforwards are claimed on the *MBT Single Business Tax Credit Carryforwards* (Form 4569).

Find additional information on calculating credit carryforwards in the "Supplemental Instructions for Standard Members in UBGs" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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 applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

UBGs: Complete one form for the group. Enter the DM's name and account number.

PART 1

If not taking any credits in Part 1, skip to Part 2.

NASCAR Speedway Credit

For tax years that end before January 1, 2017, an eligible taxpayer may claim a credit against the tax imposed by the MBT Act equal to the amount of capital expenditures in this State on infield renovation, grandstand and infrastructure upgrades, and any other construction and upgrades subject to the following:

- The credit is limited to the lesser of the taxpayer's tax liability or $1,580,000.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has met the capital expenditure requirements by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

UBGs: If the eligible taxpayer is a member of a UBG, this credit is calculated against the eligible member's capital expenditures. This credit amount is limited to the lesser of the applicable dollar amount specified above or the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied toward the UBG's tax liability for that tax year.

An eligible taxpayer must expend at least $30,000,000 on capital expenditures before January 1, 2011. An eligible taxpayer is any of the following:

- A person who owns and operates a motorsports entertainment complex and has at least two days of sanctioned motorsports events each calendar year which are comparable to NASCAR Nextel Cup events held in 2007 or their successor events.
- A person who is the lessee and operator of a motorsports entertainment complex or the lessee of the land on which a motorsports entertainment complex is located and operates that motorsports entertainment complex.
- A person who operates and maintains a motorsports entertainment complex under an operation and management agreement.

Motorsports entertainment complex and Motorsports event are defined terms in the statute.

Line 2: Enter eligible capital expenditures on infield renovation, grandstand, and infrastructure upgrades, and any other construction and upgrades. If eligible capital expenditures were made by a member of a UBG, enter the lesser of the eligible capital expenditures or the eligible member's pro forma liability.

UBGs: If the eligible taxpayer is a member of a UBG, a pro forma calculation must be performed to determine the tax liability of the eligible taxpayer prior to this credit. Where a pro forma calculation is required, the underlying objective is to determine what the tax liability of the UBG member generating the credit would have been if that member was not included in the UBG. Therefore, the UBG member generating the credit must calculate its pro forma tax liability as if it was a singular, stand alone taxpayer in all aspects. This supporting calculation should be provided in a statement attached to this form. However, this calculation should never be transferred to a Form 4567 or displayed as such.

Line 3: Enter the lesser of line 1, line 2 or $1,580,000.

Stadium Credit

For the 2012 tax year, an eligible taxpayer may claim a credit against the tax imposed by the MBT Act equal to 25 percent of the taxpayer's total tax liability not to exceed $650,000.

An eligible taxpayer who is collectively or individually (including through affiliated companies) an owner, operator, manager, licensee, lessee, or tenant of more than one facility or stadium in Michigan (including grounds and ancillary facilities) that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment may earn a credit in one of two ways:

- The owner, operator, manager, licensee, lessee, or tenant as described above may make a capital investment of not less than $125,000,000, collectively or individually (including through affiliated companies), into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit and must not have received proceeds from a State appropriation or a public bond issue from a local unit of government or public authority to assist in the construction or debt retirement of the facility, excluding a tax abatement, other waiver of a State or local tax or fee, or a State or local tax or fee from a public entity for road or infrastructure assistance, or
- The owner, operator, manager, licensee, lessee, or tenant as described above may make a capital investment of not less than $250,000,000, collectively or individually (including through affiliated companies), into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

Line 4: Enter the amount from Form 4568, line 12. If the eligible taxpayer is a member of a UBG, enter instead the member's pro forma tax liability. (See information for UBGs below.)

UBGs: See guidance on pro forma calculations in the UBG note under line 2.

Start-Up Business Credit

The Start-Up Business Credit provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer's MBT liability for the year. To qualify, a taxpayer must apply to and obtain annual certification from the Michigan Economic Development Corporation (MEDC), and attach that certificate to its MBT return. For an application form or additional information, call the MEDC at (517) 373-9808.

For the tax year for which a Start-Up Business Credit is claimed, compensation, director fees, or distributive shares paid by the taxpayer to any one of the following cannot exceed $135,000:

- A shareholder of a C Corporation or S Corporation. *Shareholder* means a person who owns outstanding stock in a business or is a member of a business entity (for example, an LLC) that files as a corporation for federal income tax purposes. All members of a shareholder's family, as defined by Internal Revenue Code (IRC) § 318(a)(1), that receive compensation from the business are considered shareholders.
- An officer of a C Corporation.
- A partner of a Partnership or Limited Liability Partnership.
- A member of a Limited Liability Company (LLC).
- An Individual who is an owner.

Corporations (and LLCs federally taxed as such) must report compensation and director fees of shareholders and (if a C Corporation) officers on the *MBT Schedule of Shareholders and Officers* (Form 4577) and include it as part of the return. Partnerships (and LLCs federally taxed as such) must report distributive shares to partners on the *MBT Schedule of Partners* (Form 4578) and include it as part of the return.

A taxpayer that meets the criteria and that is a qualified start-up business that does not have business income for two consecutive tax years may claim a credit against the tax imposed for the second of those two consecutive tax years and each immediately following consecutive tax year in which the taxpayer does not have business income. For the purposes of this credit, business income excludes funds received from small business innovation research grants and small business technology transfer programs established under the Small Business Innovation Development Act of 1982, Public Law 97-219, reauthorized under the Small Business Research and Development Enhancement Act, Public Law 102-564, and subsequently reauthorized under the Small Business Reauthorization Act of 2000, Public Law 106-554.

A Start-Up Business Credit cannot be claimed for more than a total of five tax years including the number of years the taxpayer was eligible to claim the credit under SBT.

UBGs: If the eligible taxpayer is a member of a UBG, this credit is based on the eligible member's business activity only. This credit amount is limited to the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied towards the UBG's tax liability for that tax year.

Line 7: Enter the tax liability from Form 4568, line 12, or the eligible member's pro forma liability if part of a UBG. Attach supporting MEDC Certification Letter.

UBGs: See guidance on pro forma calculations in the UBG note under line 2.

Line 8: Enter any recapture of Start-Up Business Credit.

NOTE: A company claiming the Start-Up Business Credit under either MBT or SBT must pay back a portion of the credit if they have no business activity in Michigan and have business activity outside of Michigan within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100 percent of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67 percent of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33 percent of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

PART 2

Next Energy Business Activity Credit

The Next Energy Business Activity Credit allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

Qualified business activity is research, development, or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle, alternative energy technology, or renewable fuel (as defined in the Michigan Next Energy Authority Act).

Line 11: Attach the certificate issued by MEDC for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

UBGs: If the eligible taxpayer is a member of a UBG, the eligible member's calculated pro forma liability (not the group's liability) must be used to determine the credit amount certified by the MEDC. This supporting pro forma calculation should be provided in a statement attached to this form. However, this calculation should never be transferred to a Form 4567 or displayed as such. See guidance on pro forma calculations in the UBG note under line 2.

For more information, call the MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/**.

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.

Line 14: Complete and include the *MBT Renaissance Zone Credit Schedule* (Form 4595) to claim this credit.

If located in more than one zone, complete and include a separate Form 4595 for each zone. Add line 25b from each Form 4595 and enter the sum on line 14 of Form 4573.

NOTE: Beginning January 1, 2012, certain renaissance zone credits are available as a certificated credit. A certificated renaissance zone credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For more information see Form 4595.

For more information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at **http://www.michiganadvantage.org/**. For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at (517) 636-6925.

Historic Preservation Credit

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

NOTE: Beginning January 1, 2012, the historic preservation credit is available to the extent that a taxpayer had a Part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter before by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. A taxpayer may elect to claim a certificated historic preservation credit in the year in which a credit is available and will taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. The credit must first be claimed in the year that the certificate of completed rehabilitation of the historic resource was issued.

Line 16: Complete the *MBT Election of Refund or Carryforward of Credits* (Form 4584) to claim this credit and elect a carryforward of any excess credit.

Line 17a: Recapture from Form 4584, Line 2. If the resource is sold or the certification of completed rehabilitation or preapproval letter is revoked less than five years after the historic resource is placed in service, a percentage of the credit may be subject to recapture.

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

Questions regarding federal and State certification may be directed to SHPO at (517) 373-1630. For additional information, visit the SHPO Web site at **www.michigan.gov/shpo**. Information about Federal Historic Preservation Tax Incentives is available at **www.nps.gov/hps/tps/tax/index.htm**.

Low-Grade Hematite Credit

The Low-Grade Hematite Credit provides a credit equal to one dollar per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process, a process in which low-grade hematite is used as a raw material in the production of pig iron or steel, that is the business activity of the taxpayer. If the credit exceeds the tax liability, the excess may be carried forward for five years.

UBGs: The credit is calculated from the aggregate tonnage of qualified low-grade hematite pellets consumed by all UBG members in an industrial or manufacturing process.

Line 19: *Low-grade hematite* means any hematitic iron formation that is not of sufficient quality in its original mineral state to be mined and shipped for the production of pig iron or steel without first being drilled, blasted, crushed, and ground very fine to liberate the iron minerals and for which additional beneficiation and agglomeration are required to produce a product of sufficient quality to be used in the production of pig iron or steel. Qualified low-grade hematite must be produced from low-grade hematitic iron ore mined in the United States.

Line 20: UBGs: Enter the carryforward amount from Form 4580, Part 2B, line 51, column C.

Line 24: If line 21 is greater than line 18, enter the difference. This is a credit carryforward to be used on the taxpayer's immediately following MBT return.

New Motor Vehicle Dealer Inventory Credit

A taxpayer that is a new motor vehicle dealer licensed under the Michigan vehicle code, Michigan Compiled Law (MCL) 257.1 to 257.923, may claim a credit against the tax equal to 0.25 percent of the amount paid by the taxpayer to acquire new motor vehicle inventory in Michigan during the tax year.

Line 25: *New motor vehicle inventory* means new motor vehicles or new motor vehicle parts.

Large Food Retailer Credit

An eligible taxpayer may claim a Large Food Retailer Credit equal to 1 percent of the taxpayer's compensation in Michigan, not to exceed $8,500,000. A taxpayer that claims a Large Food Retailer Credit cannot also claim a Mid-Size Food Retailer Credit.

The taxpayer must meet all of the following criteria:

- Operates at least 17,000,000 square feet of enclosed retail space and 2,000,000 square feet of enclosed warehouse space in Michigan.
- Sells all of the following at retail:
  - Fresh, frozen, or processed food; food products; or consumable necessities.
  - Prescriptions and over-the-counter medications.
  - Health and beauty care products.
  - Cosmetics.
  - Pet products.
  - Carbonated beverages.
  - Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

Line 29: Enter compensation attributable to Michigan.

UBGs: If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

Mid-Size Food Retailer Credit

An eligible taxpayer may claim a Mid-Size Food Retailer Credit equal to 0.125 percent of the taxpayer's compensation in Michigan, not to exceed $300,000.

The taxpayer must meet all of the following criteria:

- Operates at least 2,500,000 square feet of enclosed retail space and 1,400,000 square feet of enclosed warehouse, headquarters, and transportation services in Michigan.
- Sells all of the following at retail:
  - Fresh, frozen, or processed food; food products; or consumable necessities.
  - Prescriptions and over-the-counter medications.
  - Health and beauty care products.
  - Cosmetics.
  - Pet products.
  - Carbonated beverages.
  - Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

Line 33: Enter compensation attributable to Michigan.

UBGs: If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

Bottle Deposit Administration Credit

An eligible taxpayer may claim a Bottle Deposit Administration Credit equal to 30.5 percent of the taxpayer's expenses incurred during the tax year to comply with MCL

445.571 to 445.576. *Eligible taxpayer* means a distributor or manufacturer who originates a deposit on a beverage container in accordance with MCL 445.571 to 445.576. *Beverage container* and *distributor* mean those terms as defined under MCL 445.571 to 445.576.

UBGs: If the eligible taxpayer is a member of a UBG, enter expenses incurred only by that eligible member. If multiple members of a UBG are eligible taxpayers, combine the expenses of those eligible members.

MEGA Federal Contract Credit

This credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the U.S. Department of Defense, Department of Energy, or Department of Homeland Security resulting in a minimum of 25 new full-time jobs.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 41: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

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

Individual or Family Development Account Credit

A taxpayer or qualified financial institution may claim a credit for 75 percent of certified contributions made to a reserve fund of a fiduciary organization in accordance with the Individual or Family Development Account Program Act, MCL 206.701 to 206.711. A *fiduciary organization* is a 501(c)(3) exempt, charitable organization approved by the Michigan State Housing Development Authority (MSHDA) to manage a reserve fund. A *reserve fund* is a fund established and managed by a fiduciary organization housed at a financial institution.

This credit is nonrefundable but may be carried forward up to ten years. The credits, combined with the equivalent credits found in the Individual Income Tax Act in MCL 206.276, may not exceed $1 million annually for all taxpayers. The determination of whether the annual limit is reached will be made by MSHDA, which must certify contributions eligible for a credit, in accordance with the Individual or Family Development Account Program Act.

Attach the certificate issued by MSHDA for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

NOTE: For purposes of this credit, *qualified financial institution* is defined by reference to the definition of *financial institution* in the Individual or Family Development Account Program Act, rather than the MBT Act. *Financial institution* for this credit is defined as "a state chartered bank, state chartered savings bank, savings and loan association, credit union, or trust company; or a national banking association or federal savings and loan association or credit union."

Line 45: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 52, column C.

Bonus Depreciation Credit

For tax years beginning after December 31, 2008, and ending before January 1, 2011, a taxpayer may claim a credit equal to 0.42 percent of the amount of the IRC § 168(k) deduction claimed on the taxpayer's federal return for the 2008 tax year apportioned to Michigan. If the credit exceeds the taxpayer's MBT liability, the excess may be carried forward for ten years or until used up, whichever comes first. This credit applies to all standard taxpayers other than regulated utilities.

Because no new Bonus Depreciation credit can be created on the 2011 forms, only the carryforward line remains for this item.

UBGs: If the eligible taxpayer is a member of a UBG, qualification for this credit is determined by that member's activities, and it is the tax year of each individual member that controls when that member may take a credit. Members with tax years ending before 2011 may claim this credit even if included in a UBG filing where the Designated Member has a fiscal year ending in 2011.

Line 50: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 53, column C.

International Auto Show Credit

A taxpayer who owns, operates, or controls an international auto show in Michigan that meets certain criteria may claim a credit. An international auto show must meet all of the following criteria:

- Promote, advertise, or display the design or concept of products that are designed, manufactured, or produced, in whole or in part, in this State and are available for sale to the general public.
- Use more than 100,000 square feet of floor space.
- Be open to the general public for at least seven consecutive days in a calendar year.
- Have attendance exceeding 500,000.
- Have more than 3,000 credentialed journalists, including international journalists, who attend the auto show.

A taxpayer claiming the International Auto Show Credit must maintain in its records proof that the international auto show satisfies all of the above criteria.

Line 54: The credit is equal to the qualified taxpayer's entire MBT liability or $250,000, whichever is less.

UBGs: If the eligible taxpayer is a member of a UBG, a pro forma tax calculation must be attached showing the individual member's tax liability. This credit is equal to the lesser of the member's entire MBT liability or $250,000, whichever is less. See guidance on pro forma calculations in the UBG note under line 2.

Brownfield Redevelopment Credit

The Brownfield Redevelopment Credit encourages businesses to make investment on 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.

NOTE: Beginning January 1, 2012, the Brownfield redevelopment credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. The credit must first be claimed in the year in which the certificate of completion is issued.

A taxpayer claiming a nonrefundable certificated brownfield credit may make the election in the year in which a credit is available and will remain taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished.

Line 56: Complete Form 4584 to claim this credit and elect a carryforward of any excess credit.

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.

Private Equity Fund Credit

An eligible taxpayer may claim a Private Equity Fund Credit equal to the eligible taxpayer's tax liability attributable to the activities as an eligible taxpayer for the tax year after claiming any other credits allowed under the MBT Act multiplied by a fraction, the numerator of which is the total activity of the private equity fund manager conducted in Michigan during the tax year and the denominator of which is the total activity of the private equity fund manager conducted everywhere during the tax year.

Eligible taxpayer means a taxpayer that is a private equity fund which serves as a conduit for the investment of private securities not listed on a public exchange by accredited investors or qualified purchasers at any time during which the investment is acquired or subsequently used to claim the credit under this section.

Accredited investor means that term as defined under Section 2 of the Securities Act of 1933, 15 USC 77b.

Qualified purchaser means that term as defined under Section 2 of the Investment Company Act of 1940, 15 United States Code (USC) 80a-2.

Line 58: *Private equity fund manager* means the person or persons responsible for the management of the investments of the eligible taxpayer.

For purposes of this credit, the location of the activity of the private equity fund manager is based on the location of the office from which the fund manager conducts management activity for the eligible taxpayer.

UBGs: If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted in Michigan.

Line 59: If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted everywhere.

Line 61: If the taxpayer engages in both private equity fund activities as well as other activities, the amount on line 70 cannot be used. Instead, the taxpayer must do a pro forma calculation of the tax before this credit based solely on the private equity fund activities.

UBGs: To the extent that a private equity fund is part of a UBG, the Private Equity Fund Credit is equal to the tax liability of the eligible member prior to this credit, multiplied by a fraction which is the Michigan activities of the manager over the activities of the manager everywhere. A pro forma calculation must be performed to determine the tax liability of the eligible UBG member prior to this credit. See guidance on pro forma calculations in the UBG note under line 2.

Film Job Training Credit

An eligible production company may claim a credit of up to 50 percent of qualified job training expenditures in film and digital media for qualified personnel, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by 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.

Line 63: Upon verification that the taxpayer has complied with the agreement terms and the qualified job training expenditures and eligibility are met, the Film Office will issue a *Qualified Job Training Expenditure Certificate* verifying the amount of the credit to be claimed. The certificate must be attached to the return to receive the credit.

NOTE: To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed for either an MBT or withholding tax liability.

Line 64: **UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 55, column C.

Line 68: If line 65 is greater than line 62, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at **www.michiganfilmoffice.org.**

Film Infrastructure Credit

An eligible taxpayer may claim a credit for investment in a qualified film and digital media infrastructure project of up to 25 percent of the base investment expenditures for the project, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by the State Treasurer. The credit is reduced by the amount of any Brownfield

Redevelopment Credit claimed under Section 437 of the MBT Act for the same base investment. 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.

Upon verification that the taxpayer has complied with the agreement terms and investment expenditures and eligibility are met, the Film Office will issue an *Investment Expenditure Certificate* stating the amount of the credit. The certificate must be attached to the return.

The credit may be assigned in the tax year in which the *Investment Expenditure Certificate* is received but any such assignment is irrevocable. The *MBT Film Credit Assignment* (Form 4589) must be attached to the return on which the credit is claimed.

An assigned credit amount must be claimed against the assignee's MBT liability during the assignee's tax year in which the credit was assigned.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

NOTE: To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed against either an MBT or withholding tax liability.

If the taxpayer originally awarded this credit sells or otherwise disposes of any tangible assets, the cost of which were included in the base investment, that taxpayer must recapture part of the credit in the year of disposition. Credit recapture is reported on Form 4587.

Line 70: **UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 56, column C.

Line 74: If line 71 is greater than line 67, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at **www.michiganfilmoffice.org.**

MEGA Plug-In Traction Battery Manufacturing Credit

The MEGA Plug-In Traction Battery Manufacturing Credit encourages investment in the development, manufacture, commercialization, and affordability of advanced automotive high-power energy batteries. The credit is available only to a taxpayer that has entered into an agreement with MEGA that provides that the taxpayer will manufacture plug-in traction battery packs in Michigan. The taxpayer must attach the MEGA certificate to the MBT annual return on which the credit is claimed.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/**.

Line 75: Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

Anchor Company Payroll Credit

This 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.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 77: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

Anchor Company Taxable Value Credit

This 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.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 79: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

NOTE: Beginning January 1, 2012, these credits are available as certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

NOTE: The MEGA battery manufacturing facility credit now has a limited accelerated option. For more information on accelerated certificated credits, see Form 4588.

Line 81: Complete Form 4584 to claim the MEGA Poly-Silicon Energy Cost Credit, MEGA Plug-in Traction Battery Integration Credit, MEGA Advanced Battery Engineering Credit, MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and/or MEGA Advanced Lithium Ion Battery Credit and elect a refund or carryforward of any excess credit. Carry amount to Form 4568, line 39.

Include completed Form 4573 as part of the tax return filing.

2012 MICHIGAN Business Tax Refundable Credits

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

PERSONAL PROPERTY TAX CREDIT. If not claiming this credit, skip to line 8.

1.	Property taxes paid on eligible industrial personal property in the current MBT tax year (see instructions)	1.	00
2.	Multiply line 1 by 35% (0.35)	2.	00
3.	Property taxes paid on eligible telephone personal property in the current MBT tax year (see instructions)	3.	00
4.	Multiply line 3 by 13.5% (0.135)	4.	00
5.	Property taxes paid on eligible natural gas pipeline property in the current MBT tax year (see instructions)	5.	00
6.	Multiply line 5 by 10% (0.10)	6.	00
7.	**Personal Property Tax Credit**. Add lines 2, 4 and 6	7.	00

WORKERS' DISABILITY SUPPLEMENTAL BENEFIT (WDSB) CREDIT. If not claiming this credit, skip to line 9.

8.	**WDSB Credit** allowed by the Workers' Compensation Agency	8.	00

NEXT ENERGY PAYROLL CREDIT.
Available only to businesses located within an alternative energy renaissance zone. If not claiming this credit, skip to line 12.

9. Enter alternative energy renaissance zone property information below:

Street Address	
City	Parcel Number

10.	Total payroll of research, development or manufacturing employees who work primarily within the zone	10.	00
11.	**Next Energy Payroll Credit**. Multiply line 10 by 4.33% (0.0433). Fiscal filers, see instructions	11.	00

MEGA EMPLOYMENT TAX CREDIT. If not claiming this credit, skip to line 13.

12. Credit amount from *MEDC Annual Tax Credit Certificate* (attach) 12. 00

NASCAR SAFETY CREDIT. This credit is not available for tax years beginning after December 31, 2011. Skip to line 14.

13. **NASCAR Safety Credit.** 13. 00

HYBRID TECHNOLOGY RESEARCH AND DEVELOPMENT CREDIT. If not claiming this credit, skip to line 15.

14. Credit amount from *MEDC Annual Tax Credit Certificate* (attach). Cannot exceed $2,000,000 .... 14. 00

FARMLAND PRESERVATION CREDIT. If not claiming this credit, skip to line 16.

15. Credit amount from Form 4594, line 29 .... 15. 00

MEGA FEDERAL CONTRACT CREDIT. If not claiming this credit, skip to line 17.

16. Credit amount from Form 4584, line 35a 16. 00

MEGA PHOTOVOLTAIC TECHNOLOGY CREDIT. If not claiming this credit, skip to line 18.

17. Credit amount from *Certificate* provided by MEDC (attach) or assigned credit amount 17. 00

FILM PRODUCTION CREDIT. If not claiming this credit, skip to line 19.

18. Credit amount from *Post-Production Certificate of Completion* provided by Michigan Film Office (attach) or assigned credit amount (see instructions) 18. 00

MEGA PLUG-IN TRACTION BATTERY MANUFACTURING CREDIT. If not claiming this credit, skip to line 20.

19. Credit amount from Form 4584, line 62a 19. 00

ANCHOR COMPANY PAYROLL CREDIT. If not claiming this credit, skip to line 21.

20. Credit amount from Form 4584, line 70a 20. 00

ANCHOR COMPANY TAXABLE VALUE CREDIT. If not claiming this credit, skip to line 22.

21. Credit amount from Form 4584, line 78a 21. 00

MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS.
If not claiming this credit, skip to line 23.

22. Credit amount from Form 4584, line 86a 22. 00

TOTAL REFUNDABLE CREDITS

23. Add lines 7, 8, and 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22. Enter total here and carry to Form 4567, line 64; or Form 4590, line 37 .... 23. 00

Instructions for Form 4574
Michigan Business Tax (MBT) Refundable Credits

Purpose

To allow standard taxpayers to claim certain credits. Unless otherwise specified, if the amount of the credit exceeds the tax liability of the taxpayer for the tax year, that excess is refunded.

NOTE: This form may also be used by financial institutions to claim a limited number of credits:

- Michigan Economic Growth Authority (MEGA) Employment Tax Credit.
- Assigned MEGA Photovoltaic Technology Credit.
- Assigned Film Production Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

NOTE: Refunds of the Brownfield Redevelopment Credit and Historic Preservation Credit are no longer available on Form 4574. Taxpayers may apply for an accelerated payment of the qualified credits by filing the *Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4889).

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or a group basis, as determined by relevant statutory provisions for the respective credits. Inter-company transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

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 organization type of its parent, Designated Member (DM), or any member of the UBG. A UBG taxpayer will not be attributed an organization type based on the composition of its members.

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members will be entered on each corresponding line on this form. Line-by-line instructions indicate credits requiring entity-specific information.

Line-by-Line Instructions

Lines not listed here are explained on the form.

NOTE: Credits must be calculated based on actual, not annualized, amounts.

NOTE: Although qualification for certain credits is reviewed and approved by MEGA, in many cases the certificates for such credits are issued by the Michigan Economic Development Corporation (MEDC).

Name and Account Number: Enter 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 or the *MBT Annual Return for Financial Institutions* (Form 4590)).

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.

Personal Property Tax Credit

The Personal Property Tax Credit is available against personal property taxes paid in the tax year on eligible industrial personal property, eligible telephone personal property, and eligible natural gas pipeline property. The Personal Property Tax Credit is available only to the taxpayer who timely files the required statements or reports, to whom an assessment or bill is issued, and who pays the taxes in the tax year. A taxpayer that disagrees with the assessor's classification of property must pursue a change of classification through the property tax appeals process. Treasury will not revise a property classification for purposes of these credits.

Fiscal Year Filers: For the first tax period ending after January 1, 2012, this credit only applies to those property taxes paid after December 31, 2011, and before the end of the tax period included on the return.

Line 1: *Eligible industrial personal property* is property classified as industrial personal property under Section 34c of the General Property Tax Act (Michigan Compiled Law (MCL) 211.34c). Under MCL 211.34c, the assessor is charged with the responsibility of classifying property. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

Line 3: *Eligible telephone personal property* is defined as personal property of a telephone company subject to the tax levied under MCL 207.1 to 207.21. The taxes on this property must have been paid during the tax year included in this return.

Line 4: For eligible telephone personal property levied and paid in the tax year the credit is equal to 13.5 percent of the taxes paid.

Line 5: *Eligible natural gas pipeline property* is defined as natural gas pipelines that are classified as utility personal property under Section 34c of the General Property Tax Act and are subject to regulation under the Natural Gas Act. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

Line 7: The taxpayer claiming a Personal Property Tax Credit must attach to the MBT return copies of property tax bills that properly identify "eligible" property and provide proof of payment of the tax in the tax year.

UBGs: Add up the property tax bills for all members and enter the total amount on the corresponding line. The requested tax bills and proof of payment for each member claiming the Personal Property Tax Credit should be attached to the group's annual return.

Workers' Disability Supplemental Benefit (WDSB) Credit

The WDSB Credit is available to self-insured taxpayers for the amount authorized by the Department of Licensing and Regulatory Affairs (LARA) during the tax year. The amount of the credit is provided to taxpayers by LARA.

For more information on WDSB credit eligibility, contact LARA, Workers' Compensation Agency at (517) 322-1879 or 1-888-396-5041, or visit the LARA Web site at **www.michigan.gov/lara.**

Line 8: Attach to the return a copy of the document provided by LARA to substantiate a claim for this credit.

UBGs: Enter total amount authorized for all members on line 8 and attach LARA documentation for each member.

Next Energy Payroll Credit

Next Energy Payroll Credit provides a payroll-based credit to a taxpayer located within an alternative energy Renaissance Zone. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development, or manufacturing and whose regular place of employment is within the Zone, multiplied by the Michigan Individual Income Tax (IIT) rate for that year. (The Michigan Individual Income Tax rate can be found at **www.michigan.gov/taxes**.) On October 1, 2012, the Michigan IIT rate changed from 4.35 percent to 4.25 percent. Because this change was effective October 1, 2012, the effective Michigan IIT rate for the 2012 tax year is 4.33%. For the 2013 tax year, the Michigan IIT rate will be 4.25%.

Line 11: A calendar filer and fiscal filer with a short year that ends before January 1, 2013, will multiply line 10 by the Individual Income Tax rate of 4.33% (0.0433).

Fiscal filers with a short year that begins after December 31, 2012, will have to separately account for the payroll paid before January 1, 2013, and the payroll paid after December 31, 2012. For payroll paid before January 1, 2013, multiply the amount by 4.33% (0.0433). For payroll paid after December 31, 2012, multiply the amount by 4.25% (0.0425). Combine the two amounts and enter that combined total on this line.

UBGs: If any member of a UBG is claiming the Next Energy Payroll Credit, attach a statement identifying the member(s) and providing information requested on the form. Enter the total payroll amount for all eligible members on line 10.

MEGA Employment Tax Credit

The MEGA Employment Tax Credit promotes economic growth and jobs in Michigan. For a period of time not to exceed 20 years, a taxpayer that is an authorized business or an eligible taxpayer may claim a credit equal to the amount certified each year by MEGA.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

MEGA may certify a credit based on an agreement entered into prior to January 1, 2008, under the Single Business Tax (SBT). The number of years for which the credit may be claimed under MBT will be equal to the maximum number of years designated in the resolution reduced by the number of years for which a credit has been claimed or could have been claimed under SBT.

A taxpayer that claimed a credit under either SBT or MBT that had an agreement with MEGA based on qualified new jobs as defined in the MEGA Act, and that removes 51 percent or more of those qualified new jobs from Michigan within three years after the first year in which the taxpayer claimed a credit, must pay back an amount equal to the total of all credits claimed no later than 12 months after those qualified new jobs are removed from Michigan. Recapture is reported on Form 4587.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

Line 12: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

UBGs: Enter the total amount of MEGA Employment Tax Credits claimed by eligible members and provide the requested MEGA certification for each eligible member.

NASCAR Safety Credit

This credit is not available for tax years after 2011. Leave line 13 blank, and continue to line 14.

Hybrid Technology Research and Development Credit

The Hybrid Technology Research and Development Credit is available for taxpayers who are engaged in research and development of a qualified technology. The credit is equal to 3.9 percent of the compensation as defined in the MBT Act for services performed in a qualified facility and paid to employees at the qualified facility in the tax year. To be eligible for this credit, the taxpayer must have entered into an agreement with MEGA before April 1, 2007, agreeing to meet certain statutory conditions.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012.

This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

A taxpayer claiming this credit may also claim the Research and Development Credit on the *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570). However, a taxpayer may not claim both credits for the same expenditures.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

Line 14: Eligible taxpayers receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.) The credit amount cannot exceed $2,000,000.

UBGs: Enter the total amount for this credit claimed by eligible members or $2,000,000, whichever is less, and provide the requested MEGA certification for each eligible member.

Farmland Preservation Credit

Farmland Preservation Credit gives back to farmland owners a portion of the property taxes paid on farmland. Farmland owners qualify for the credit by agreeing to preserve the land as farmland and not develop for another use.

To qualify for the credit, the taxpayer must meet the following requirements:

- Taxpayer must own farmland,
- Taxpayer must have entered into a Farmland Development Rights Agreement (FDRA) with the Michigan Department of Agriculture (MDA), and
- Taxpayer must complete the *Michigan Farmland Preservation Tax Credit* (Form 4594).

If agreements with MDA were entered into on or after January 1, 1978, the gross receipts qualifications in Part 1 of Form 4594 must be satisfied.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into a farmland preservation agreement by December 31, 2011. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

UBGs: UBG members claiming this credit should total all amounts from Form 4594, line 29, and enter on line 16 each eligible member should submit Form 4594, which would be calculated based upon that member's respective property tax obligation and its respective MBT Business Income Tax base.

MEGA Federal Contract Credit

This 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.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

MEGA Photovoltaic Technology Credit

The MEGA Photovoltaic Technology Credit is available to a qualified taxpayer that enters into an agreement with MEGA to construct and operate a new facility in Michigan which serves to develop and manufacture photovoltaic energy, photovoltaic systems, or other photovoltaic technology. Photovoltaic energy, systems, or technology rely on solar power. The credit is available for 25 percent of the taxpayer's capital investment in the new facility during the tax year.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been full claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The credit generally must be taken in equal installments over a two-year period beginning in the tax year in which the certificate is issued. A taxpayer may make an irrevocable assignment of all or a portion of the credit or may convey the right to the assignment on a form provided by MEGA, which will then issue assignment certificates to the assignee(s).

A taxpayer or assignee that claims a credit and subsequently fails to meet the requirements of the act or any other conditions established by MEGA in the agreement may, as determined by MEGA, have its credit reduced or terminated or have a percentage of the credit previously claimed added back to the tax liability of the taxpayer in the tax year that the taxpayer or assignee fails to comply. Recapture is reported on Form 4587.

A taxpayer certified to take the polycrystalline silicon credit under MCL 208.1432 is disqualified from taking this credit.

Line 17: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. A taxpayer claiming an assigned MEGA Photovoltaic Technology Credit must attach the assignment certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

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 tax liability or against taxes withheld under Chapter 7 of the Michigan Individual Income Tax Act.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

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

A Post-Production Certificate will be issued verifying the amount of the credit to be claimed once the Michigan Film Office is satisfied that expenditure and eligibility requirements are met.

The credit may be assigned in the tax year in which the Post-Production Certificate is issued but such assignment is irrevocable.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at **www.michiganfilmoffice.org.**

Line 18: A taxpayer claiming a Film Production Credit must attach the Post-Production Certificate to the return. A taxpayer claiming an assigned Film Production Credit must attach to the return an *MBT Film Credit Assignment* (Form 4589) approved by Treasury. (If the certificate or approved assignment form is not attached, the credit will be disallowed.)

UBGs: Enter the total amount for this credit claimed by all eligible members and provide the requested post-production certification or Form 4589 for each eligible member.

MEGA Plug-In Traction Battery Manufacturing Credit

The MEGA Plug-In Traction Battery Manufacturing Credit encourages investment in the development, manufacture, commercialization, and affordability of advanced automotive high-power energy batteries. The credit is available only to a taxpayer that has entered into an agreement with MEGA that provides that the taxpayer will manufacture plug-in traction battery packs in Michigan. The taxpayer must attach the MEGA certificate to the MBT annual return on which the credit is claimed.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/**.

Line 19: Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

Anchor Company Payroll Credit

This 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.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been full claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

Anchor Company Taxable Value Credit

This 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.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at **http://www.michiganadvantage.org/.**

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

Beginning January 1, 2012, these credits are available as certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Include completed Form 4574 as part of the tax return filing.

Attachment 09

2012 MICHIGAN Business Tax Loss Adjustment for the Small Business Alternative Credit

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

INSTRUCTIONS: Use this worksheet to qualify for an otherwise disallowed Small Business Alternative Credit by adjusting current year adjusted business income. This is available only if a taxpayer had a negative adjusted business income in any of the five tax years immediately preceding this tax year and received a Single Business Tax Small Business Credit or MBT Small Business Alternative Credit in the loss year. Partnerships and members of Unitary Business Groups, see instructions. Each Unitary Business Group member with a disqualifier must complete this form.

PART 1: CURRENT YEAR AMOUNTS

Use this section to determine amount of loss adjustment to business income needed to qualify for the Small Business Alternative Credit.

Adjustized Business Income Disqualifier

1.	Adjusted Business Income from Form 4571, line 8	1.	00
2.	Business Income Disqualifier. Enter $180,000 for individuals, or $1,344,200 for all other organization types	2.	00
3.	Loss adjustment required. Subtract line 2 from line 1. If less than zero, enter zero	3.	00

Shareholder Income Disqualifier: $180,000

4.	Enter the amount from Form 4571, line 5c	4.	00
5.	Shareholder Income Disqualifier (See chart in instructions)	5.	00
6.	Enter compensation and director fees from Form 4577, column L, of the shareholder creating the disqualifier or reduction*	6.	00
7.	Subtract line 6 from line 5. If less than zero, enter as a negative number	7.	00
8.	Divide line 7 by the percent of ownership from Form 4577, column G, for the shareholder on line 6	8.	00
9.	Loss adjustment required. Subtract line 8 from line 4	9.	00

* **Note:** If compensation exceeds $180,000 for any C Corporation shareholder or officer, a Small Business Alternative Credit cannot be claimed nor can a loss adjustment be used to reduce compensation from Form 4577, column L.

PART 2: AVAILABLE LOSS

Read instructions before completing Part 2. Use Part 2 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amounts in lines 11 through 16.

Complete lines 10 for the five immediately preceding tax years (oldest at left). Then complete lines 11 through 16, one column at a time beginning with the oldest, but completing only those columns representing periods that reported a loss AND received a Small Business Credit or Small Business Alternative Credit.

10. Tax year end date (MM-DD-YYYY)					
11. Adjusted business income					
12. Loss used on prior returns					
13. Loss available for current return					
14. Loss adjustment required					
15. Remaining loss adjustment required					
16. Loss adjustment carryforward					

Instructions for Form 4575, Michigan Business Tax (MBT) Loss Adjustment for the Small Business Alternative Credit

NOTICE: The disqualifying amount of adjusted business income (ABI) is misstated on line 2 of the *Michigan Business Tax Loss Adjustment for the Small Businesses Alternative Credit* (Form 4575), due to a Michigan Department of Treasury error in calculating the annual inflation adjustment for this item. For the 2012 form the correct figure is $1,375,400 (not $1,344,200, as shown on the form). The face of the form will not be altered to reflect this change. The instructions have been corrected, effective February 13, 2014. Taxpayers impacted by this change may elect to file an amended return.

Purpose

To reduce the adjusted business income (ABI) or shareholder allocated income to qualify for the Small Business Alternative Credit (SBAC) or minimize the reduction percentage required.

If the ABI was less than zero in any of the five years immediately preceding the tax year for which a credit is being claimed, and the taxpayer received a Small Business Credit (SBC) under the Single Business Tax (SBT) or SBAC under MBT for that same year, the taxpayer may adjust for the loss before figuring eligibility for the SBAC. Business income for credit purposes is adjusted by using available loss from prior years on a first-in, first-out basis until those losses are extinguished. A loss adjustment will not affect a reduction to the SBAC based on gross receipts that exceed $19,000,000. Also, it will not change the amount of compensation in column L for a C Corporation on the *MBT Schedule of Shareholders and Officers* (Form 4577).

NOTE: Use Part 2 to determine the loss available from the five preceding periods. Calendar year taxpayers will use the five years prior to the tax year: 2011, 2010, 2009, 2008, and one year of SBT, 2007. **Fiscal year taxpayers** will calculate using the short-period ending December 31, 2011, the fiscal year ending in 2011, and the fiscal years ending in 2010, 2009 and 2008.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600) for additional information.

NOTE: Although this form is formatted for Corporations, it can be used by other types of entities with minor adjustments. See instructions for further details.

Special Instructions for Unitary Business Groups (UBGs)

The ABI disqualifier must be calculated by the UBG by combining the ABIs of its members. Likewise, to reduce an ABI disqualifier of the UBG, loss adjustment must be calculated on a group level and used against the group's ABI. Loss used at the group level is independent of the loss available at the member level.

Disqualifiers based on shareholder or partner allocated income must be determined on a member by member basis. If any shareholder or partner has allocated income in excess of $180,000, the loss adjustment must be calculated on a member by member basis for any and all members for which it may apply. Loss used at a member level does not reduce the group's available loss.

NOTE: Members with available loss adjustment must complete a copy of Form 4575 using member data, referred to here as a member copy or member form. The combined UBG member data is displayed on a separate Form 4575 identified as "Group Copy for ABI." Details regarding the forms are addressed further in these instructions.

NOTE: The usage of loss adjustment for one disqualifier does not affect the available loss adjustment for the other disqualifier. This form will accommodate the separate maintenance of loss adjustment available for the UBG for both the ABI (Group Copy for ABI) and allocated income (separate member copy) disqualifiers. For years in which a member was not part of the UBG, the UBG will use that member's available loss from those separate years on a first-in, first-out basis until those losses are consumed or extinguished.

If one or more members exceed the shareholder income disqualifier, only those members with shareholder income disqualifiers must file a Form 4575, using member-only (pro forma) figures in lines 4 through 16 on each member form.

If the UBG's ABI exceeds the threshold, one Form 4575 must be filed to determine the UBG's business income loss adjustment, which will be calculated on a group basis (the Group Copy for ABI, detailed below). For years in which a member was not part of the UBG, the UBG will use that member's available loss from those separate years on a first-in, first-out basis until those losses are extinguished. These amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI. Supporting 4575 forms must be filed by each member who has a loss available from the separate years that is used against the UBG's ABI disqualifier (member forms). For members who do not exceed the credit's shareholder income threshold, only Part 2, lines 10 through 13, of Form 4575 need to be completed on the member form. For members who also exceed the credit's shareholder income threshold, lines 4 through 16 of the member form must be completed. Member forms must be completed using member-only figures.

Shareholder Income Disqualifier

Any member whose shareholder income creates a partial or complete disqualification, and that has loss available to resolve that disqualification in whole or in part, must file Form 4575. Leave lines 1 through 3 blank. Complete line 4 (using a pro forma figure) and lines 5 through 16, all with data for the reporting member only. For years that the member was part of the UBG, pro forma figures will be entered in lines 11 through

13; however, the member cannot complete these lines for a tax year that it was part of the UBG and the UBG did not receive the SBAC. The member may complete these lines for a tax year that it was **not** a member of the UBG and it received the SBC or SBAC, regardless of whether the UBG received the credit in that same year. Lines 14 through 16 on the member's Form 4575 will reflect the usage of loss adjustment to resolve the allocated income disqualifier only. The use of loss adjustment to resolve the ABI disqualifier will be maintained on the Group Copy for ABI.

NOTE: If any member still has a total disqualification on this basis (greater than $180,000) after completing its own Form 4575 as described above, the UBG is disqualified from the SBAC. Do not proceed with these instructions. However, if each member's shareholder income disqualification is fully resolved or reduced to a partial disqualification by this method, continue below to compute the groupwide ABI loss adjustment required.

Adjusted Business Income Disqualifier

This disqualifier is calculated at the group level. If the UBG has ABI in excess of $1,375,400, the UBG must complete one group Form 4575. The groupwide Form 4575 will calculate loss available from the UBG's prior tax years as well as organize the members' available loss that may be used against this disqualifier. These member amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI.

In the Taxpayer Name field at the top of the page, enter the Designated Member's (DM's) name followed by the DM's Federal Employer Identification Number (FEIN) or Michigan Department of Treasury (TR) assigned number. In the Unitary Business Groups Only field, enter "GROUP COPY FOR ABI," and leave FEIN or TR Number field blank. On this group copy of Form 4575, enter groupwide data for lines 1 through 3. Leave lines 4 through 9 blank. Complete lines 10 through 16 following line-specific instructions.

To reduce the UBG's ABI disqualifier, the group will use its available loss from a prior tax period when the UBG received the SBAC, as well as a member's available loss from a tax year when it received the SBC or SBAC and was not part of the UBG (member's separate year). However, the group may not use a member's separately calculated available loss for a tax year when the member was part of the UBG to reduce the group's ABI disqualifier.

To reduce the UBG's ABI disqualifier, available loss is used on a first-in, first-out basis until those losses are extinguished. For the purposes of completing Part 2, if a member's separate year does not share a common year end with the UBG, use a separate column for that member. If some members' separate years share a common year end, total the amount of those members' available loss in a single column. Arrange all of the columns in chronological order. If additional columns are needed to accommodate the five preceding periods, create and attach a table comparable to that found in lines 10 through 16. Apply to that custom table the calculations described in the form text and instructions for lines 10 through 16.

Lines 14 through 16 on the Group Copy for ABI will reflect the usage of loss adjustment to resolve the ABI disqualifier and the maintenance of loss adjustment available for future years (within the five year statutory period). Loss adjustment used for the ABI disqualifier is not recorded on the member copy of Form 4575. However, loss adjustment used for the ABI disqualifier from a member's separately filed years should be tracked in the taxpayer's records. Any ABI loss adjustment remaining from a member's separately filed years will be available to that member in the event the member leaves the UBG prior to complete usage of the loss adjustment available by the UBG. See the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600 for details.

NOTE: If the UBG still has a disqualification on this basis (greater than $1,375,400) after completing the group's Form 4575 as described above, the UBG is disqualified from the SBAC. Do not proceed with these instructions.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

Name and Account Number: Enter name and account number as reported on page 1 of the *MBT Annual Return* (Form 4567).

UBGs: Complete one form for each member for whom this schedule applies. Enter the DM's name in the Taxpayer Name field and the member to whom the schedule applies on the line below. For the form that determines the UBG's ABI loss adjustment, enter the DM's name and FEIN in the first identification line, and "GROUP COPY FOR ABI" and no FEIN in the second identification line.

Part 1: Current Year Amounts

Use Part 1 to determine the amount of loss adjustment necessary to qualify for the SBAC.

If the taxpayer is not eligible for the credit because the ABI exceeds $1,375,400 ($180,000 for individuals), complete lines 1 through 3.

If the taxpayer is not eligible because a shareholder's allocated income exceeds $180,000, or a partner's distributive income exceeds $180,000, complete lines 4 through 9 for the shareholder(s) or partner(s) creating the disqualifier. The loss adjustment required is the largest amount needed to eliminate all allocated income disqualifiers.

Partnerships: Form 4575 is formatted for Corporations. To use it for a Partnership, make these changes:

Enter on line 6 any guaranteed payments made to the partner creating a $180,000 disqualifier.

On line 8, divide by the percentage of ownership from column C of the *MBT Schedule of Partners* (Form 4578).

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner, shareholder, or owner, based on the federal characterization of the LLC. An LLC taxed as a Partnership for federal purposes must file as a Partnership for MBT. Similarly, an LLC taxed as a C Corporation or S Corporation for federal purposes must file under that same status for MBT.

NOTE: In general, a federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Reduced SBAC: A reduction of the SBAC is required if an Individual, a partner in a Partnership, a shareholder of a Corporation, or an officer of a C Corporation has allocated income after loss adjustment of more than $160,000. This reduction is based on the Individual/partner/officer/shareholder with the largest allocated income.

Complete lines 4 through 9 for the shareholder or partner creating the need to reduce the SBAC.

Form 4575 should always be calculated initially using $160,000 on line 5. This calculation will establish taxpayer eligibility without the need to reduce the SBAC. However, if the total loss available for the current year on line 13 does not equal or exceed the loss adjustment required on line 9, the taxpayer may still calculate a lesser loss adjustment to claim a reduced credit.

Try the calculation more than once. Substitute the numbers shown on the chart in the instructions for line 5, in order to maximize the claimed SBAC.

Tax Year Less Than 12 Months: Business income and shareholder disqualifiers must be calculated on an annualized basis. Enter annualized numbers on lines 1, 4, and 6. Part-year shareholders also must annualize compensation and report that figure on line 6.

Annualizing

To annualize, multiply each applicable amount, ABI, or shareholder compensation, by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

Line 4: **UBGs:** When calculating the amount of loss adjustment needed to reduce a member's shareholder income disqualifier, the member should calculate a pro forma of the *MBT Common Credits for Small Businesses* (Form 4571) for the purpose of completing this line.

Line 5: Form 4575 should always be calculated initially using $160,000. This calculation will establish taxpayer eligibility without the need to reduce the SBAC. However, if the total loss available for the current year on line 13 does not equal or exceed the loss adjustment required on line 9, the taxpayer may still calculate a lesser loss adjustment to claim a reduced credit.

Line 5	Eligible % of Credit
$ 160,000	100% - no reduction
$164,999	80%
$169,999	60%
$174,999	40%
$180,000	20%

Part 2: Available Loss

Use Part 2 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amount.

Complete lines 10 through 16 one column at a time. For lines 11 through 16, complete only columns for periods that reported a loss **and** received an SBC or SBAC.

Line 10: Enter each tax year end date for periods where loss occurred. Begin with the earliest year in the left column.

Line 11: Enter (as a positive number) the negative ABI from Form 4571, line 8, for tax years where an SBAC was received.

Calendar year taxpayers: For SBT tax years, enter the ABI from the SBT Credit for Small Businesses and Contribution Credits (Form C-8000C), line 9, for each tax year that reported a loss and received an SBC.

UBGs: When completing a member's form, this line is calculated using member specific (pro forma) data. Note, however, the member cannot enter an ABI amount for a tax year that it was part of the UBG and the UBG did not receive the SBAC. The member may, however, enter an ABI amount for a tax year that it was **not** a member of the UBG and it received the SBC or SBAC, regardless of whether the UBG received the credit in that same year.

When completing the Group Copy for ABI, enter the sum of the following: 1) UBG's negative ABI for tax years it received the SBAC, plus, 2) a member's negative ABI for a tax year when it received the SBC or SBAC and was **not** part of the UBG. These member amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI.

Line 12: Enter the amount of loss entered on line 11 that was used as an adjustment in a prior period (including loss adjustment used in SBT periods).

UBGs: When completing the Group Copy for ABI, if a member's negative ABI was included on Line 11 (the member received a credit and was not part of the UBG in the tax year the credit was received), include any loss adjustment used by that member in a prior period to offset an ABI disqualifier (including loss adjustment used in SBT periods). Also enter any groupwide loss used against the UBG's ABI disqualifier in a prior period.

Line 13: Subtract line 12 from line 11 to arrive at loss available on the current return. If less than zero, enter zero; no loss is available.

UBGs: On the Group Copy for ABI, if the group's membership has not changed, that is, no member has joined or left the group since the filing of the prior year's return, the amounts calculated on line 13 should equal the amounts on line 16 of the prior year's corresponding columns. If membership for this year is different, these amounts may not be the same. See the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600 for details.

Line 14: Enter the amount from line 3 or line 9, whichever is larger, in the first column where a loss is available on line 13. In subsequent columns, enter amount from line 15 of the previous applicable column.

UBGs: When completing a member's form for the purpose of reducing the shareholder income disqualifier, enter the amount from line 9.

When completing the Group Copy for ABI, enter the amount from line 3.

Line 15: If line 14 is larger than line 13, subtract line 13 from line 14. Enter here and on line 14 of the next column where a loss is available on line 13.

Line 16: If line 13 is larger than line 14, subtract line 14 from line 13. This amount is available to use in subsequent periods.

NOTE: To benefit from a loss adjustment, the total loss available for the current year, line 13, must equal or exceed the loss adjustment required on line 14.

The function of this form is to demonstrate that a taxpayer that otherwise would have been disqualified from the SBAC due to ABI, or fully or partially disqualified due to an owner's allocated income is, after application of loss adjustment, allowed to claim a full or partial SBAC.

If loss adjustment is successfully applied to cure an ABI disqualifier, there is no calculated figure from this form that feeds to another form. Simply ignore the apparent disqualification on Form 4571, line 8 and proceed with calculating the SBAC on the remainder of Form 4571.

If loss adjustment is successfully applied to fully or partially cure an owner's allocated income disqualifier, this will be demonstrated by the final applicable column of line 15 being blank. In that event, carry the number from line 5 of this form to Form 4571, line 11 and proceed with the calculation there.

Include completed Form 4575 as part of the tax return filing.

Attachment 07

2012 MICHIGAN Business Tax Schedule of Shareholders and Officers

For all Corporations claiming the Small Business Alternative or Start-Up Business Credits

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

PART 1: SHAREHOLDERS AND OFFICERS. See instructions.

1. A Member Number	B Name of shareholder (including corporation, trust, or partnership), officer, or family member receiving compensation from the business (Last, First, Middle)	C FEIN or Social Security number of shareholder or officer	D Check (X) if an officer	E % Stock directly owned	F % Stock with attribution (See instructions.)	G % Stock from Col. F less any attribution between two active shareholders
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
				%	%	%
Percent of stock (not listed above) owned by shareholders who own less than 10% and receive no compensation:				%		
			Total:	100 %		

Continue below using the same Member Number references from column 1A.

H Member Number	I Dividends (used to determine active shareholders)	J Salaries, wages and/ or director fees	K Employee insurance plans, pensions, etc.	L Total compensation and director fees for officers and/or share-holders. Add columns J and K.	M Share of business income/loss (See instructions.)	N Total shareholder/officer income. Add columns L and M.

If more space is needed, include additional 4577 forms. Identify taxpayer and complete Part 1 and Part 2 on each additional form. (See instructions.)

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Continue on Page 2.

FEIN or TR Number	
UBG Member FEIN or TR Number	

PART 2: LIST OF FAMILY MEMBERS AND THEIR CORRESPONDING RELATIONSHIP TYPE

Using the same Member Number references from Part 1, indicate your attributable family relationship (if any) to each shareholder. (An attributable family relationship is defined as either a spouse, parent, child or grandchild.)

- If an attributable family relationship exists, designate in columns P through S
- If no attributable family relationship exists, check box in column T.

2. O Member Number	P Spouse	Q Parent	R Child	S Grandchild	T Check (X) if No Attributable Relationship

PART 3: SMALL BUSINESS ALTERNATIVE CREDIT. See instructions for definition of active shareholder.

3. Compensation and director fees of active shareholders. Add amounts in column L for each active shareholder. Enter here and on Form 4571, line 6	3.		00
4. Compensation and director fees of officers. Add amounts in column L for each officer who is not an active shareholder. Enter here and on Form 4571, line 7	4.		00

Instructions for Form 4577
Michigan Business Tax (MBT) Schedule of Shareholders and Officers
For all Corporations claiming the Small Business Alternative or Start-Up Business Credits

Purpose

To determine eligibility for all Corporations to qualify for the Small Business Alternative Credit. *Corporation* means a taxpayer that is required or has elected to file as a Corporation under the Internal Revenue Code (IRC).

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

General Instructions

If filing as a Corporation (including Limited Liability Companies federally taxed as such) and claiming a Small Business Alternative Credit, complete this form and include it as part of the annual return to report:

- Shareholder and C Corporation officer qualifications for the Small Business Alternative Credit;
- Compensation and director fees of active shareholders and all C Corporation officers for the computation of the Small Business Alternative Credit.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a shareholder if the LLC is taxed as a corporation for federal purposes.

NOTE: A federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

This form also is required to be completed and included as part of the return whenever a corporation claims a Start-Up Business Credit. To qualify for the Start-Up Business Credit, the compensation, director fees, or distributive shares paid by the taxpayer to a shareholder of a C Corporation or S Corporation, or an officer of a C Corporation, cannot exceed $135,000.

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 *MBT Annual Return* (Form 4567).

Unitary Business Groups (UBGs): Complete one form for each member that is a corporation (including an entity taxed federally as such). Enter the Designated Member name in the Taxpayer Name field and the member to whom the schedule applies on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

PART 1: SHAREHOLDERS AND OFFICERS

Line 1 (Columns A through N): In column 1A, assign numbers (beginning with 1) to all shareholders and C Corporation officers in order of percentage of stock ownership (percentage in column G), starting with the highest percentage first. (Repeat this numbering in Part 1, line 1H, and Part 2, line 2O. It is essential that this numbering system is followed.) All shareholders' family members, as defined by IRC § 318(a)(1), are considered shareholders and must be listed in Part 1 and Part 2 if they receive compensation from the business. List all shareholders and C Corporation officers who:

- Are employees of the Corporation;
- Are directors of the Corporation; or
- Own 10 percent or more of the stock of the Corporation, including those by attribution.

Shareholder means a person who owns outstanding stock in the Corporation. An Individual is considered as owning the stock owned, directly or indirectly, by or for family members as defined by IRC § 318(a)(1). An officer of a C Corporation includes the chairperson of the board, president, vice president, secretary, and treasurer, or persons performing similar duties.

Outstanding stock means all stock of record, regardless of class, value, or voting rights, but outstanding stock does not include treasury stock.

If more lines are needed for listing the shareholders and C Corporation officers, include additional copies of this form. Complete the taxpayer name and account number on each copy (and UBG member if applicable), and lines 1 and 2 as necessary. If using more than one copy of the form, continue the sequential number system for the Member Number in columns A, H and O.

NOTE: Rules of attribution in IRC § 318(a)(1) do not differentiate between an adult and a minor child.

Columns B and C: Identify each shareholder (including Corporations, Trusts, or Partnerships) and C Corporation officers by name and Social Security number. Corporations, Trusts, and Partnerships should be identified using the Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number.

NOTE: Column C: An individual or foreign entity that does not have a Social Security number or FEIN may enter in Column C "APPLD FOR" (an abbreviation for "applied for") or "FOREIGNUS" (an abbreviation for "foreign filer").

Column E: Enter the percentage of outstanding stock each shareholder or C Corporation officer owns directly. If a shareholder owned stock for a period less than the Corporation's tax year, multiply that shareholder's percentage of ownership by the number of months owned and divide the result by the number of months in the Corporation's tax year.

Taxpayers must account for 100 percent of the stock. If it is not accounted for, processing of the return may be delayed.

Column F: Enter the percentage of outstanding stock each shareholder owns, including attribution of ownership from family members under IRC § 318(a)(1). If no attribution exists, enter the percentage from column E in column G and leave column F blank.

Column G: When reporting ownership of a person who is an active shareholder, do not include in Column G any stock ownership attributed to this person from another active shareholder. See definition of active shareholders in the Part 3 instructions. For the purposes of determining disqualification for the Small Business Alternative Credit, an active shareholder's share of business income is not attributed to another active shareholder.

EXAMPLE: In this case, the husband and daughter are active shareholders because compensation, director fees, or dividends from the business are greater than $10,000. The wife and son are not active because compensation, director fees, or dividends from the business are less than $10,000.

Stock Percentage			
	Column E	Column F	Column G
Husband *(active)*	40%	100% *(all shareholders)*	70% *(husband/wife/son)*
Wife *(inactive)*	10%	100% *(all shareholders)*	100% *(all shareholders)*
Son *(inactive)*	20%	70% *(husband/ wife/son)*	70% *(husband/wife/son)*
Daughter *(active)*	30%	80% *(husband/ wife/daughter)*	40% *(wife/daughter)*

Column I: Enter total dividends received by each shareholder during the tax year from this business (used to determine active shareholders). This includes regular distributions for an S Corporation.

Columns I, J, and K: Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Column J: Enter salaries, wages, and director fees that are attributable to each shareholder or C Corporation officer. Compensation paid by a professional employer organization to the officers of a client (if the client is a C Corporation) and to employees of the professional employer organization who are assigned or leased to and perform services for a client must be included in determining the eligibility of the client for this credit.

NOTE: If a shareholder owned stock for less than the entire tax year of the corporation, or an officer served as an officer less than the entire tax year, report only the salaries, wages and director fees attributable while serving as an officer or shareholder. These amounts must be annualized when determining disqualifiers, but should be reported as actual amounts on this form.

NOTE: All compensation must be included, whether or not the shareholder or C Corporation officer worked in Michigan.

Column K: Enter employee insurance payments and pensions that are attributable to each shareholder or C Corporation officer.

NOTE: If a shareholder owned stock for less than the entire tax year of the corporation, or an officer served as an officer less than the entire tax year, report only the employee insurance payments, and pensions that are attributable while serving as an officer or shareholder. These amounts must be annualized when determining disqualifiers, but should be reported as actual amounts on this form.

ATTRIBUTION EXAMPLE:

Larry David Stone	Husband of Betty Stone, Father of Mary Stone, Stepfather of Tammie Rock, Step Grandfather of Kathy Rock
Betty Ann Stone	Daughter of Bob Pebble, Wife of Larry Stone, Mother of Tammie Rock, Stepmother of Mary Stone, Grandmother of Kathy Rock
Mary Elizabeth Stone	Daughter of Larry Stone, Stepdaughter of Betty Stone
Tammie Marie Rock	Daughter of Betty Stone, Stepdaughter of Larry Stone, Spouse of Steve Rock, Mother of Kathy Rock, Granddaughter of Bob Pebble
Steve Carl Rock	Spouse of Tammie Rock, Father of Kathy Rock, Brother of Mike Rock
Kathy Evelyn Rock	Daughter of Tammie and Steve Rock, Granddaughter of Betty Stone, Step Granddaughter of Larry Stone
Mike Joseph Rock	Brother of Steve Rock
Bob Kenneth Pebble	Father of Betty Stone, Grandfather of Tammie Rock
Terry Robert Marble	Friend

Part 1: Shareholders and officers - See instructions

1. A Member Number	B Name of shareholder (including corporation, trust, or partnership), officer, or family member receiving compensation from the business (Last, First, Middle)
1	Stone, Larry David
2	Stone, Betty Ann
3	Stone, Mary Elizabeth
4	Rock, Tammie Marie
5	Rock, Steve Carl
6	Rock, Kathy Evelyn
7	Rock, Mike Joseph
8	Pebble, Bob Kenneth
9	Marble, Terry Robert

Part 2: List of family members and their corresponding relationships

2. O Member Number	P Spouse	Q Parent	R Child	S Grandchild	T Check (X) if No Attributable Relationship
1	2		3		
2	1	8	4	6	
3		1			
4	5	2	6		
5	4		6		
6		4-5			
7					X
8			2	4	
9					X

NOTE: All employee insurance payments and pensions must be included, whether or not the shareholder of C Corporation officer worked in Michigan.

Column L: If any shareholder or officer of a C Corporation has total compensation and director fees in column L of over $180,000 after loss adjustment, the C Corporation is not eligible for the Small Business Alternative Credit.

Column M: Multiply the percentage in column G by line 5c on the *MBT Common Credits for Small Businesses* (Form 4571).

UBGs: Multiply the percentage in column G by the sum of the *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580), Part 2A, lines 30 and 34, plus capital loss deducted on the federal returns of all members.

Column N: If any shareholder or officer has total income in column N of over $180,000 after loss adjustment, the taxpayer is not eligible for the Small Business Alternative Credit. If any shareholder or officer has total income in column N of over $135,000, the taxpayer is not eligible for the Start-Up Business Credit.

PART 2: LIST OF FAMILY MEMBERS AND THEIR CORRESPONDING RELATIONSHIP TYPE

Columns P through S represent relationships affected by attribution.

For each shareholder listed in Part 1, column A, enter the corresponding number of the shareholder's spouse, parent, child, or grandchild, if any, listed in Part 1, column A.

If more than one number is entered in boxes P through S, separate numbers with a dash. For example, if a family member has three children, each child's member number should appear in the "Child" column with dashes separating them ("2-3-4").

Do not use a dash to imply included numbers (such as "5-8" meaning "5 through 8"), but instead include each member number ("5-6-7-8"). Do not use commas.

EXAMPLE (SEE THE ATTRIBUTION EXAMPLE ON THE PREVIOUS PAGE): Kathy Rock's (6) parents (4 and 5) work for the company. Kathy will list "4-5" in column Q.

NOTE: If the space provided in the line 2 columns is not adequate to list all of the corresponding relationships, attach a separate sheet of paper with the member number from column O, the corresponding relationship, and the number of the member(s) with that relationship.

Column T: Check column T for each shareholder listed only if columns P through S are blank (no attributable relationship exists).

PART 3: Small Business Alternative Credit

Line 3: Add compensation and director fees in column L for each active shareholder and enter the result on line 3 and on Form 4571, line 6.

An active shareholder:

- Is a shareholder of the Corporation, including through attribution, AND
- Owns at least 5 percent of outstanding stock, including through attribution (column E or F = 5 percent or more), AND
- Receives at least $10,000 in compensation, director fees, and dividends from the business (sum of columns I and L = $10,000 or more). **Important:** For short-period returns or a part-year shareholder, compensation, director fees, and dividends of each individual must be annualized to meet this requirement.

Annualizing

Multiply each applicable amount by 12 and divide the result by the number of months in the tax year the business operated or the person was a shareholder. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

Line 4: Add the compensation and director fees in column L for each C Corporation officer who is not an active shareholder and enter the result on line 4 and on Form 4571, line 7.

REMINDER: Active shareholders of an S Corporation are included in the line 3 calculation, even if the shareholder is also a C Corporation officer. Because the definition of "officer" for this purpose does not apply to an S Corporation, line 4 will always be blank for an S Corporation.

Include completed Form 4577 as part of the tax return filing.

Attachment 08

2012 MICHIGAN Business Tax Schedule of Partners

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

PARTNER IDENTIFICATION

1.	A Name (If partner is an Individual, enter Last, First, and Middle Initial)	B FEIN, TR Number or Social Security Number of Partner	C % Owned		D Share of Business Income*	
a				%		00
b				%		00
c				%		00
d				%		00
e				%		00
f				%		00
g				%		00
h				%		00
i				%		00
j				%		00
k				%		00
l				%		00
m				%		00
n				%		00
o				%		00
p				%		00
q				%		00

2. **Total of Column C** (% Owned). Cannot exceed 100%.. 2. ______ %

3. **Total of Column D** (Share of Business Income). Cannot exceed the partnership's business income. .... 3. ______ 00

*If any partner has a share of business income in column D of over $180,000 after loss adjustment, the Partnership is not eligible for the Small Business Alternative Credit.

* If any partner has a share of business income in column D of over $135,000, the Partnership is not eligible for the Start-Up Business Credit.

If more space is needed, submit additional forms 4578. Identify taxpayer and complete Partner Identification on each additional form. (See instructions.)

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Instructions for Form 4578, Michigan Business Tax (MBT) Schedule of Partners

For all Partnerships claiming the Small Business Alternative Credit or Start-Up Business Credit

Purpose

To determine eligibility for the Partnership's Small Business Alternative Credit. *Partnership* means a taxpayer that is required to, or has elected to, file as a Partnership for federal income tax purposes.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner if the LLC is taxed as a Partnership for federal purposes.

NOTE: A federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

This form also is required to be completed and included as part of the return whenever a Partnership claims a Start-Up Business Credit. A partnership cannot qualify for the Start-Up Business Credit if any partner has a distributive share of more than $135,000.

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 *MBT Annual Return* (Form 4567).

If more lines are needed for listing the partners, include additional copies of this form and complete the name, account number, and line 1 for each copy.

Unitary Business Groups: Complete one form for each member that is a partnership (including an entity taxed federally as such). Enter the Designated Member name in the Taxpayer Name field and the member to whom the schedule applies on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

Line 1: Partner Identification

• **Columns A and B:** Identify each partner (including Corporation, Partnership, and Trust) by name. Identify partners who are individuals by Social Security number. Partners that are Corporations, Partnerships, or Trusts should be identified using a Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number.

NOTE: Column B: An individual or foreign entity that does not have a Social Security number or FEIN may enter in Column B "APPLD FOR" (an abbreviation for "applied for") or "FOREIGNUS" (an abbreviation for "foreign filer").

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

• **Column D:** Enter each partner's distributive share of income, losses, and deductions from U.S. Form *1065, Schedule K-1.* Use the *Business Income Worksheet* (Worksheet 4746) in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600) to calculate partnership business income. Attach Worksheet 4746 to the filing. Each partner's distributive share includes guaranteed payments to partners that are made to that partner. If any partner has a share of business income in column D of over $180,000 after loss adjustment, the Partnership is not eligible for the Small Business Alternative Credit. If any partner has a share of business income in Column D of over $135,000, the Partnership is not eligible for the Start-Up Business Credit.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

IMPORTANT: For short-period returns, each partner's share of business income must be annualized to meet these requirements.

Annualizing

Multiply each applicable amount by 12 and divide the result by the number of months the business operated or the person was a partner. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

Line 2: If multiple pages of Form 4578 are included for one separately filing taxpayer, or one member of a UBG, bring the total of all line 1C entries to the main Form 4578.

Line 3: If multiple pages of Form 4578 are included for one separately filing taxpayer, or one member of a UBG, bring the total of all line 1D entries to the main Form 4578.

Include completed Form 4578 as part of the tax return filing.

Attachment 15

2012 MICHIGAN Business Tax Unitary Business Group Combined Filing Schedule for Standard Members

Issued under authority of Public Act 36 of 2007.

IMPORTANT: Read the instructions before completing this form.

Designated Member Name	Federal Employer Identification Number (FEIN) or TR Number

PART 1A: UNITARY BUSINESS GROUP (UBG) MEMBERS

List the UBG members whose activity is included on the combined return supported by this form, beginning with the Designated Member (DM). Include all UBG members (with or without nexus), except those excluded in Part 3. If more than one page is needed, repeat the DM's name and FEIN or TR Number in the field at the top of the page, but not on line 1.

1. **A** Member Name	**B** FEIN or TR Number

+ 0000 2012 59 01 27 2

Continue on Page 2.

Designated Member FEIN or TR Number

PART 1B: MEMBER IDENTIFICATION

Complete a separate copy of Part 1B for each member listed in Part 1A.

2. Member Name

3. Member FEIN or TR Number

4. Member Street Address

City | State | ZIP/Postal Code

5. Organization Type

- ☐ Individual
- ☐ C Corporation / LLC C Corporation
- ☐ Fiduciary
- ☐ S Corporation / LLC S Corporation
- ☐ Partnership / LLC Partnership

	Beginning	Ending
6. Federal Tax Period Included in Return (MM-DD-YYYY)		
7. If part-year member, enter membership dates (MM-DD-YYYY)		

8. NAICS Code

9. If discontinued, effective date

10. ☐ Check if Nexus with Michigan

11. ☐ Check if Registered for MBT

12. ☐ Check if New Member

13. Nature of business activities or operations resulting in a flow of value between members, or integration, dependence or contribution to other members

PART 2A: MEMBER DATA FOR COMBINED RETURN OF STANDARD TAXPAYERS

Enter data for the member listed in Part 1B. Enter whole dollars only.

14.	Michigan sales. (If no Michigan sales enter zero)	14.	00
15.	Total sales	15.	00
16a.	Pro forma apportionment percentage. Divide line 14 by line 15	16a.	%
16b.	Member proration percentage (see instructions)	16b.	%

Member Modified Gross Receipts

17.	Gross receipts	17.	00
18.	Inventory acquired during the tax year	18.	00
19.	Depreciable assets acquired during the tax year	19.	00
20.	Materials and supplies not included in inventory or depreciable property	20.	00
21.	Staffing company: Compensation of personnel supplied to customers	21.	00

If the UBG is qualified for the Small Business Alternative Credit, skip to line 23.

22.	Deduction for contractors in SIC Codes 15, 16 and 17 (see instructions) SIC Code:	22.	00
23.	Film rental or royalty payments paid by a theater owner to a film distributor and/or film producer	23.	00
24.	Qualified Affordable Housing Project (QAHP) deduction		
	a. Gross receipts attributable to residential rentals in Michigan	24a.	00
	b. Number of residential rent restricted units in Michigan owned by QAHP	24b.	
	c. Total number of residential rental units in Michigan owned by QAHP	24c.	
	d. Divide line 24b by line 24c and enter as a percentage	24d.	%
	e. Multiply line 24a by line 24d	24e.	00
	f. Limited dividends or other distributions made to project owners	24f.	00
	g. QAHP Deduction. Subtract line 24f from line 24e	24g.	00
25.	Payments made by member licensed under Article 25 or Article 26 of the Occupational Code to independent contractors licensed under Article 25 or Article 26	25.	00
26.	Miscellaneous subtractions (see instructions)	26.	00
27.	Modified gross receipts. Subtract lines 18 through 23 and 24g through 26 from line 17	27.	00
28.	Enrichment prohibition for dealer of personal watercraft or new motor vehicles. Enter amount collected during tax year. If zero, enter zero and skip line 29. If greater than zero, enter number here, then see instructions for how to complete line 29	28.	00
29.	Excess enrichment prohibition tax collected (see instructions)	29.	00

Continue on Page 3.

Designated Member FEIN or TR Number
Member FEIN or TR Number

PART 2A: MEMBER DATA FOR COMBINED RETURN OF STANDARD TAXPAYERS (Cont.) — Member Business Income

30.	Business income. If negative, enter as a negative. (If business activity protected under PL 86-272, complete and attach Form 4581 or Form 4586, as applicable; see instructions.)	30.	00
31.	Interest income and dividends derived from obligations or securities of states other than Michigan	31.	00
32.	Taxes on or measured by net income	32.	00
33.	Tax imposed under MBT	33.	00
34.	Any carryback or carryover of a federal NOL	34.	00
35.	Losses attributable to other flow-through entities taxed under the MBT and are not unitary with taxpayer. Account No.	35.	00
36.	Royalty, interest, and other expenses paid to a related person not within the UBG (see instructions)	36.	00
37.	Miscellaneous additions (see instructions)	37.	00
38.	Dividends and royalties received from persons other than U.S. persons and foreign operating entities	38.	00
39.	Income attributable to other flow-through entities taxed under the MBT and are not unitary with taxpayer. Account No.	39.	00
40.	Interest income derived from U.S. obligations	40.	00
41.	Net earnings from self-employment. If less than zero, enter zero	41.	00
42.	Miscellaneous subtractions (see instructions)	42.	00
43.	Business Income Tax Base. Add lines 30 through 37 and subtract lines 38 through 42	43.	00
44.	Available MBT business loss carryforward from previous period MBT return (see instructions)	44.	00

45. Qualified Affordable Housing Deduction. Members claiming the seller's deduction, skip lines 45a through 45h and carry the amount from Form 4579, line 5, to line 45i. Members claiming the QAHP deduction, complete lines 45a through 45i.

a.	Gross rental receipts attributable to residential units in MI	45a.	00
b.	Rental expenses attributable to residential rental units in Michigan	45b.	00
c.	Taxable income attributable to residential rental units. Subtract line 45b from line 45a	45c.	00
d.	No. of residential rent restricted units in MI owned by the QAHP	45d.	
e.	Total residential rental units in Michigan owned by the QAHP	45e.	
f.	Divide line 45d by line 45e and enter as a percentage	45f.	%
g.	Multiply line 45c by line 45f	45g.	00
h.	Limited dividends, other distributions made to project owners	45h.	00
i.	Qualified Affordable Housing Deduction. Subtract line 45h from line 45g	45i.	00

46.	Unused SBT Historic Preservation Credit carryforward	46.	00
47.	Unused SBT "New" Brownfield Credit carryforward	47.	00
48.	Unused MBT Basic/Enhanced Historic Preservation Credit carryforward	48.	00
49.	Unused MBT Special Consideration Historic Preservation Credit carryforward	49.	00
50.	Unused MBT Low-Grade Hematite Credit carryforward	50.	00
51.	Unused MBT MEGA Federal Contract Credit carryforward	51.	00
52.	Unused MBT Individual or Family Development Account Credit carryforward	52.	00
53.	Unused MBT Bonus Depreciation Credit carryforward	53.	00
54.	Unused MBT Brownfield Redevelopment Credit carryforward	54.	00
55.	Unused MBT Film Job Training Credit carryforward	55.	00
56.	Unused MBT Film Infrastructure Credit carryforward	56.	00
57.	Unused MBT MEGA Plug-In Traction Battery Manufacturing Credit carryforward	57.	00
58.	Unused MBT Anchor Company Payroll Credit carryforward	58.	00
59.	Unused MBT Anchor Company Taxable Value Credit carryforward	59.	00
60.	Unused MBT MEGA Poly-Silicon Energy Cost Credit carryforward	60.	00
61.	Unused MBT MEGA Plug-In Traction Battery Integration Credit carryforward	61.	00
62.	Unused MBT MEGA Advanced Battery Engineering Credit carryforward	62.	00
63.	Unused MBT MEGA Battery Manufacturing Facility Credit carryforward	63.	00
64.	Unused MBT MEGA Large Scale Battery Credit carryforward	64.	00
65.	Unused MBT MEGA Advanced Lithium Ion Battery Credit carryforward	65.	00
66.	Overpayment credited from prior MBT return	66.	00
67.	Estimated tax payments	67.	00
68.	Flow-Through Withholding payments	68.	00
69.	Tax paid with request for extension	69.	00

Continue on Page 4.

Designated Member FEIN or TR Number

PART 2B: SUMMARY OF BUSINESS ACTIVITY FOR COMBINED RETURN OF STANDARD TAXPAYERS

NOTE: Not all lines from Part 2A are carried to Part 2B.

	A Combined Total Before Eliminations	B Eliminations	C Combined Total After Eliminations	D Carry to form, line
14. Michigan sales				4567, 11a
15. Total sales				4567, 11b
17. Gross receipts				4567, 12
18. Inventory acquired during the tax year				4567, 13
19. Depreciable assets acquired during the tax year				4567, 14
20. Materials and supplies not included in inventory or depreciable property				4567, 15
21. Staffing company: Compensation of personnel supplied to customers				4567, 16
22. Deduction for contractors in SIC Codes 15, 16 and 17 (see instructions)				4567, 17
23. Film rental or royalty payments paid by a theater owner to a film distributor and/or film producer				4567, 18
24g. QAHP Deduction				4567, 19g
25. Payments made by taxpayers licensed under Article 25 or Article 26 of the Occupational Code to independent contractors licensed under Article 25 or Article 26				4567, 20
26. Miscellaneous subtractions (see instructions)				4567, 21
27. Modified gross receipts (line 17 minus lines 18 through 26)		X X X X X X X		N/A
28. Enrichment prohibition for dealer of personal watercraft or new motor vehicles. Enter amount collected during tax year				N/A
29. Excess enrichment prohibition tax collected				See instr.
30. Business income				4567, 28
31. Interest income and dividends derived from obligations or securities of states other than Michigan		X X X X X X X		4567, 29
32. Taxes on or measured by net income		X X X X X X X		4567, 30
33. Tax imposed under MBT		X X X X X X X		4567, 31
34. Any carryback or carryover of a federal NOL		X X X X X X X		4567, 32
35. Losses attributable to other flow-through entities taxed under the MBT and are not unitary with taxpayer				4567, 33
36. Royalty, interest and other expenses paid to a related person		X X X X X X X		4567, 34
37. Miscellaneous additions (see instructions)				4567, 35
38. Dividends and royalties received from persons other than U.S. persons and foreign operating entities		X X X X X X X		4567, 38
39. Income attributable to other flow-through entities taxed under the MBT and are not unitary with taxpayer				4567, 39
40. Interest income derived from U.S. obligations		X X X X X X X		4567, 40
41. Net earnings from self-employment. If less than zero, enter zero		X X X X X X X		4567, 41
42. Miscellaneous subtractions (see instructions)				4567, 42
43. Business Income Tax Base				4567, 44a
44. Available MBT business loss carryforward from previous period MBT return(s)				4567, 46
45i. Qualified Affordable Housing Deduction				4567, 48i

Continue on Page 5.

Designated Member FEIN or TR Number

PART 2B: SUMMARY OF BUSINESS ACTIVITY FOR COMBINED RETURN OF STANDARD TAXPAYERS (CONT.)

	A Combined Total Before Eliminations	B Eliminations	C Combined Total After Eliminations	D Carry to form, line
46. Unused SBT Historic Preservation Credit carryforward		X X X X X X X		4569, 2
47. Unused SBT "New" Brownfield Credit carryforward		X X X X X X X		4569, 6
48. Unused MBT Basic/Enhanced Historic Preservation Credit carryforward		X X X X X X X		4584, 4
49. Unused MBT Special Consideration Historic Preservation Credit carryforward		X X X X X X X		4584, 7
50. Unused MBT Low-Grade Hematite Credit carryforward		X X X X X X X		4573, 20
51. Unused MBT MEGA Federal Contract Credit carryforward		X X X X X X X		4584, 30
52. Unused MBT Individual or Family Development Account Credit carryforward		X X X X X X X		4573, 45
53. Unused MBT Bonus Depreciation Credit carryforward		X X X X X X X		4573, 50
54. Unused MBT Brownfield Redevelopment Credit carryforward		X X X X X X X		4584, 40
55. Unused MBT Film Job Training Credit carryforward		X X X X X X X		4573, 64
56. Unused MBT Film Infrastructure Credit carryforward		X X X X X X X		4573, 70
57. Unused MBT MEGA Plug-In Traction Battery Manufacturing Credit carryforward		X X X X X X X		4584, 57
58. Unused MBT Anchor Company Payroll Credit carryforward		X X X X X X X		4584, 65
59. Unused MBT Anchor Company Taxable Value Credit carryforward		X X X X X X X		4584, 73
60. Unused MBT MEGA Poly-Silicon Energy Cost Credit carryforward		X X X X X X X		4584, 81a
61. Unused MBT MEGA Plug-In Traction Battery Integration Credit carryforward		X X X X X X X		4584, 81b
62. Unused MBT MEGA Advanced Battery Engineering Credit carryforward		X X X X X X X		4584, 81c
63. Unused MBT MEGA Battery Manufacturing Facility Credit carryforward		X X X X X X X		4584, 81d
64. Unused MBT MEGA Large Scale Battery Credit carryforward		X X X X X X X		4584, 81e
65. Unused MBT MEGA Advanced Lithium Ion Battery Credit carryforward		X X X X X X X		4584, 81f
66. Overpayment credited from prior MBT return		X X X X X X X		4567, 60
67. Estimated tax payments		X X X X X X X		4567, 61
68. Flow-Through Withholding payments		X X X X X X X		4567, 62
69. Tax paid with request for extension		X X X X X X X		4567, 63

Check all that apply to the Unitary Business Group.

70. ☐ Group identified consists of a group of U.S. persons, one of which owns or controls, directly or indirectly, more than 50% of the ownership interests with voting or comparable rights of the others.

71. ☐ Some or all members are included on a consolidated federal income tax return. If checked, attach a copy of U.S. *Form 851.*

72. ☐ Each member of the group has business activities or operations resulting in a flow of value between the members or has business activities or operations that are integrated with, dependent upon, or contribute to each other.

73. ☐ All members of the Unitary Business Group are included in this combined unitary filing.

Continue on Page 6.

Designated Member FEIN or TR Number

PART 3: AFFILIATES EXCLUDED FROM THE COMBINED RETURN OF STANDARD TAXPAYERS

List every person (with or without nexus) for which the “greater than 50%” ownership test of a Michigan Unitary Business Group is satisfied, which is not included on the combined return of standard taxpayers that is supported by this form. Using the codes below, identify in column D why each person is not included in the combined return. If any persons listed here are part of a federal consolidated group, attach a copy of U.S. *Form 851*.

REASON CODES FOR EXCLUSION:

1. Lacks business activities resulting in a flow of value or integration, dependence or contribution to group.
2. Foreign operating entity.
4. Foreign entity.
5. Member has no MBT tax year (as a member of this UBG) ending with or within this filing period.
6. Other.
7. Insurance company. (Insurance companies always file separately.)
8. Financial institution. (Financial institutions and standard taxpayers generally are not included on the same combined return.)

74. A Number From U.S. *Form 851* (if applicable)	B Name	C FEIN or TR Number	D Reason Code for Exclusion	E Check (X) if Nexus with Michigan	F NAICS Code

PART 4: PERSONS INCLUDED IN THE PRIOR COMBINED RETURN, BUT EXCLUDED FROM CURRENT RETURN

List persons included as standard members in the immediately preceding combined return of this Designated Member that are not included as standard members on the return supported by this form. Persons that satisfy the criteria of Part 3 and Part 4 should be listed in each part. See column C instructions.

75. A Name	B FEIN or TR Number	C Reason This Person is Not on Current Return

Instructions for Form 4580
Michigan Business Tax (MBT) Unitary Business Group Combined Filing Schedule for Standard Members

Purpose

The purpose of this form is to:

- Identify all members of a Unitary Business Group (UBG)
- Gather tax return data for each standard member included in the combined return on a separate basis, make appropriate eliminations, and determine combined UBG data for the tax return.

NOTE: This is not the primary return. It is designed to support the *MBT Annual Return* (Form 4567) submitted on behalf of the UBG by the Designated Member (DM).

Refund Only: If combined apportioned or allocated gross receipts of all members (before eliminations) is less than $350,000 and the taxpayer is filing Form 4567 solely to claim a refund of estimates paid, Form 4580 must also be included. The designated member must complete Part 1A, Part 2B (skip lines 18 through 65), Part 3, and Part 4 of Form 4580. For each member listed in Part 1A, complete Part 1B and 2A (skip lines 18 through 65). See Form 4567 for instructions on completing that form.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

General Information About UBGs in MBT

Unitary Business Group means a group of United States persons, other than a foreign operating entity, that satisfies the control test and relationship test.

United States person is defined in Internal Revenue Code (IRC) § 7701(a)(30). A *foreign operating entity* is defined by statute in Michigan Compiled Laws (MCL) 208.1109(5).

Control Test. The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting rights of another person if that person owns or controls:

- More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or
- More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

Relationship Tests. The definition of a Unitary Business Group requires that the group of persons have business activities or operations that either:

1) Result in a flow of value between or among persons in the group, or

2) Are integrated with, dependent upon, or contribute to each other.

A taxpayer need only meet one of the two alternative tests to satisfy the relationship test.

1) *Flow of value* is established when members of the group demonstrate one or more of functional integration, centralized management, and economies of scale. Examples of functional integration include common programs or systems and shared information or property. Examples of centralized management include common management or directors, shared staff functions, and business decisions made for the UBG rather than separately by each member. Examples of economies of scale include centralized business functions and pooled benefits or insurance. Groups that commonly exhibit a flow of value include vertically or horizontally integrated businesses, conglomerates, parent companies with their wholly owned subsidiaries, and entities in the same general line of business. Flow of value must be more than the mere flow of funds arising out of passive investment.

2) The alternate *contribution/dependency* relationship test asks whether business activities are integrated with, dependent upon, or contributed to each other. Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exist intercompany transactions, including financing.

For more information on the control and relationship tests for UBGs, see Revenue Administrative Bulletin (RAB) 2010-1, MBT—Unitary Business Group Control Test, and RAB 2010-2, MBT—Unitary Business Group Relationship Tests, on the Department of Treasury (Treasury) Web site at **www.michigan.gov/taxes**. (Click on the "Reference Library" link on the left side of the page.)

Filing Procedures for UBGs

By definition, a UBG can include standard taxpayers, insurance companies, and financial institutions. (Note that an entity that would otherwise be standard but is owned by and unitary with a financial institution is defined by statute to be a financial institution.) In some cases, however, not all members of the UBG will be included on the same return. Standard members (not owned by and unitary with a financial institution in the UBG) file a combined return on Form 4567. Form 4580 must be filed in support of that return.

Form 4580 is used to gather and combine data from each standard member of the UBG to support the group's Form 4567 and related forms. This form must be completed before the group's Form 4567 and related forms are completed. If this UBG also includes financial institutions and/or insurance companies, those members generally will not report tax data on this form, but will be listed as excluded affiliates in Part 3.

Financial institution members will report and combine their data using *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752), which supports the lead financial form, *MBT Annual Return for Financial Institutions* (Form 4590).

Financial institutions include any of the following:

- A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 United States Code (USC) 1467a(a)(1)(F) or a federally chartered Farm Credit System institution.
- Any person, other than a person subject to the tax imposed under Chapter 2A of the MBT Act (Insurance Companies), that is directly or indirectly owned by an entity described above and is a member of the UBG.
- A UBG of entities described in either or both of the preceding two bullets.

Each insurance company member will file separately, using the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588). Because insurance companies always file separately, rather than on a combined return, there is no MBT insurance form that serves a function similar to that of Form 4580 and Form 4752.

Example A: UBG A is composed of the following:

- Four standard members
- Three financial institutions (all with nexus in Michigan)
- Two insurance companies.

All members of UBG A are owned by and unitary with one of the standard members of the UBG. UBG A will need to file Form 4567, supported by Form 4580, containing the four standard members and Form 4590, supported by Form 4752, containing the three financial institutions. In Part 1 of Form 4580 or Form 4752, only the members that are included on that form (either the four standard members, or the three financial institutions) will be listed. Form 4580 with standard members will be prepared under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the group's standard DM. One of the financial institutions will serve as DM for those three members and file Form 4590, supported by Form 4752. On Part 3 of Form 4580, list all financial and insurance members. On Part 3 of Form 4752, list all standard and insurance members. The two insurance companies each will file a stand-alone Form 4588.

Example B: UBG B is composed of the following:

- Four members that would be standard (see below) unless owned by a financial institution
- Three financial institutions (all with nexus in Michigan)
- Two insurance companies.

All members of UBG B are owned by and unitary with one of the financial institutions in the UBG. Due to this ownership by a financial institution, the four members that otherwise would be standard are defined by statute to be financial institutions. (See definition of financial institution earlier in these instructions.) Therefore, this UBG will not file a Form 4580 or Form 4567. Seven members will file a combined return on Form 4590, supported by Form 4752, listing the two insurance members as excluded affiliates on Part 3 of Form 4752. The two insurance companies each will file a stand-alone Form 4588.

To complete this form and prepare a combined return, the UBG must select a DM.

A UBG combined return of standard taxpayers is filed under the name and FEIN or TR number of the DM of the standard taxpayer group. *Designated Member* means a UBG member that has nexus with Michigan and will file the combined MBT return on behalf of the standard members of the group. In a brother-sister controlled group, any member with nexus may be designated to serve as DM. In a parent-subsidiary controlled group or a combined controlled group (an interlocking combination of a parent-subsidiary group and a brother-sister group), the controlling member must serve as DM if it has nexus with Michigan. If it does not have nexus, the controlling member may appoint any member with nexus with Michigan to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a group member, or no longer has nexus with Michigan, or the controlling member attains Michigan nexus. The filing period of a combined return is based on the tax year of the DM.

If a UBG is comprised of both standard taxpayers and financial institutions, the UBG will have two DMs (one for the standard taxpayer members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms).

Role of the DM: The DM speaks, acts, and files the MBT return on behalf of the group for MBT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group's MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM's name and account number. The DM must be of the same taxpayer type (standard or financial institution) as the members for which it files a combined return.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

Do not enter data in boxes filled with Xs.

For additional guidance, see the "Supplemental Instructions for

Standard Members in UBGs" section in Form 4600.

Part 1A: Unitary Business Group Members

Lines 1A and 1B: Beginning with the DM, list the UBG standard members and their corresponding FEIN or TR number. Use additional Part 1A, Form 4580 pages as needed.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

NOTE: A taxpayer that is a UBG must file a combined return using the tax year of the DM. The combined return of the UBG must include each tax year of each member whose tax year ends with or within the tax year of the DM. For example, Taxpayer ABC is a UBG comprised of three standard members: Member A, the DM with a calendar tax year, and Members B and C with fiscal years ending March 31 and September 30, respectively. Taxpayer ABC's tax year is that of its DM.

For this group in 2011, that annual return would have included Member A's calendar year ending December 31, 2011, the tax year of Member B ending March 31, 2011, and the tax year of Member C ending September 30, 2011.

The tax restructuring adopted in 2011, however, changes this outcome. As a part of this restructuring, a fiscal year taxpayer's federal tax year that began in 2011 and ended in 2012 will now have two short tax years for that period. The first tax period is from the beginning of the taxpayer's federal tax year and ending on December 31, 2011. The second tax period is from January 1, 2012, and ends on the last day of the taxpayer's federal tax period. This is true regardless of whether the taxpayer files and pays under the Corporate Income Tax or elects to file and pay under the Michigan Business Tax.

In the example above, the 2012 MBT Annual Return will include Member A's calendar year beginning on January 1, 2012, and ending December 31, 2012, the short tax year of Member B beginning on January 1, 2012, and ending March 31, 2012; and the short tax year of Member C beginning on January 1, 2012, and ending September 30, 2012.

If Member A, the DM, instead had a fiscal year ending July 31, 2012, the UBG will file a short year return for the period of January 1, 2012, to July 31, 2012. This return would include Member A's short tax year of January 1, 2012, to July 31, 2012, and the short tax year of Member B beginning on January 1, 2012, and ending May 31, 2012. This return would not include the short tax year of Member C that began on January 1, 2012, and ended September 30, 2012, because that tax year did not end with or within the tax year of Member A, the DM of the UBG. Instead, the short tax year of Member C that began on January 1, 2012, and ended September 30, 2012, will be included in the UBG return for the tax year ending July 31, 2013.

Part 1B: Member Identification

Include a separate copy of Parts 1B and 2A for each standard member whose business activity is reported on the combined return supported by this form. If a member (other than the DM) has two or more tax periods ending with or within the filing period of the return, use a separate copy of Parts 1B and 2A for each of that member's tax periods.

Line 2: Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" on page 145.

Line 5: Identify the organization type of this member:

- Individual.
- C Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter C of the IRC).
- Fiduciary (a decedent's estate, and a Trust taxed federally as a Trust under Subchapter J of the IRC. A grantor Trust or "revocable living Trust" established by an Individual is not taxed as a separate entity, and should be listed as an Individual).
- S Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter S of the IRC).
- Partnership (including an LP, LLP, LLC, Trust, or any other entity taxed federally as a Partnership).

NOTE: A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return. This means that a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Line 6: List the member's tax year, for federal income tax purposes, from which business activity is being reported on this copy of Parts 1B and 2A.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Line 7: If the control test and relationship test were not both satisfied for this member's entire federal tax year, enter the beginning and ending dates of the period within this member's federal tax year during which both tests were satisfied. These dates constitute a short tax period for MBT purposes, even if there is no corresponding short federal tax period. This member must prepare a pro forma federal return for the portion of its federal year during which it was a UBG member, and use that pro forma return as the basis for reporting the tax data required by Part 2A.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Line 8: Enter the member's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at **www.census.gov/eos/www/naics/.** Enter the same NAICS code used when filing U.S. Form *1120S,* U.S. Form *1065, Schedule C* of U.S. Form *1040,* or *Schedule K* of U.S. Form *1120.*

Line 9: Enter the date, if applicable, on which this member went out of existence. Examples include death of an Individual, dissolution of an entity, and a merger in which this member was not the surviving entity. Include any event in which the FEIN ceases to be used by this entity. If this member continues to exist, **DO NOT** use this line to report that this member has stopped doing business in Michigan.

Line 10: If this member has nexus with Michigan, check this box. Guidance in determining nexus can be found in RAB 2007-6 and 2008-4, available online at **www.michigan.gov/taxes**. (See the "Reference Library" link at left edge of page.)

Line 12: This line does not apply to the first MBT return filed by this UBG. For subsequent tax periods, check this box if this member was not included in the UBG's preceding MBT return.

Line 13: Enter a concise description of the activities or operations of this member that result in a flow of value between this member and others in the UBG, or integration, dependence, or contribution to other members. This is not limited to transactions that are recognized for tax or accounting purposes. It may include sharing of assets, employees, data, business opportunities, or other resources. (See RAB 2010-2.)

Part 2A: Member Data for Combined Return of Standard Taxpayers

A member that does not file a separate federal return (e.g., a member that is a member of a federal consolidated group) must prepare a pro forma federal return or equivalent schedule and use it as the basis for preparing its portion of the MBT return.

Line 14: *Sale* or *Sales* means amounts received by a member as consideration from the following:

- Transfer of title to, or possession of, property that is stock in trade or other property of a kind which would properly be included in the inventory of the member if on hand at the close of the tax period, or property held by the member primarily for sale to customers in the ordinary course of its trade or business. For intangible property, the amounts received will be limited to any gain received from the disposition of that property.
- Performance of services which constitute business activities.
- Rental, leasing, licensing, or use of tangible or intangible property, including interest, that constitutes business activity.
- Any combination of business activities described above.
- For a member not engaged in any other business activities, sales include interest, dividends, and other income from investment assets and activities and from trading assets and activities.

If a member's business activity is confined solely to Michigan and the member does not establish nexus in another state, all sales are allocated to Michigan. *State* is defined to include a foreign country. A member is treated as if subject to tax in another state if, in that state, the member is subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, a Corporation stock tax, or a tax of the type imposed under the MBT Act, or that state has jurisdiction to subject the member to one or more of such taxes regardless of whether the tax is imposed. A member will be treated as subject to a tax in another state for these purposes if the member has due process and commerce clause nexus with that state.

If this member has no Michigan sales, enter zero.

Complete this line using amounts for the member's business activity only. Do not include amounts from an interest owned by the member in a Partnership or S Corporation (or LLC taxed federally as such).

If this member is subject to tax in another state, as described above, use the "Sourcing of Sales to Michigan" information in the Form 4567 instructions to determine Michigan sales. If sales reported are adjusted by a deduction for qualified sales to a qualified customer, as determined by the Michigan Economic Growth Authority (MEGA), attach the Anchor District Tax Credit Certificate or Anchor Jobs Tax Credit Certificate from the Michigan Economic Development Corporation (MEDC) as support.

For transportation services that source sales based on revenue miles, include on Line 14 a sales amount calculated by multiplying total sales of the transportation service by the ratio of Michigan revenue miles over revenue miles everywhere as provided in the "Sourcing of Sales to Michigan" section of the Form 4600 General Instructions, for that type of transportation service. *Revenue mile* means the transportation for a consideration of one net ton in weight or one passenger the distance of one mile.

Line 16b: Proration Percentage: Applies only for the first filing period ending in 2012 and only if all of the following are satisfied:

- This member reports federal taxes on a fiscal year.
- The DM for the standard taxpayer return (i.e., Form 4567) of this UBG reports federal taxes on a fiscal year.
- The DM for the standard taxpayer return of this UBG, on behalf of the UBG, elected to calculate the last MBT filing period ending December 31, 2011, using the annual method.
- The DM for the standard taxpayer return of this UBG, on behalf of the UBG, elects to calculate this MBT filing period beginning January 1, 2012, using the annual method.

If these criteria are not all satisfied, this member cannot calculate by the annual method. Leave this cell blank, and in the lines listed later in these instructions, enter answers for this member based on actual expenditures, receipts, and activities in the 2012 portion of the 2011-2012 fiscal year.

If these criteria are all satisfied, this member must calculate by the annual method. In this case, calculate the percentage using the following equation: Number of months in 2012 of this member's 2011-2012 fiscal year / (DIVIDED BY) the number of months in the member's annual accounting as included in the member's federal return.

If a proration percentage is calculated, in the lines listed below enter amounts for this member based on the member's full 2011-2012 federal tax year, multiplied by the member's proration percentage. The lines affected by this method are:

- Lines 17 through 26
- Line 28
- Lines 30 through 42
- Lines 45a through 45i

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in Form 4600.

Line 17: *Gross receipts* means the entire amount received by the member, as determined by using the member's method of accounting for federal income tax purposes, from any activity, whether in intrastate, interstate, or foreign commerce, carried out for direct or indirect gain, benefit, or advantage to the member or to others, with certain exceptions. Receipts include, but are not limited to:

- Some or all receipts (sales proceeds) from the sale of assets used in a business activity.
- Sale of products.
- Services performed.
- Gratuities stipulated on a bill.
- Dividend and interest income.
- Gross commissions earned.
- Rents.
- Royalties.
- Sales of scrap and other similar items.
- Client reimbursed expenses not obtained in an agency capacity.
- Gross proceeds from sales between affiliated companies, including members of a UBG.

Use Worksheet 4700 in Form 4600 to calculate gross receipts. Attach the worksheet to the return. Gross receipts are not necessarily derived from the federal return, however, the worksheet will calculate gross receipts as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce gross receipts not identified by specific lines on Worksheet 4700, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from the worksheet to account properly for such uncommon situations.

A member should compute its gross receipts using the same accounting method used in the computation of its taxable income for federal income tax purposes.

Producers of Agricultural Goods: The total gross receipts from all business activity must be reported on line 17, including the gross receipts from agricultural activity of a person whose primary activity is the production of agricultural goods. A subtraction is allowed on line 26 for the gross receipts that have been included on this line that are from the agricultural activity of a person whose primary activity is the production of agricultural goods.

Producers of Oil and Gas: The total gross receipts from all business activity must be reported on line 17, including the gross receipts from the production of oil and gas even if this activity is subject to the Severance Tax on Oil or Gas, 1929 PA 48. A subtraction is allowed on line 26 for the gross receipts that have been included on this line that are from the production of oil and gas that are subject to the Severance Tax on Oil or Gas.

Line 18: Enter inventory acquired during the tax year, including freight, shipping, delivery, or engineering charges included in the original contract price for that inventory.

Inventory means the stock of goods, including electricity and natural gas, held for resale in the ordinary course of a retail or wholesale business, and finished goods, goods in process of a manufacturer, and raw materials purchased from another person. Inventory includes shipping and engineering charges so long as such charges are included in the original contract price for the associated inventory. Inventory also includes floor plan interest for new motor vehicle dealers licensed under the Michigan vehicle code and any pre-paid sales tax required to be paid on the inventory at the time of purchase.

For purposes of this deduction, *floor plan interest* means interest paid that finances any part of the person's purchase of new motor vehicle inventory from a manufacturer, distributor, or supplier. However, amounts attributable to any invoiced items used to provide more favorable floor plan assistance to a person subject to the tax imposed under the MBT Act than to a person not subject to this tax is considered interest paid by a manufacturer, distributor, or supplier, and is not considered floor plan interest.

For a person that is a securities trader, broker, or dealer, or a person included in the UBG of that securities trader, broker, or dealer that buys and sells for its own account, inventory includes contracts that are subject to the Commodity Exchange Act, 7 USC 1 to 27f, the cost of securities as defined under IRC § 475(c)(2) and for a securities trader the cost of commodities as defined under IRC § 475(e)(2) and for a broker or dealer the cost of commodities as defined under IRC § 475(e)(2)(b), (c), and (d), excluding interest expense other than interest expense related to repurchase agreements. As used in this provision:

- *Broker* and *dealer* mean those terms as defined under section 78c(a)(4) and (a)(5) of the Securities Exchange Act of 1934, 15 USC 78c.
- *Securities trader* means a person that engages in the trade or business of purchasing and selling investments and trading assets.

Inventory does not include either of the following:

- Personal property under lease or principally intended for lease rather than sale.
- Property allowed a deduction or allowance for depreciation or depletion under the IRC.

Line 19: Enter assets, including the costs of fabrication and installation, acquired during the tax year of a type that are, or under the IRC will become, eligible for depreciation, amortization, or accelerated capital cost recovery for federal income tax purposes.

Line 20: To the extent not included in inventory or depreciable property, enter the value of materials and supplies, including repair parts and fuel.

Materials and supplies means tangible personal property acquired during the tax year to be used or consumed in, and directly connected to, the production or management of inventory or the operation or maintenance of depreciable assets. Materials and supplies includes repair parts and fuel.

For example, a physician's or dentist's purchase of sterilizing solution during the tax year that is used to sterilize examination equipment, such as an X-ray machine, may be considered materials and supplies under MCL 208.1113(6)(c).

Line 21: A staffing company may deduct compensation (including wages, benefits, and all payroll taxes) paid to personnel supplied to its clients. *Staffing company* means a taxpayer whose business activities are included in Industry Group 736 under the Standard Industrial Classification (SIC) Code as compiled by the United States Department of Labor.

Payments to a staffing company by a client do not constitute purchases from other firms.

Line 22: For taxpayers that fall under SIC major groups 15 (Building Construction General Contractors and Operative Builders), 16 (Heavy Construction Other Than Building Construction Contractors), and 17 (Construction Special Trade Contractors) who do not qualify for the Small Business Alternative Credit under MCL 208.1417, the following payments are considered "purchases from other firms:"

- Payments to subcontractors for a construction project, under a contract specific to that project, and
- To the extent not deducted as "inventory" and "materials and supplies," payments for materials deducted as purchases in determining the cost of goods sold for the purpose of calculating total income on the taxpayer's federal income tax return.

NOTE: For purposes of this subtraction, the analysis of whether a person in a UBG does not qualify for a Small Business Alternative Credit should be based on whether the group as a whole qualifies. However, for purposes of the SIC code requirement, it is sufficient that the UBG member that made the payments listed above be included in SIC codes 15, 16, or 17.

Persons included in SIC codes 15, 16, and 17 include general contractors (of residential buildings including single-family homes; industrial, commercial, and institutional buildings; bridges, roads, and infrastructure; etc.), operative builders, and trade contractors (such as electricians, plumbers, painters, masons, etc.). See **http://www.osha.gov/pls/imis/sic_manual.html** for a more complete list.

A *subcontractor* is an Individual or entity that enters into a contract and assumes some or all of the obligations of a person included in SIC codes 15, 16, and 17 as set forth in the primary contract specific to a project. Thus, payments to an independent contractor for general labor services not specific to a particular construction contract do not constitute purchases from other firms. However, payments made to a subcontractor for services and materials provided under a contract specific to a particular construction project (such as the construction of commercial property at 2400 Main Street) do constitute purchases from other firms. There is no requirement that the subcontractors to whom such payments are made be licensed.

The taxpayer bears the burden to prove it is entitled to a deduction in computing its tax liability. It is contemplated that good business practice would include documentation such as a written contract that would support a deduction from gross receipts for payments to subcontractors as purchases from other firms. The supporting information for payments to a subcontractor could be incorporated into the contract for the specific project or memorialized in a separate contract with a subcontractor specifying the project to which the costs pertain.

Line 24: On lines 24a through 24g, calculate a deduction from gross receipts for a member that is a limited dividend housing association that owns and operates a Qualified Affordable Housing Project (QAHP).

Public Act (PA) 168 of 2008 provides for a deduction from the modified gross receipts and apportioned business income tax bases for a QAHP. (A deduction from the apportioned business income tax base also is available. See below.)

Qualified Affordable Housing Project means a person that is organized, qualified, and operated as a limited dividend housing association that has a limitation on the amount of dividends or other distributions that may be distributed to its owners in any given year and has received funding, subsidies, grants, operating support, or construction or permanent funding through one or more public sources.

A *limited dividend housing association* is organized and qualified pursuant to Chapter 7 of the State Housing Development Authority Act (MCL 125.1491 et seq).

If these criteria are satisfied, a QAHP may deduct from its modified gross receipts, its gross receipts attributable to the residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that QAHP and the denominator of which is the number of all residential rental units in Michigan owned by the project. This deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Amounts received by the management, construction, or development company for completion and operation of the project and rental units do not constitute gross receipts for purposes of the deduction.

MCL 208.1201(8) governs the termination of this deduction.

Line 24a: Gross receipts attributable to residential rentals in Michigan do not include amounts received by the management, construction, or development company for completion and operation of the project and those rental units.

Line 24b: *Rent restricted unit* means any residential rental unit that has a rental rate restricted in accordance with IRC § 42(g)(1) as if it was a qualified low-income housing project, or that receives rental assistance from Housing and Urban Development (HUD) section 8 subsidies, HUD housing assistance program subsidies, U.S. Department of Agriculture rural housing programs, or from any of the programs described in MCL 208.1203(8)(b).

Line 24c: This includes rent restricted and unrestricted residential rental units owned by the QAHP in Michigan.

Line 25: If the member is licensed under Article 25 (Real Estate Brokers and Salespersons) or Article 26 (Real Estate Appraisers) of the Occupational Code [MCL 339.2501 to 339.2518 and 339.2601 to 339.2637], enter payments made to independent contractors licensed under Articles 25 or 26.

Line 26: For a person classified under the 2002 North American Industrial Classification System (NAICS) Number 484, as compiled by the United States Office of Management and Budget, that does not qualify for a credit under Section 417, enter the payment, made on or after July 12, 2011, to subcontractors to transport freight by motor vehicle under a contract specific to that freight to be transported by motor vehicle.

Attach a letter to explain the activity that qualifies for this subtraction and the date of the payment. Include your NAICS code.

Enter on this line the gross receipts included on line 17, which result from the agricultural activity of a person whose primary activity (i.e., more than 50 percent of gross receipts) is the production of agricultural goods.

Enter on this line the gross receipts included on line 17 which result from the production of oil and gas if that production of oil and gas is subject to the Severance Tax on Oil or Gas, 1929 PA 48.

Line 28: Enter amount of the MBT Modified Gross Receipts (MGR) Tax collected in the tax year.

MCL 208.1203(5) permits new motor vehicle dealers licensed under the Michigan Vehicle Code, PA 300 of 1949, MCL 257.1 to 257.923, and dealers of new or used personal watercraft to collect the MGR Tax in addition to the sales price. The statute states that the "amount remitted to the Department for the [Modified Gross Receipts Tax] ... shall not be less than the stated and collected amount." Therefore, the entire amount of the MGR Taxes stated and collected by new motor vehicle dealers and new or used personal watercraft dealers must be remitted to Treasury. There should be no instance in which a dealer collects amounts of the MGR Tax from customers in excess of the amount of MGR taxes remitted to Treasury. Eligible taxpayers that elect to separately collect the MGR Tax from customers in addition to sales price may include the collected tax as part of their estimated payments.

NOTE: Only new motor vehicle dealers and dealers of new or used personal watercraft are permitted to separately itemize and collect a tax imposed under the MBT Act from customers in addition to sales price, and that authority is limited to only the MGR Tax imposed and levied under MCL 208.1203. The statute does not authorize separate itemizing and collection of the Business Income Tax or surcharge by any person.

Line 29: A member that is a dealer of personal watercraft or new motor vehicles that collected MGR Tax from customers by separate statement on the invoice during the tax year, as entered in line 28, should complete the following worksheet to determine excess MGR Tax collected.

WORKSHEET – EXCESS MGR TAX COLLECTED

A. Pro forma apportionment percentage from Form 4580, Part 2A, line 16a.....		%
B. Modified gross receipts from Form 4580, Part 2A, line 27. If MGR is less than zero, enter zero................		00
C. Apportioned MGR tax base. Multiply line B by line A...................		00
D. Pro forma MGR Tax before credits. Multiply line C by 0.8% (0.008)		00
E. Enrichment prohibition, amount from Form 4580, Part 2A, line 28		00
F. Excess MGR Tax collected. If line D is less than line E, enter the difference. Otherwise, enter zero. Carry amount to Form 4580, Part 2A, line 29		00

Line 30: *Business income* means that part of federal taxable income derived from business activity. For MBT purposes, *federal taxable income* means taxable income as defined in IRC § 63, except that federal taxable income shall be calculated as if section 168(k) [as applied to qualified property placed in service after December 31, 2007] and IRC § 199 were not in effect. For a Partnership or S Corporation (or LLC federally taxed as such), business income includes payments and items of income and expense that are attributable to business activity of the Partnership or S Corporation and separately reported to the partners or shareholders.

Use the *Business Income Worksheet* (Worksheet 4746) in Form 4600 to calculate business income. Attach Worksheet 4746 to the return. The worksheet will calculate business income as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce business income not identified by specific lines on the worksheet, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from Worksheet 4746 to account properly for such uncommon situations.

For an organization that is a mutual or cooperative electric company exempt under IRC § 501(c)(12), business income equals the organization's excess or deficiency of revenues over expenses as reported to the federal government by those organizations exempt from the federal income tax under the IRC, less capital credits paid to members of that organization, less income attributed to equity in another organization's net income, and less income resulting from a charge approved by a state or federal regulatory agency that is restricted for a specified purpose and refundable if it is not used for the specified purpose.

For a tax-exempt person, *business income* means only that part of federal taxable income (as defined for MBT purposes) derived from unrelated business activity.

For an Individual or an estate, or for a Partnership or Trust organized exclusively for estate or gift planning purposes, business income is that part of federal taxable income (as defined for MBT purposes) derived from transactions, activities, and sources in the regular course of the member's trade or business, including the following:

- All income from tangible and intangible property if the acquisition, rental, management, or disposition of the property constitutes integral parts of the member's regular trade or business operations.
- Gains or losses incurred in the member's trade or business from stock and securities of any foreign or domestic corporation, and dividend and interest income.
- Income derived from isolated sales, leases, assignment, licenses, divisions, or other infrequently occurring dispositions, transfers, or transactions involving property if

the property is or was used in the member's trade or business operation.

- Income derived from the sale of a business.

NOTE: Personal investment income, gains from the sale of property held for personal use and enjoyment, or other assets not used in a trade or business, and any other income not specifically derived from a trade or business that is earned, received, or otherwise acquired by an Individual, an estate, or a Trust or Partnership organized or established exclusively for estate or gift planning purposes, are not included in the Business Income Tax base. This exclusion only applies to the specific types of persons identified above. Investment income and any other types of income earned or received by all other types of persons not specifically referenced must be included in the business income of the member.

Producers of Agricultural Goods: The total business income from all business activity must be reported on line 30, including the income from agricultural activity of a person whose primary activity is the production of agricultural goods. A subtraction is allowed on line 42 for the business income that has been included on this line that is from the agricultural activity of a person whose primary activity is the production of agricultural goods.

Producers of Oil and Gas: The total business income from all business activity must be reported on line 30, including the income from the production of oil and gas even if this activity is subject to the Severance Tax on Oil or Gas, 1929 PA 48. A subtraction is allowed on line 42 for the business income that has been included on this line that is from the production of oil and gas that is subject to the Severance Tax on Oil or Gas.

IMPORTANT: If business activity is protected under Public Law (PL) 86-272 for any member of the UBG, then the member must claim protection by filing the *MBT Tax Schedule of Business Activity Protected Under Public Law 86-272* (Form 4586) (if member is the DM) or the *MBT Schedule of Business Activity for Non-Designated Members of a Unitary Business Group Protected Under Public Law 86-272* (Form 4581) (if member is not the DM) and reporting its individual activity. Unless all members of the UBG have PL 86-272 protection, a member claiming protection must complete lines 30 through 45i. If all members of the UBG are claiming PL 86-272 protection, leave lines 30 through 45i blank.

So long as one member of a UBG has nexus with Michigan and exceeds the protections of PL 86-272, all members of the UBG, including members protected under PL 86-272, must be included when calculating the UBG's Business Income Tax base and apportionment formula. (In other words, PL 86-272 will only remove business income from the apportionable Business Income Tax base when all members of the UBG are protected under PL 86-272.) The inclusion of the business income of members that fall under PL 86-272 in the tax base of the UBG and the subsequent apportionment of such income does not constitute taxation upon those PL 86-272 members. Rather, this method is required for properly determining the Michigan income of the UBG.

Line 31: Enter any interest income and dividends from bonds and similar obligations or securities of states other than Michigan and their political subdivisions in the same amount that was excluded from federal taxable income (as defined for MBT purposes). Include only the income derived from business activity. Reduce this addition by any expenses related to the foregoing income that were disallowed on the federal return by IRC § 265 or 291.

Line 32: 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 33: Enter the Michigan Business Tax, including surcharge, claimed as a deduction on this member's federal return (or this member's allocable share, if claimed on a federal consolidated return).

Line 34: Enter any net operating loss carryover or carryback that was deducted in arriving at this member's federal taxable income (as defined for MBT purposes) reported on line 30. If the member reporting on this copy of Part 2A is a member of a federal consolidated group, or for any other reason did not file a separate federal return for the period reported here, the federal net operating loss (NOL) carryover or carryback entered here must be based on a pro forma federal return for the member reporting on this copy of Part 2A. Enter this amount as a positive number.

Line 35: Enter any losses included in federal taxable income (as defined for MBT purposes) that are attributable to other entities that have made a valid election to file and have filed under the MBT. If this member owns an interest in only one such entity, list that entity's FEIN or TR number in the field on this form. If this member owns interests in more than one such entity, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this loss add-back that is attributable to each entity. In any case, the amount on line 35 should be the total of all losses, not just the loss of the one entity identified on the form. This addition includes a loss attributable to this member's ownership interest in another member of the UBG, to the extent that loss was included in this member's federal taxable income (as defined for MBT purposes).

Line 36: Enter any royalty, interest, or other expense paid to a person related to the member by ownership or control for the use of an intangible asset if the person is not included in the member's UBG. Royalty, interest, or other expense described here is not required to be included if the taxpayer can demonstrate that the transaction has a nontax business purpose other than avoidance of MBT, is conducted with arm's-length pricing and rates and terms as applied in accordance with IRC § 482 and 1274(d), and satisfies one of the following:

- Is a pass-through of another transaction between a third party and the related person with comparable rates and terms.
- Results in double taxation. For purposes of this subparagraph, double taxation exists if the transaction is subject to tax in another jurisdiction.
- Is unreasonable as determined by Treasury, and the taxpayer agrees that the addition would be unreasonable based on the

taxpayer's facts and circumstances.

- The related person (recipient of the transaction) is organized under the laws of a foreign nation which has in force a comprehensive income tax treaty with the United States.

Line 37: There currently are no additions that are recorded on this line. Leave this line blank.

Line 38: To the extent included in federal taxable income (as defined for MBT purposes), enter any dividends and royalties received from persons other than United States persons and foreign operating entities, including, but not limited to, amounts determined under IRC § 78 or IRC § 951 to 964.

Line 39: Enter any income included in federal taxable income (as defined for MBT purposes) that is attributable to other entities that have made a valid election to file and have filed under the MBT. If this member owns an interest in only one such entity, list that entity's FEIN or TR number in the field on the form. If this member owns interests in more than one such entity, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this income subtraction that is attributable to each entity. In any case, the amount on line 39 should be the total of all income, not just the income of the one entity identified on the form. This subtraction includes income attributable to this member's ownership interest in another member of the UBG, to the extent that income was included in this member's federal taxable income (as defined for MBT purposes).

Line 40: To the extent included in federal taxable income (as defined for MBT purposes), deduct interest income derived from United States obligations.

Line 41: To the extent included in federal taxable income (as defined for MBT purposes), deduct any earnings that are net earnings from self-employment as defined under IRC § 1402 of the UBG member reporting here, or a partner or LLC member of the UBG member reporting here, except to the extent that those net earnings represent a reasonable return on capital. If less than zero, enter zero.

Under IRC § 1402, the business income of an Individual or sole proprietor, and a partner's distributive share of Partnership income, whether distributed or not, from any trade or business carried on by the Partnership, may be considered self-employment income (with certain statutory exceptions), and subject to the Federal Self-Employment Tax. Therefore, a sole proprietorship or Partnership may deduct any income subject to the Federal Self-Employment Tax when computing the MBT Business Income Tax Base. Shareholders of Corporations, including S Corporations, are not subject to the Federal Self-Employment Tax, and, as a result, no deduction is allowed for earnings from self-employment income for corporate entities. There is no deduction allowed for S Corporation distributions that is equivalent to the self-employment deduction allowed for Partnerships and sole proprietorships under MBT.

Net earnings from self-employment under IRC § 1402 generally means "the gross income derived by an Individual from any trade or business carried on by such Individual, less the deductions allowed by this subtitle which are attributable to such trade or business, plus the distributive share (whether or not distributed) of income or loss described in [IRC] 702(a)(8) from any trade or business carried on by a Partnership of which he is a member," subject to certain exclusions, including rentals from real estate, dividends and interest, and certain net operating losses and personal exemptions (IRC § 1402(a)).

Line 42: To the extent included in federal taxable income (as defined for MBT purposes), deduct the amount of a charitable contribution made to the advance tuition payment fund created under section 9 of the Michigan education trust act, PA 316 of 1986, MCL 390.1429. This is deductible only to the extent that contribution was NOT federally deductible.

Enter on this line the income included on line 30 that resulted from the agricultural activity of a person whose primary activity is the production of agricultural goods.

Enter on this line the income included on line 30 that resulted from the production of oil and gas if that production of oil and gas is subject to the Severance Tax on Oil or Gas, 1929 PA 48.

Line 44: Enter any unused MBT business loss carryforward from the MBT return for the preceding year. Deduct any available business loss incurred after December 31, 2007. *Business loss* means a negative business income tax base after allocation or apportionment. The business loss will be carried forward to the year immediately succeeding the loss year as an offset to the allocated or apportioned Business Income Tax base, then successively to the next nine taxable years following the loss year or until the loss is used up, whichever occurs first, but for not more than ten taxable years after the loss year.

This line is used only by the DM and by any member that had its own MBT business loss carryforward (hereafter, loss carryforward) when it joined this group. That latter category includes a member that generated loss carryforward on a separately filed MBT return, and a member that left another UBG and took its share of that group's loss carryforward.

On the DM's copy of this form, enter loss carryforward from the group's immediately preceding Form 4567 (2011, line 47), less any part of that loss carryforward attributable to members that had their own loss carryforward when they joined the group, and less any part of that carryforward subsequently taken by departing members (see below). In calculating this division of the loss carryforward from the prior return, keep in mind that loss carryforward consumed on a return always is the oldest available on that return, regardless of whether the oldest loss was generated by the group or brought by an incoming member. Loss carryforward of a UBG, including loss carryforward brought by an incoming member, ages according to the tax years of the group, rather than tax years of any particular member.

On any non-DM member's copy of this form, loss carryforward brought to this group by an incoming member is determined by two different methods, depending on when the member joined this group:

- To report activity of a member that joined this group in the group's tax year prior to the current filing period, or earlier, and brought loss carryforward with it, enter the portion of the loss carryforward from the group's immediately preceding Form

4567 that is attributable to this member.

- To report activity of a member that joined this group during the group's current filing period and brought loss carryforward with it, enter the entire amount of loss carryforward brought by this member.

Loss carryforward generated by the group is maintained by Treasury under the DM's account. Loss carryforward brought to the group by a joining member is maintained by Treasury under that member's account, until it expires, is fully used, or is taken from the group when that same member departs. If these instructions are not followed carefully, loss carryforward available for use by the group in the current filing period will be miscalculated.

When membership of a UBG changes, the business loss carryforward of the UBG is divided among the UBG and the departing member(s) in proportion to the losses the member(s) would have generated had each member filed separately for all MBT periods that contribute to the loss.

Additional direction is found in the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600.

NOTE: MBT business loss carryforward is not the same as the federal net operating loss carryforward or carryback, the SBT business loss carryforward, or the CIT business loss carryforward. Only a MBT business loss carryforward may be entered on this line and applied against the MBT business income tax base. For a fiscal year taxpayer filing this return for the period beginning January 1, 2012, this would include a business loss created or claimed on the fiscal year taxpayer's MBT return for the period ending December 31, 2011.

Line 45: QAHP deductions. Members claiming the seller's deduction, skip lines 45a through 45h and carry the amount from Form 4579, line 5, to line 45i. Members claiming the QAHP deduction, complete lines 45a through 45i.

PA 168 of 2008 provides for a deduction from the apportioned Business Income Tax base to a QAHP and a seller of residential rental units to a QAHP. *Qualified Affordable Housing Project* is defined under instructions for line 24.

The QAHP may deduct from its apportioned Business Income Tax base an amount equal to the product of the taxable income attributable to residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that QAHP and the denominator of which is the number of all residential rental units in Michigan owned by the project. MCL 208.1201(8) governs the termination of this deduction.

The seller's deduction is described in the instructions to line 45i.

Lines 45a through 45c: In general, taxable income attributable to residential rental units is gross rental receipts attributable to residential rental units in Michigan less rental expenses attributable to residential rental units in Michigan, including, but not limited to, repairs, interest, insurance, maintenance, utilities, and depreciation.

Specifically, Partnerships may use a Rental Real Estate Income and Expenses of a Partnership or an S Corporation (U.S. Form 8825) to determine its taxable income attributable to residential rental units in Michigan. To the extent that the QAHP is taxed as something other than a Partnership or S Corporation, the QAHP may use the Supplemental Income and Loss (U.S. Form 1040, Schedule E) or the relevant portions of the U.S. Corporation Income Tax Return (U.S. Form 1120), as appropriate. If the QAHP is a Corporation, the expenses permitted should be limited to those also listed on the Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition (U.S. Form 8823) and U.S. Form 1040, Schedule E. Rental receipts and expenses must be calculated without regard to any gain or loss resulting from the disposition of rental property. Also, since Partnerships are subject to tax as a person under MBT, flow-through amounts from other Partnerships are not considered.

Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, are not deductible rental expenses. Any passive activity loss limitations applicable to the QAHP's federal return also apply for purposes of MCL 208.1201(7).

Line 45d: *Rent restricted unit* means a residential rental unit's rental income is restricted in accordance with IRC § 42(g)(1) as if it was a qualified low-income housing project, or receives rental assistance in the form of HUD section 8 subsidies or HUD housing assistance program subsidies, or rental assistance from the U.S. Department of Agriculture rural housing programs, or from any of the other programs described in MCL 208.1203(8)(b).

Line 45e: This includes rent restricted and unrestricted residential rental units owned by the QAHP in Michigan.

Line 45h: The QAHP's deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Income received by the management, construction, or development company for completion and operation of the project and rental units does not constitute taxable income attributable to residential rental units.

Line 45i: The seller may take a deduction from its apportioned Business Income Tax base equal to the gain from the sale of the residential rental units to the QAHP, as calculated on the *MBT Qualified Affordable Housing Seller's Deduction* (Form 4579). Enter the amount from Form 4579, line 5. (All MBT forms, including Form 4579, are available online at **www.michigan.gov/mbt**.)

When the seller claims a deduction for the year of sale, the State will place a lien on the property equal to the amount of the seller's deduction. If the buyer fails to qualify as a QAHP or fails to operate any of the residential rental units as rent restricted units in accordance with the operation agreement within 15 years after the date of purchase, the lien placed on the property for the amount of the seller's deduction becomes payable to the State. The lien is payable through a "recapture" to be added to the tax liability of the buyer in the year the recapture event occurs. The recapture is calculated on *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587), and is reduced proportionally for the number of years the buyer qualified for the deduction.

Lines 46 through 65: These lines are for reporting each member's credit carryforwards remaining from a previous year. If the group created a credit carryforward in a preceding tax period, Treasury will have maintained that carryforward on the DM's account. Enter unused credit carryforwards of this type on the DM's copy of Part 2A.

If a member created a credit carryforward prior to joining the UBG, Treasury will maintain that carryforward on that member's account, subject to use by the group, until it is fully consumed or that member leaves the group. Enter unused credit carryforwards of this type on the copy of Part 2A filed for the member that brought the carryforward to the group.

Available credit carryforwards, regardless of whether they arose within the group or outside of it, are applied against the UBG's tax liability on the basis of age (oldest first). Credit carryforward of a UBG, including credit carryforward brought by an incoming member, ages according to the tax years of the group, rather than tax years of any particular member.

If two members each created a carryforward of the same credit and the same age, and together they exceed the amount allowable in this filing period, those members' respective credit carryforwards are used in proportion to the amount they contributed to the group. If a member that generated a carryforward in a prior period leaves the group, that member will take with it an amount equal to the group's remaining carryforward from that period multiplied by the amount that member contributed relative to the total amount contributed by all group members for the same credit in that same period.

NOTE: It is important to review a carryforward for the possibility that some or all of it has expired, or that some or all of it was withdrawn from the group by a departing member.

Each of these lines for a tax credit carryforward is the amount of the identified item that may be claimed in this filing period.

See the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600 for information on the effects of members leaving or joining a UBG on credit carryforwards.

Line 66: Enter overpayment credited from the prior MBT or Corporate Income Tax (CIT) return. When membership of a UBG changes from one filing period to the next, carryforward of an overpayment from the prior return remains with the DM's account. As with business loss carryforwards, in general this line should be used only on the DM's copy of Part 2A (credit forward from the group's prior return) or that of a new member (credit forward from the new member's final return as a separate filer).

Line 67: All MBT estimated payments for a UBG should be made by the DM. Enter estimates paid by the DM on this line of the DM's copy of Part 2A. If any other member paid estimates attributable to the group return supported by this form, enter those estimates on that member's copy of Part 2A. Include all payments made by that member for any portion of its federal filing period that is included on the group return. For example, if a non-DM member has a 12-month fiscal year beginning April 1, 2010, and is a member of a calendar year UBG throughout that period, its business activity from April 1, 2010, through March 31, 2011, will be reported on the group's December 31, 2011, return. If that member pays MBT quarterly estimates, it will make two estimates during 2010, before the DM's filing period begins. Because those estimates are attributable to activity that will be reported on the group's December 31, 2011, return, they should be included on the paying member's copy of Part 2A for the December 31, 2011, group return.

Line 68: As an MBT taxpayer, flow-through entities are not required to withhold on your behalf under the Flow-Through Withholding requirements. However, in the event a flow-through entity does withhold on your distributive share of the flow-through entity's income, enter the total withholding payments made on your behalf by that flow-through entity. Include all withholding payments made on returns that apply to the tax year included in this return. Included on this line would be Flow-Through Withholding payments made by flow-through entities whose tax years ended with or within the tax year included in this return. For example, a calendar year filer would include Flow-Through Withholding payments made by a flow-through entity whose tax year ended on or after January 1, 2012, and on or before December 31, 2012. Any flow-through entity that has withheld on behalf of the taxpayer should have provided the taxpayer with the amount of withholding for its records.

If an amount is entered on this line, complete the MBT Schedule of Flow-Through Withholding (Form 4966) to account for the Flow-Through Withholding payments received. The amount entered on this line must equal the sum of the combined amount from Form 4966, column E.

Line 69: Only the DM may request a filing extension for a UBG. If any other member submits an extension request, it will not create a valid extension for the UBG, but any payment included with such a request can be credited to the UBG by entering that payment on this line in that member's copy of Part 2A.

Part 2B: Summary of Business Activity for Combined Return of Standard Taxpayers

Part 2B supports, line by line, the combination of all members' entries for each corresponding line in Part 2A, and elimination of intercompany transaction data where appropriate. In general, see instructions for corresponding line numbers in Part 2A. Guidance specific to the combination and elimination process is provided below.

NOTE: Elimination, where required, applies to transactions between any members of the UBG — not just members that report on the standard taxpayer combined return supported by this form. For example, if the UBG includes standard taxpayers (not owned by and unitary with a financial institution in the UBG), an insurance company, and two financial institutions, transactions between a standard taxpayer member and an insurance or financial member are eliminated whenever elimination is required, despite the fact that the insurance and financial members are not reported on the combined return filed by standard taxpayer members. If a transaction between two members of a UBG is reported on the group's current return by one member but reported on the preceding or succeeding group return by the other member (due to differing year ends or accounting methods of the members), the side of that transaction that is included in the group's current filing period must be eliminated. The other side of the same transaction will be eliminated on the group return for the filing period in which the other member reports the transaction.

However, there is no elimination with an otherwise related entity if the related entity is excluded from the UBG. For example, consider a group with a U.S. parent, a U.S. subsidiary, and a foreign operating entity subsidiary that would otherwise be a UBG, but the foreign operating entity is excluded from the UBG by definition. The U.S. parent filing a UBG return may not eliminate intercompany transactions between itself and the foreign operating entity.

In column B for each line, eliminate the tax consequences of intercompany transactions that are included in column A of that line. Tax consequences of a transaction include, for example, gross receipts, subtractions from gross receipts, income, and deductions. Elimination of intercompany transactions does not apply where boxes are filled with Xs in column B.

When Treasury processes the return, an entry in column B will be subtracted from the corresponding entry in column A. Therefore, an elimination that is intended to reduce the net, groupwide amount of a particular item should be entered as a positive number. This is the most common situation. Occasionally, however, it is appropriate that elimination of an intercompany transaction will cause the net, groupwide amount of that particular item to be greater than the group total before elimination. In that case, the elimination should be entered as a negative number.

Line 29C: Add the combined total after eliminations from Part 2B, line 29C, to the number on Form 4567, line 25, and carry the sum to Form 4567, line 26. This calculation method is designed to prevent the fact of one member overcharging MGR Tax to its customers from being obscured by activities of the other members.

Line 43C: Business Income Tax Base. Add Column C, lines 30 through 37 and subtract Column C, lines 38 through 42.

Line 70: U.S. person is defined in IRC § 7701(a)(30).

Line 72: Flow of value, integration, dependence, and contribution in a UBG context are described under "General Information About UBGs in MBT" at the beginning of these instructions for Form 4580, and in RAB 2010-2.

Part 3: Affiliates Excluded From The Combined Return of Standard Taxpayers

The statutory test for membership in a UBG is a group of U.S. persons (other than a foreign operating entity):

- One of which owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights or ownership interests that confer rights comparable to voting rights of the other U.S. persons (see RAB 2010-1); and
- That has business activities or operations which result in a flow of value between or among persons included in the UBG or has business activities or operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations. (See RAB 2010-2.)

A person that would be a standard taxpayer if viewed separately is defined and taxed as a financial institution if it is owned, directly or indirectly, by a financial institution and is in a UBG with its owner.

The purpose of Part 3 is to identify persons for which the ownership test described above is satisfied, but which are not included on the combined return supported by this form, either because the relationship test is not satisfied or because the person is excluded by statute. A new member whose business activity is not included in the current combined return because its tax year ends after the filing period of the UBG should also be listed here.

Line 74A: If a person being listed here is listed on U.S. Form 851, enter the identifying number for that person that is called "Corp. No." at the left edge of pages 1, 2, and 3 of U.S. Form 851.

Line 74D: Reason codes for affiliates being excluded from the current combined return:

1	Lacks business activities resulting in a flow of value or integration, dependence or contribution to group.
2	Foreign operating entity.
4	Foreign entity.
5	Member has no MBT tax year (as a member of this UBG) ending with or within this filing period.
6	Other.
7	Insurance company. (Insurance companies always file separately.)
8	Financial institution. (Financial institutions and standard taxpayers generally are not included on the same combined return.)

If you have questions, call Treasury, Technical Services Section, at (517) 636-4230, to discuss an appropriate entry.

Line 74E: If this person has nexus with Michigan, enter a check in this box.

Line 74F: Enter the person's six-digit NAICS code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at **www.census.gov/eos/www/naics/**, or enter the same NAICS code used when filing the U.S. Form 1120, Schedule K; U.S. Form 1120S; U.S. Form 1065; or U.S. Form 1040, Schedule C.

Part 4: Persons Included in the Prior Combined Return, but Excluded From Current Return

The purpose of Part 4 is to assist Treasury in tracking membership changes of a UBG from year to year.

NOTE: If a person satisfies the criteria for both Part 3 and Part 4, report that person in both parts. This is a change of procedure from prior MBT forms and instructions.

Line 75C: Reason codes for a person being included in last year's return but not on the current combined return:

10	The member no longer meets the control test, but the ownership interest is still greater than zero.
12	The member no longer meets the control test and the ownership interest is zero.
14	Before the beginning of the group's filing period for the group's current combined return, the person ceased to exist due to dissolution.
16	Before the beginning of the group's filing period for the group's current combined return, the person ceased to exist due to a merger or similar combination.

If the reason is not listed among these reason codes, describe the reason in 21 characters or less in the space provided.

Other Supporting Forms and Schedules

For each member that files a separate federal return, attach copies of the same pages of that member's federal return as are required for a separate filer in similar circumstances. See the "Other Supporting Forms and Schedules" section of Form 4567 instructions for guidance on required pages of federal returns.

If some or all members reporting on the current combined return are also members of a federal consolidated group, each member will prepare its portion of this Form 4580 on the basis of a pro forma federal return. In this case, attach a copy of the applicable pro forma form and schedules as listed in the "Other Supporting Forms and Schedules" section of Form 4567 instructions.

Include completed Form 4580 as part of the tax return filing.

Attachment 16

2012 MICHIGAN Business Tax Penalty and Interest Computation for Underpaid Estimated Tax

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

PART 1: ESTIMATED TAX REQUIRED

1. Annual tax from Form 4567, line 59; or Form 4588, line 47; or Form 4590, line 32	1.	00
2. Required estimate amount. Enter 85% (0.85) of line 1	2.	00

See MBT instruction booklet for exceptions to penalty and interest computation.

		A	B	C	D
3. **ENTER THE PAYMENT DUE DATES** (MM-DD-YYYY)	3.				
4. Divide amount on line 2 by 4, or by the number of quarterly returns required. If annualizing, enter the amount from Annualization Worksheet, line 70, page 2	4.				
CAUTION: Complete lines 5 - 13 one column at a time					
5. Prior year overpayment	5.		X X X X X	X X X X X	X X X X X
6. Amount paid on quarterly return or SUW return (see instr.)	6.				
7. Enter amount, if any, from line 13 of the previous column.	7.	X X X X X			
8. Add lines 5, 6 and 7	8.				
9. Add amounts on lines 11 and 12 of the previous column and enter the result here	9.	X X X X X			
10. Subtract line 9 from line 8. If less than zero, enter zero. For column A only, enter the amount from line 8	10.				
11. Remaining underpayment from previous period. If amount on line 10 is zero, subtract line 8 from line 9 and enter result here. Otherwise, enter zero	11.	X X X X X			
12. If line 4 is greater than or equal to line 10, subtract line 10 from line 4 and enter it here. Then go to line 6 of the next column. Otherwise, go to line 13	12.				
13. If line 10 is larger than line 4, subtract line 4 from line 10 and enter it here. Then go to line 6 of next column	13.				

PART 2: FIGURING INTEREST

		A	B	C	D
14. TOTAL UNDERPAYMENT. Add lines 11 and 12	14.				
15. Enter due date for the next quarter or date tax was paid, whichever is earlier. In column D, enter the due date for the annual return or date tax was paid, whichever is earlier	15.				
16. Number of days from the due date of the quarter to the date on line 15	16.				
17. No. of days on line 16 after 04-15-12 and before 07-01-12	17.				
18. No. of days on line 16 after 06-30-12 and before 01-01-13	18.				
19. No. of days on line 16 after 12-31-12 and before 07-01-13	19.				
20. No. of days on line 16 after 06-30-13 and before 01-01-14	20.				
21. $\frac{\text{Number of days on line 17}}{365}$ x 4.25% (0.0425) x line 14	21.				
22. $\frac{\text{Number of days on line 18}}{365}$ x 4.25% (0.0425) x line 14	22.				
23. $\frac{\text{Number of days on line 19}}{365}$ x 4.25% (0.0425) x line 14	23.				
24. $\frac{\text{Number of days on line 20}}{365}$ x *% x line 14	24.				
25. Interest on underpayment. Add lines 21 through 24	25.				

26. **Interest Due.** Add line 25 columns A through D and enter the result here	26.	00

* Interest rate will be set at 1% above the adjusted prime rate for this period.

+ 0000 2012 63 01 27 3

Continue on Page 2.

FEIN or TR Number

PART 3: FIGURING PENALTY

		A	B	C	D
27. Enter the amount from line 12	27.				
28. Payment due dates from line 3 (MM-DD-YYYY)	28.				
29. Annual return due date or the date payment was made, whichever is earlier	29.				
30. Number of days from date on line 28 to date on line 29.	30.				
31. If line 30 is greater than 0 but less than 61, multiply line 27 by 5% (0.05)	31.				
32. If line 30 is greater than 60, but less than 91, multiply line 27 by 10% (0.10)	32.				
33. If line 30 is greater than 90, but less than 121, multiply line 27 by 15% (0.15)	33.				
34. If line 30 is greater than 120, but less than 151, multiply line 27 by 20% (0.20)	34.				
35. If line 30 is greater than 150, multiply line 27 by 25% (0.25)	35.				
36. Add lines 31 through 35	36.				

37. Total Penalty. Add line 36, columns A through D 37. 00

38. **Total Penalty and Interest.** Add lines 26 and 37. Enter here and on Form 4567, line 68; or Form 4588, line 56; or Form 4590, line 41 .... 38. 00

PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES

(If filing Form 4588 or Form 4590, see instructions.)
Complete worksheet if liability is not evenly distributed throughout year.

		A First 3 Months	B First 6 Months	C First 9 Months	D Full 12 Months
39. Gross receipts (GR)	39.				
40. Subtractions	40.				
41. Modified GR. Subtract line 40 from line 39	41.				
42. Apportionment percentage from Form 4567, line 11c	42.	%	%	%	%
43. Apportioned GR Tax Base. Multiply line 41 by line 42	43.				
44. Multiply line 43 by 0.8% (0.008)	44.				
45. Enrichment Prohibition for dealers of boats/new motor vehicles	45.				
46. GR Tax Before Credits. Enter the greater of lines 44 or 45	46.				
47. Business Income (BI)	47.				
48. Additions	48.				
49. Add lines 47 and 48	49.				
50. Subtractions	50.				
51. BI Tax Base. Subtract line 50 from line 49	51.				
52. Apportioned BI Tax Base. Multiply line 51 by line 42	52.				
53. MBT business loss carryforward	53.				
54. Qualified Affordable Housing Deduction	54.				
55. Subtract line 54 and line 53 from line 52. If less than zero, enter zero.	55.				
56. BI Tax Before Credits. Multiply line 55 by 4.95% (0.0495)	56.				
57. Total MBT Before Credits. Add lines 46 and 56	57.				
58. Annual Surcharge. Multiply line 57 by 21.99% (0.2199) (surcharge for the year should not exceed $6,000,000)	58.				
59. MBT (including surcharge) Before Credits. Add lines 57 and 58.	59.				
60. Nonrefundable Credits	60.				
61. Subtract line 60 from line 59. If less than zero, enter zero	61.				
62. Recapture of certain MBT credits and deductions	62.				
63. Corporate Income Tax adjustment (see instructions)	63.				
64. Net Tax Liability. Add lines 61, 62 and 63	64.				
65. Annualization ratios	65.	4	2	1.3333	1
66. Annualized tax. Multiply line 64 by line 65	66.				
67. Applicable percentage	67.	21.25%	42.5%	63.75%	85%
68. Multiply line 66 by line 67	68.				
69. Combined amounts of line 70 from all preceding columns	69.	X X X X X			
70. **ESTIMATE REQUIREMENTS BY QUARTER**. Subtract line 69 from line 68. If less than zero, enter zero. Enter here and on page 1, line 4	70.				

NOTE: Totals on line 70 must equal 85% of the current year tax liability on page 1, line 1.

+ 0000 2012 63 02 27 1

Instructions for Form 4582, Michigan Business Tax (MBT) Penalty and Interest Computation for Underpaid Estimated Tax

Purpose

To compute penalty and interest for underpaying, late filing, or late payment of quarterly estimates. If a taxpayer prefers not to file this form, the Department of Treasury (Treasury) will compute any applicable penalty and interest and bill the taxpayer. Part 4 of this form also is used to determine and report the amount of estimates due when income is not evenly distributed through the tax year.

NOTE: Penalty and interest for late filing or late payment on the annual return is computed separately. See the "Computing Penalty and Interest" section of the "General Information for Standard Taxpayers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Estimated returns and payments are required from any taxpayer that expects an annual MBT liability (including surcharge and Corporate Income Tax adjustment) of more than $800. Exceptions are listed below. If a taxpayer owes estimated tax and the estimated return with full payment is not filed or is filed late, penalty is added at 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent. If the taxpayer made no estimated tax payments and none of the exceptions below apply, compute the interest due (Part 2) and the penalty for non-filing (Part 3).

Exceptions

If any of the conditions listed below apply, do not pay penalty and interest. If a business operated less than 12 months in the current or preceding year, annualize figures (as applicable) to determine if the exceptions apply. See Form 4600 for complete annualizing instructions.

- The annual tax (including surcharge) on the current annual return is $800 or less.
- The return is for a taxable period of less than four calendar months.
- The estimated quarterly payments reasonably approximate the tax liability incurred for each quarter and the total of all payments equals at least 85 percent of the annual liability. Complete the Annualization Worksheet (Part 4) if the liability is not evenly distributed through the tax year.
- The sum of estimated payments equals the annual tax on the preceding year's return, providing these payments were made in four timely equal payments, or 12, if paid on Sales, Use, and Withholding (SUW) returns, and the preceding year's tax under the MBT Act, including surcharge, if applicable, was $20,000 or less. If the prior year's tax liability was reported for a period less than 12 months, this amount must be annualized for purposes of both the $20,000 ceiling and calculating the quarterly payments due under this method. See "Filing if Tax Year Is Less Than 12 Months" in the "General Information" section of Form 4600 for more information. Reliance on the prior year's tax liability as a means to avoid interest and penalty charges is only allowed if you had business activity in Michigan in that prior year. A return must be filed to establish the tax liability for that prior year, even if gross receipts in the prior year were less than $350,000. In addition, if your business was not in existence in the preceding year, no safe harbor exists. In such a case, estimates must be based on the MBT liability for the current year.
- The taxpayer is a farmer, fisherman, or seafarer and files the *MBT Annual Return* (Form 4567) by March 1, or a tentative annual return with payment by January 15, and the final return on or before April 15.

NOTE: For a taxpayer that calculates and pays estimated payments for federal income tax purposes pursuant to section 6655(e) of the Internal Revenue Code, that taxpayer may use the same methodology as used to calculate the annualized income installment or the adjusted seasonal installment, whichever is used as the basis for the federal estimated payment, to calculate the estimated payments required each quarter under this section. Retain the calculation for your records.

Line-by-Line Instructions

Lines not listed are explained on the form.

Do not enter data in boxes filled with Xs.

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

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

PART 1: ESTIMATED TAX REQUIRED

Line 2: Enter 85 percent of the annual tax amount from line 1.

Line 3: Enter the due date for each quarterly return. For calendar year filers these dates are April 15, July 15, October 15, and January 15. For fiscal year filers, these dates are the 15^{th} day of the 4^{th}, 7^{th}, 10^{th} and 13^{th} months after the start of the fiscal year. For any tax year that includes an estimated tax payment period of less than three months, the quarterly return for that period is due on the 15th day of the month immediately following the final month of the estimated tax payment period.

Line 4: Divide the amount of the estimated tax required for the year on line 4 by four and enter this as estimated tax for each quarter. If the business operated less than 12 months, divide by the number of quarterly returns required and enter this as the estimated tax for each quarter.

Actual Quarterly Tax. If a taxpayer computes quarterly tax due based on the actual tax base for each quarter, complete Part 4 first, then bring the tax from line 70 of the Annualization Worksheet to line 4. See Part 4 instructions for taxpayers filing a return other than Form 4567. The total of the four computed amounts cannot be less than line 2.

Line 5: Complete column A only. Enter the amount of prior year overpayment credited to the current tax year estimates.

Line 6: Amount Paid.

- **Column A:** Enter estimated payments made by the due date for the first quarterly return. Also enter in column A the total Flow-Through Withholding payments from line 62 of the *MBT Annual Return* (Form 4567), line 35 of the *MBT Annual Return for Financial Institutions* (Form 4590) or line 50 of the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588). Also in column A, enter the total refundable credits from line 23 of the *MBT Refundable Credits* (Form 4574) or line 5 of the *Miscellaneous Credits for Insurance Companies* (Form 4596).
- **Column B:** Enter payments made after the due date in column A and by the due date in column B.
- **Column C:** Enter payments made after the due date in column B and by the due date in column C.
- **Column D:** Enter payments made after the due date in column C and by the due date in column D.

If quarterly payments are made after the due date, penalty and interest will apply until the payment is received. If less than full payment is made with a late filing, the taxpayer will need to compute multiple penalty and interest calculations for each column. Attach a separate schedule if necessary.

PART 2: FIGURING INTEREST

Compute the interest due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as interest is calculated separately for each quarter and the interest rate might not be the same for each quarter.

Line 15: Enter the due date of the next quarter or the date the tax was paid, whichever is earlier. In column D, enter the earlier of the due date for the annual return or the date the tax was paid. An approved extension does not change the due date of the annual return (column D) for this computation.

PART 3: FIGURING PENALTY

Compute the penalty due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as the penalty and interest is calculated separately for each quarter and the penalty percentage and interest rate might not be the same for each quarter.

Avoiding Penalty and Interest Under MBT

If estimated MBT liability for the year (including surcharge) is over $800, a taxpayer must file estimated quarterly returns and payments. The taxpayer may make payments with any of the following:

- *CIT Quarterly Return* (Form 4913) or
- *Combined Return for Michigan Taxes* (Form 160) (if registered for SUW Taxes), or
- Electronic Funds Transfer (EFT).

If filing monthly using Form 160, monthly payments may be filed on the 20th day of the month. If filing quarterly via Form 160, payment for MBT is due on the 15th. For example, a calendar year taxpayer may file monthly MBT estimated tax payments using Form 160 on February 20, March 20, and April 20 rather than a single quarterly payment on April 15 provided the combined estimated tax payments for those months are calculated using the instructions provided with the form.

For taxpayers electing to make monthly remittances by EFT where the requirement to file a paper Form 160 has been waived, MBT estimates can be made by the 20th day of the month following the month's end. The estimated MBT for the quarter must also reasonably approximate the liability for the quarter.

NOTE: A debit transaction will be ineligible for EFT if the bank account used for the electronic debit is funded or otherwise associated with a foreign account to the extent that the payment transaction would qualify as an International ACH Transaction (IAT) under NACHA Rules. Contact your financial institution for questions about the status of your account. Contact Treasury's Electronic Funds Transfer Unit at (517) 636-4730 for alternate payment methods.

PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES

Standard taxpayers may use the Annualization Worksheet to calculate and report the amount of estimates due when income is not evenly distributed throughout the tax year.

If filing the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588), or *MBT Annual Return for Financial Institutions* (Form 4590), submit a schedule showing the entity's computations for each quarter. Enter the total amounts on line 64 and follow the instructions for lines 65 through 70.

Each column represents a quarterly three-month filing period.

The Annualization Worksheet essentially leads filers through the steps required to calculate the actual MBT due for the tax year to date. The net tax liability is then annualized and multiplied by the percentage of estimates required for that quarter.

Line 42: If not subject to apportionment, enter 100 percent.

Line 53: Deduct any available MBT business loss incurred after December 31, 2007. Enter as a positive number.

Business loss means a negative business income tax base, after apportionment, if applicable.

NOTE: MBT business loss carryforward is not the same as the federal net operating loss carryforward or carryback. It also is not the same as the Single Business Tax business loss carryforward, which was partially allowed against the Modified Gross Receipts tax base only for tax years ending in 2008. It is also not the same as a Corporate Income Tax (CIT) business loss carryforward. Neither a SBT business loss carryforward nor a CIT business loss carryforward may be entered on this line or applied against the MBT tax base.

Line 58: Multiply line 57 by 21.99 percent (0.2199). The surcharge for the year should not exceed $6,000,000.

For example, if 21.99 percent of line 58 is equal to $4,000,000 in the first quarter, in the second quarter there is additional tax on line 57 that would add another $1,000,000, the third quarter there was no additional tax, and the fourth quarter the additional tax would add another $2,000,000, enter as follows:

- **Column A:** $4,000,000
- **Column B:** $5,000,000
- **Column C:** $5,000,000
- **Column D:** $6,000,000

Line 63: Enter in Column A the entire amount of CIT adjustment from Form 4567, Line 58; Form 4590, Line 31; or Form 4588, Line 28. Only a positive amount may be entered on this line.

Line 70: The totals for line 70, columns A, B, C, and D, must equal 85 percent of the current year tax liability on page 1, line 1.

Include completed Form 4582 as part of the tax return filing.

Attachment 13

2012 MICHIGAN Business Tax Election of Refund or Carryforward of Credits, and Calculation of Historic Preservation and Brownfield Redevelopment Carryforward

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

1. Tax liability after Renaissance Zone Credit from Form 4573, line 15, or tax liability after Renaissance Zone Credit from Form 4596, line 16 .... 1. ______ 00

HISTORIC PRESERVATION CREDIT. If not claiming, skip to line 29.

Recapture Calculation

2. Historic Preservation Credit recapture. Carry to Form 4573, line 17a, or Form 4596, line 18a.......... 2. ______ 00
3. Tax Liability After Historic Preservation Credit Recapture. Add lines 1 and 2.......... 3. ______ 00
4. Unused Basic/Enhanced credit from previous period return .... 4. ______ 00
5. Tax liability after Basic/Enhanced credit carryforward. Subtract line 4 from line 3. If less than zero, enter zero... 5. ______ 00
6. Basic/Enhanced credit carryforward to the next period. If line 4 is greater than line 3, enter the difference .... 6. ______ 00
7. Unused Special Consideration credit from previous period return (see instructions).......... 7. ______ 00
8. Tax liability after Special Consideration credit carryforward. Subtract line 7 from line 5. If less than zero, enter zero .... 8. ______ 00
9. Special Consideration credit carryforward to the next period. If line 7 is greater than line 5, enter the difference.......... 9. ______ 00
10. Basic/Enhanced credit received by assignment in this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) .... 10. ______ 00
11. Tax liability after Basic/Enhanced credit received by assignment. Subtract line 10 from line 8. If less than zero, enter zero .... 11. ______ 00
12. Assigned Basic/Enhanced credit carryforward to the next period. If line 10 is greater than line 8, enter the difference.......... 12. ______ 00
13. Special Consideration credit received by assignment for this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) .... 13. ______ 00
14. Tax liability after Special Consideration credit received by assignment. Subtract line 13 from line 11. If less than zero, enter zero .... 14. ______ 00
15. Assigned Special Consideration credit carryforward for the next year. If line 13 is greater than line 11, enter the difference .... 15. ______ 00
16. Current period Basic credit from Form 3581, line 4d.......... 16. ______ 00
17. Current period Enhanced credit from Form 3581, line 5d .... 17. ______ 00
18. Current period Basic/Enhanced credits. Add lines 16 and 17. .... 18. ______ 00
19. Tax liability after current period Basic/Enhanced credits. Subtract line 18 from line 14. If less than zero, enter zero.......... 19. ______ 00
20. Current period Basic/Enhanced credits that exceed liability. If line 18 is greater than line 14, enter the difference.......... 20. ______ 00
21. Special Consideration credit from Form 3581, line 6d.......... 21. ______ 00
22. Allowable current period Special Consideration credit. Enter the lesser of lines 19 and 21 .... 22. ______ 00
23. Current period Special Consideration credit carryforward to next period. If line 21 is greater than line 22, enter the difference .... 23. ______ 00
24. Tax liability after Historic Preservation Credit. Subtract line 22 from line 19 .... 24. ______ 00

Carryforward Calculation

25. Prior year and assigned Basic/Enhanced credit carryforward to next period. Add lines 6 and 12.......... 25. ______ 00
26. All Special Consideration credit carryforward to next period. Add lines 9, 15, and 23.......... 26. ______ 00
27. Total Basic/Enhanced credit carryforward to next period. Add lines 25 and 20.......... 27. ______ 00
28. **Total Historic Preservation Credit.** Subtract line 24 from line 3. Carry amount to Form 4573, line 16, or Form 4596, line 17.......... 28. ______ 00

Continue on Page 2.

FEIN or TR Number

MEGA FEDERAL CONTRACT CREDIT. If not claiming, skip to line 38.

29. Tax liability before MEGA Federal Contract Credit from Form 4573, line 40 .... 29. 00
30. Unused credit from previous period MBT return 30. 00
31. Tax After Previous Period Credit. Subtract line 30 from line 29. If less than zero, enter zero 31. 00
32. Remaining unused credit from previous period MBT return. If line 30 is greater than line 29, enter the difference 32. 00
33. Available credit from the MEDC Certificate (attach) 33. 00
34. Tax After Current Period Credit. Subtract line 33 from line 31. If less than zero, enter zero here and complete line 35; Otherwise, skip to line 36 .... 34. 00
35. If line 33 is greater than line 31, elect a refund or carryforward of credit by entering the difference on either line 35a or line 35b.
    a. Refundable Amount. Carry amount to Form 4574, line 16 .... 35a. 00
    b. Carryforward Amount 35b. 00
36. Total Credit Carryforward. Add lines 32 and 35b 36. 00
37. **MEGA Federal Contract Credit.** Subtract line 34 from line 29. Carry amount to Form 4573, line 41 .... 37. 00

BROWNFIELD REDEVELOPMENT CREDIT. If not claiming, skip to line 56.

Recapture Calculation

38. Tax liability before Brownfield Redevelopment Credit from Form 4573, line 55, or Form 4596, line 19 .... 38. 00
39. If completing Form 4569, enter amount from Form 4569, line 8; Otherwise, enter MBT Brownfield Redevelopment Credit recapture amount 39. 00
40. Unused credit from previous period MBT return 40. 00
41. Subtract line 40 from line 39. If less than zero, enter zero 41. 00
42. Remaining prior year carryforward. If line 40 is greater than line 39, enter the difference 42. 00
43. Assigned credit from *MBT Brownfield Redevelopment Credit Assignment Certificate* (attach) 43. 00
44. Subtract line 43 from line 41. If less than zero, enter zero 44. 00
45. Remaining assigned credit. If line 43 is greater than line 41, enter the difference 45. 00
46. Available credit from *MBT Brownfield Redevelopment Credit Certificate of Completion* (attach) 46. 00
47. Subtract line 46 from line 44. If less than zero, enter zero here; Otherwise, carry amount to Form 4587, line 7 .... 47. 00

Carryforward Calculation

48. Remaining current year credit. If line 46 is greater than line 44, enter the difference 48. 00
49. Available prior year and assigned credit. Add lines 42 and 45 .... 49. 00
50. Tax after available prior year and assigned credit. Subtract line 49 from line 38. If less than zero, enter zero 50. 00
51. Prior year and assigned credit carryforward. If line 49 is greater than line 38, enter the difference 51. 00
52. Tax after Brownfield Redevelopment Credit. Subtract line 48 from line 50. If less than zero, enter zero here and complete line 53; Otherwise, skip to line 55 .... 52. 00
53. If line 48 is greater than line 50, enter the difference 53. 00
54. Total Credit Carryforward. Add lines 51 and 53 .... 54. 00
55. **Brownfield Redevelopment Credit.** Subtract line 52 from line 38. Carry amount to Form 4573, line 56, or Form 4596, line 20 .... 55. 00

Continue on Page 3.

FEIN or TR Number

MEGA PLUG-IN TRACTION BATTERY MANUFACTURING CREDIT.

If not claiming, carry amount from line 56 to line 61, and continue to the next credit.

56.	Tax liability before MEGA Plug-In Traction Battery Manufacturing Credit from Form 4573, line 73	56.	00
57.	Unused credit from previous period MBT return	57.	00
58.	Tax After Previous Period Credit. Subtract line 57 from line 56. If less than zero, enter zero	58.	00
59.	Remaining unused credit from previous period MBT return. If line 57 is greater than line 56, enter the difference	59.	00
60.	Available credit from the MEDC Certificate (attach)	60.	00
61.	Tax After Current Period Credit. Subtract line 60 from line 58. If less than zero, enter zero here and complete line 62; Otherwise, skip to line 63	61.	00
62.	If line 60 is greater than line 58, elect a refund or carryforward of credit by entering the difference on either line 62a or line 62b.		
	a. Refundable Amount. Carry amount to Form 4574, line 19	62a.	00
	b. Carryforward Amount	62b.	00
63.	Total Credit Carryforward. Add lines 59 and 62b	63.	00
64.	**MEGA Plug-In Traction Battery Manufacturing Credit.** Subtract line 61 from line 56. Carry amount to Form 4573, line 75	64.	00

ANCHOR COMPANY PAYROLL CREDIT.

If not claiming, carry amount from line 61 to line 69, and continue to the next credit.

65.	Unused credit from previous period MBT return	65.	00
66.	Tax After Previous Period Credit. Subtract line 65 from line 61. If less than zero, enter zero	66.	00
67.	Remaining unused credit from previous period MBT return. If line 65 is greater than line 61, enter the difference	67.	00
68.	Available credit from the MEDC Certificate (attach)	68.	00
69.	Tax After Current Period Credit. Subtract line 68 from line 66. If less than zero, enter zero here and complete line 70; Otherwise, skip to line 71	69.	00
70.	If line 68 is greater than line 66, elect a refund or carryforward of credit by entering the difference on either line 70a or line 70b.		
	a. Refundable Amount. Carry amount to Form 4574, line 20	70a.	00
	b. Carryforward Amount	70b.	00
71.	Total Credit Carryforward. Add lines 67 and 70b	71.	00
72.	**Anchor Company Payroll Credit.** Subtract line 69 from line 61. Carry amount to Form 4573, line 77	72.	00

ANCHOR COMPANY TAXABLE VALUE CREDIT.

If not claiming, carry amount from line 69 to line 77, and continue to the next credit.

73.	Unused credit from previous period MBT return	73.	00
74.	Tax After Previous Period Credit. Subtract line 73 from line 69. If less than zero, enter zero	74.	00
75.	Remaining unused credit from previous period MBT return. If line 73 is greater than line 69, enter the difference	75.	00
76.	Available credit from the MEDC Certificate (attach)	76.	00
77.	Tax After Current Period Credit. Subtract line 76 from line 74. If less than zero, enter zero here and complete line 78; Otherwise, skip to line 79	77.	00
78.	If line 76 is greater than line 74, elect a refund or carryforward of credit by entering the difference on either line 78a or line 78b.		
	a. Refundable Amount. Carry amount to Form 4574, line 21	78a.	00
	b. Carryforward Amount	78b.	00
79.	Total Credit Carryforward. Add lines 75 and 78b	79.	00
80.	**Anchor Company Taxable Value Credit.** Subtract line 77 from line 69. Carry amount to Form 4573, line 79	80.	00

Continue on Page 4.

FEIN or TR Number

MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS — See Instructions

Lines 81 through 88 calculate the following credits: MEGA Poly-Silicon Energy Cost Credit; MEGA Plug-In Traction Battery Integration Credit; MEGA Advanced Battery Engineering Credit; MEGA Battery Manufacturing Facility Credit; MEGA Large Scale Battery Credit; and MEGA Advanced Lithium Ion Battery Credit. If claiming multiple credits, see instructions.

81. Unused credit from previous period MBT return.			
a. Unused MEGA Poly-Silicon Energy Cost Credit	81a.	00	
b. Unused MEGA Plug-In Traction Battery Integration Credit	81b.	00	
c. Unused MEGA Advanced Battery Engineering Credit	81c.	00	
d. Unused MEGA Battery Manufacturing Facility Credit	81d.	00	
e. Unused MEGA Large Scale Battery Credit	81e.	00	
f. Unused MEGA Advanced Lithium Ion Battery Credit	81f.	00	
g. Total of all unused credits. Add lines 81a through 81f	81g.		00
82. Tax After Previous Period Credit. Subtract line 81g from line 77. If less than zero, enter zero	82.		00
83. Remaining unused credit from previous period MBT return. If line 81g is greater than line 77, enter the difference	83.	00	
84. Available credit from the MEDC Certificate (attach).			
a. MEGA Poly-Silicon Energy Cost Credit	84a.	00	
b. MEGA Plug-In Traction Battery Integration Credit	84b.	00	
c. MEGA Advanced Battery Engineering Credit	84c.	00	
d. MEGA Battery Manufacturing Facility Credit	84d.	00	
e. MEGA Large Scale Battery Credit	84e.	00	
f. MEGA Advanced Lithium Ion Battery Credit	84f.	00	
g. Total of all available credits. Add lines 84a through 84f	84g.		00
85. Tax After Current Period Credit. Subtract line 84g from line 82. If less than zero, enter zero here and complete line 86; Otherwise, skip to line 87	85.		00
86. If line 84g is greater than line 82, elect a refund or carryforward of credit by entering the difference on either line 86a or line 86b.			
a. Refundable Amount. Carry amount to Form 4574, line 22	86a.	00	
b. Carryforward Amount	86b.	00	
87. Total Credit Carryforward. Add lines 83 and 86b	87.	00	
88. **MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credit.** Subtract line 85 from line 77. Carry amount to Form 4573, line 81	88.	00	

Instructions for Form 4584
Michigan Business Tax (MBT) Election of Refund or Carryforward of Credits

Purpose

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

The purpose of this form is 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 (historic preservation and brownfield certificated credits are the exception to this, see below for more detail). 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). Taxpayers wishing to elect to remain taxable under the MBT may not use Form 4583.

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

The election to treat the credit as refundable or non-refundable 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.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

If a member of a UBG has a qualifying certificated credit, the group, and not the member, must make the election to file under the MBT. The election should be made by the designated member (DM) of the UBG by filing an MBT return. Once the group makes the election, all members of the group are required to file and pay the MBT until claimed certificated credits and any carryforward of those credits are extinguished.

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).

If the group has made the election to remain in the MBT, 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" section in Form 4600 for information on the effects of members leaving or joining a UBG on certificated credit carryforwards.

Line-by-Line Instructions

Lines not listed are explained on the form.

NOTE: Although qualification for certain credits is reviewed and approved by the Michigan Economic Growth Authority (MEGA), in many cases the certificates for such credits are issued by the Michigan Economic Development Corporation (MEDC).

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).

Beginning January 1, 2012, the historic preservation credit is available to the extent that a taxpayer had a part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter before by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. A taxpayer may elect to claim a certificated historic preservation credit in the year in which a credit is available and will be taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. The credit must first be claimed in the year that the certificate of completed rehabilitation of the historic resource was issued.

A qualified taxpayer that has made the election to remain taxable under the MBT with a certificated credit and 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 such credit on this form, even though this historic preservation credit is not a certificated 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 Internal Revenue Code (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.

A qualified MBT taxpayer may take one of two additional credits. 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 **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. 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. 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. For information on assignments, contact the State Historic Preservation Office (SHPO).

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) if the taxpayer has made the election to remain taxable under the MBT with a certificated credit. 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 the amount of Basic/Enhanced credit carryforward from the prior year MBT Form 4584, if any. Available SBT credit carryforward is claimed separately on Form 4569.

UBGs: Enter the carryforward amount from Form 4580, Part 2B, line 48, column C.

Line 7: Enter amount of Special Consideration credit carryforward from prior year MBT Form 4584, if any. 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 carryforward amount from Form 4580, Part 2B, line 49, column C.

Line 10: Basic/Enhanced Credit. If the Historic Preservation Credit has been assigned, include the approval letter received from the Michigan Department of Treasury (Treasury) in the return. (If 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 Treasury 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 25: Add line 6 and 12. This amount is the Prior year and Assigned Basic/Enhanced credit carryforward to be used on the next MBT return.

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: Add lines 25 and 20. This amount is the total Basic/Enhanced credit carryforward to be used on the 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. Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

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. 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 **http://www.michiganadvantage.org/**.

Line 30: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 51, column C.

Line 33: 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 36: Add lines 32 and 35b. 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.

Beginning January 1, 2012, the brownfield redevelopment credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. The credit must first be claimed in the year in which the certificate of completion is issued.

A qualified taxpayer that has made the election to remain taxable under the MBT with a certificated credit and has received a pre-approval letter prior to January 1, 2008, under the SBT Act to receive a Certificate of Completion may claim the credit (which is not a certificated credit) on this form, 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.

A taxpayer claiming a nonrefundable certificated brownfield credit may make the election in the year in which a credit is available and will remain taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. A taxpayer with a multiphase brownfield credit under MCL 208.1437(10), that makes the election, is required to continue to file and pay the MBT until the certificated credit is complete and the credit is used up. Except for a multiphase project, the Brownfield Redevelopment Credit must first 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.

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, if the taxpayer has made the election to remain taxable under the MBT with a certificated credit, 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. If proper assignment is completed, the assignee may make the election to remain taxable under the MBT on the basis of the assigned brownfield certificated credit in the year of assignment, provided that credit amount is available in that year.

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 38: Enter tax liability before Brownfield Redevelopment Credit from Form 4573, line 55, or Form 4596, line 19.

Line 39: 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 that 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 40: 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 Form 4580, Part 2B, line 54, column C.

Line 43: 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 46: 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 54: Add lines 51 and 53b. This amount is the Brownfield Redevelopment credit carryforward to be used on the taxpayer's next MBT return.

MEGA Plug-In Traction Battery Manufacturing Credit

The MEGA Plug-In Traction Battery Manufacturing Credit encourages investment in the development, manufacture, commercialization, and affordability of advanced automotive high-power energy batteries. The credit is available only to a taxpayer that has entered into an agreement with MEGA that provides that the taxpayer will manufacture plug-in traction battery packs in Michigan. The taxpayer must attach the MEGA certificate to the MBT annual return on which the credit is claimed.

Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For tax years beginning after December 31, 2010 and ending before January 1, 2012, the credit allowed is $500 for an equivalent of 4 kilowatt hours of battery capacity plus $125 for each kilowatt hour of battery capacity in excess of 4 kilowatt hours of battery capacity not to exceed $2,000 for each plug-in traction battery pack. For tax years beginning after December 31, 2011 and ending before January 1, 2015, the credit per unit is decreased to $375 for an equivalent of 4 kilowatt hours of battery capacity plus $93.75 for each kilowatt hour of battery capacity in excess of 4 kilowatt hours of battery capacity not to exceed $1,500 for each plug-in traction battery pack.

A taxpayer shall not claim a credit under this section for more than 3 years.

If the credit exceeds the tax liability of the taxpayer for the tax year, the taxpayer may elect to have the excess refunded or carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurs first. Amounts carried forward shall not affect the maximum amount of credits that may be claimed in subsequent years.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/**.

Line 57: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 57, column C.

Line 60: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 63: Add lines 59 and 62b. This is the MEGA Plug-In Traction Battery Manufacturing 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. Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the 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 also may provide that qualified sales to a qualified customer not be considered in calculating the sales factor for the tax year for which a credit is provided.

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 **http://www.michiganadvantage.org/**.

<u>Line 65: UBGs:</u> Enter unused credit amount from Form 4580, Part 2B, line 58, column C.

Line 68: 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 71: Add lines 67 and 70b. This amount is the Anchor Company Payroll 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 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.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claimed the credit.

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 also may provide that qualified sales to a qualified customer not be considered in calculating the sales factor for the tax year for which a credit is provided.

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 MEDC at (517) 373-9808 or visit the MEDC Web site at **http://www.michiganadvantage.org/**.

Line 73: Enter unused credit amount from a previous period MBT return.

<u>UBGs:</u> Enter the unused credit amount from Form 4580, Part 2B, line 59, column C.

Line 76: 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 79: Add lines 75 and 78b. This amount is the Anchor Company Taxable Value credit carryforward to be used on the taxpayer's next MBT return.

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

Beginning January 1, 2012, these credits are available as certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 81a-f: Enter unused credit amount from a previous period MBT return for the appropriate credit.

<u>UBGs:</u> Enter the unused credit amount from Form 4580, Part 2B, for the appropriate credit.

Line 81a-f: Enter unused credit amount from a previous period MBT return for the appropriate credit.

Line 84a-f: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 87: Add lines 83 and 86b. This amount is the MEGA Poly-Silicon Energy Cost Credit and/or Miscellaneous MEGA Battery Credits carryforward to be used on the taxpayer's next MBT return.

NOTE: The MEGA battery manufacturing facility credit now has a limited accelerated option. For more information on accelerated certificated credits, see Form 4588.

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

Attachment 05

2012 MICHIGAN Business Tax Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax

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

PART 1: CALCULATION OF SINGLE BUSINESS TAX (SBT) INVESTMENT TAX CREDIT (ITC) RECAPTURE BASES

Each row in lines 1-3 is for assets acquired in an SBT tax year and disposed of this year. Enter years in date order, with the oldest listed first. Columns B and C are totals by acquisition year. Line 1, column D, and Line 2, column E: For all years, enter MBT apportionment percentage from Form 4567, line 11c. Enter amounts in whole dollars (no cents).

Depreciable Tangible Assets

1. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Apportionment Percentage *From Form 4567, line 11c*	E Apportioned Gain/Loss *Multiply Column C by Column D*	F SBT ITC Recapture (Base 1) *Subtract Column E From Column B*

Depreciable Mobile Tangible Assets

2. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Adjusted Proceeds *Subtract Column C From Column B*	E Apportionment Percentage *From Form 4567, line 11c*	F SBT ITC Recapture (Base 2) *Multiply Column D by Column E*

Assets Transferred Outside Michigan

3. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B SBT ITC Recapture Combined Adjusted Federal Basis of Disposed Assets by Year of Acquisition (Base 3)

+ 0000 2012 75 01 27 8

Continue on Page 2.

FEIN or TR Number	
UBG Member FEIN or TR Number	

PART 2: CALCULATION OF SBT ITC RECAPTURE RATES

Enter amounts from ALL prior SBT C-8000ITC forms filed for tax years beginning on or after January 1, 2000. Enter SBT tax years in date order. Enter amounts in whole dollars only (no cents).

4. A Return For Taxable Year Ending (MM-DD-YYYY)	B Net Capital Investment *(C-8000ITC, Line 24)*	C SBT ITC *(C-8000ITC, Line 33)*	D SBT ITC Used *(C-8000ITC, Line 36)*	E Effective Percentage Rate of SBT ITC by Year
				%
				%
				%
				%
				%
				%
				%
				%
				%

Enter amounts from Form 4569, line 3, for all periods ending in 2008 or 2009.

5. A Return For Taxable Year Ending (MM-DD-YYYY)	B SBT ITC Carryforward Used *(Form 4569, line 3)*

PART 3: CALCULATION OF SBT ITC RECAPTURE AMOUNTS

Enter amounts in whole dollars only (no cents).

6. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Total SBT ITC Recapture Base by Year of Acquisition *Add Amounts from Columns 1F, 2F and 3B*	C Year-Specified Recapture Percentage Rate from Line 4, Column E	D Recapture Amount *Multiply Column B by Column C*
		%	
		%	
		%	
		%	
		%	
		%	
		%	
		%	
		%	

7. TOTAL. Enter total of Line 6, column D. Carry total to Form 4570, line 19 00

Amended Instructions for Form 4585
Michigan Business Tax (MBT) Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax
Changes for tax years beginning on or after January 1, 2010
As amended under Public Act 282 of 2014

Public Act 282 of 2014

Public Act (PA) 282 of 2014 resulted in the following changes to the Michigan Business Tax (MBT), **retroactive to tax years beginning on or after January 1, 2010**:

1) Exclusion of Cancelation of Debt Income (CODI) from gross receipts.

2) A change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT.

3) A change to the calculation of the Renaissance Zone Credit for taxpayers located in a Renaissance Zone before December 1, 2002.

Amended Returns

An amended return for changes due to PA 282 of 2014 must be filed no sooner than January 1, 2015, and no later than December 31, 2015, and must contain amendments for only the three items above. Refund claims must be made within the statute of limitations. If amendments for other than the three items above are required, a separate amended return must be filed.

PA 282 of 2014 requires that any refund as a result of an amended return based on these changes will be paid out over a six-year period beginning in 2016. An overpayment on an amended return for claims due to PA 282 of 2014 must be refunded and may not be credited forward.

Original Returns

If a taxpayer has not yet filed an original return for a tax year beginning on or after January 1, 2010, the taxpayer should implement the three changes listed above in the original return. An original return is not necessarily bound by the 2015 calendar year filing requirement. Traditional due date and statute of limitations restrictions still apply. An overpayment on an original return will not be subject to the six-year payout provision and may be credited forward, if available and if desired.

Instruction Change

Line 7: Add figures in each row of line 6, column D, and enter the total here.

If no assets purchased in MBT years were disposed of or transferred out of Michigan this year, carry the amount reported on this line to Form 4570, line 19.

If any assets purchased in MBT years were disposed of or transferred out of Michigan this year, add the amount reported on line 7 of this form to the sum of amounts calculated on Column U of Worksheet 2 in the instructions of Form 4570. Report the sum of those two figures on Form 4570, line 19. This calculation change implements a requirement of Public Act 282 of 2014.

End of Amended Instructions

Instructions for Form 4585
Michigan Business Tax (MBT) Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax

IMPORTANT NOTE: In May 2013, the Michigan Department of Treasury introduced instruction revisions affecting taxpayers filing a 2012 Michigan Business Tax Return. The changes have been noted with a gray highlight.

Purpose

To calculate the Investment Tax Credit (ITC) recapture amount for the disposition or transfer of tangible, depreciable real or personal property acquired in tax years beginning after 1999 and prior to 2008 which must be recaptured to the extent used and at the rate used under the Single Business Tax (SBT) or MBT. Form 4585 must be filed as a supporting schedule for the total recapture amount reported on the *MBT Credits for Compensation, Investment and Research and Development* (Form 4570).

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Line-by-Line Instructions

Lines not listed are explained on the form.

REMINDER: Report all amounts in whole dollars. Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

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

Name and Account Number: Enter name and account number as reported on page 1 of Form 4567.

UBGs: Complete one form for each member that disposed of capital assets that trigger SBT ITC credit recapture. 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. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired (and other years since the acquisition), take care to report in this line (and the others that pertain to years the member was not part of the group) information requested in each column only from the member's single filings, not the group's.

PART 1: CALCULATION OF SBT ITC RECAPTURE BASES

In Part 1, compute the adjusted proceeds (proceeds include any benefit derived) from the disposition of tangible, depreciable real or personal property that was acquired in a tax year beginning after 1999 and prior to 2008, and the recapture for property moved out of state. The calculation of gross proceeds may be reduced by selling expenses. Lines 1, 2, and 3 represent three different categories of SBT ITC assets, categorized by type of asset or nature of disposition.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture of the entire gross proceeds in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years, and must be reported either on line 1, column C, or line 2, column C, based on the type of asset.

Line 1: For depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 1999 and prior to 2008, and were sold or otherwise disposed of during the tax year, enter the following:

- **Column A:** Separate the depreciable tangible assets that were disposed of during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no dispositions of depreciable tangible assets during the filing period may be omitted. However, do not omit the acquisition year of depreciable tangible assets that have been sold on an installment method if gains attributable to installment payments received during the current filing period must be reported.
- **Column B:** Total gross proceeds from all depreciable tangible assets that were acquired in the same taxable year and disposed of during the filing period. If a qualifying asset was sold on an installment sale in a prior filing period, the entire sale price was reported for recapture purposes in the year of sale. Therefore, if a payment was received on that installment sale in the current filing period, do not report that amount as gross proceeds for this period. See Column C, however, with respect to the gain from that installment payment.
- **Column C:** Net total gains/losses reflected in federal taxable income (as defined for MBT purposes) from all depreciable tangible assets that were acquired in the same taxable year and disposed of during the filing period. Report also in column C any gain reflected in federal taxable income (as defined for MBT purposes) that is attributed to an installment payment received during the current MBT filing period, from a prior installment sale of an asset that was of a type and acquisition date covered by line 1. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable tangible asset located in Michigan that was acquired or moved into Michigan after acquisition in a tax year beginning after 1999 and prior to

2008, and was sold or otherwise disposed of during the tax year. Sum the total gross proceeds and gain or loss for all disposed assets acquired in the same taxable year. Enter in this form only the total sum of gross proceeds and gain/loss grouped by taxable year the assets were acquired. Use one row per group of disposed assets acquired in the same taxable year. Start from the earliest acquisition year.

- **Column D:** Enter the apportionment percentage from Form 4567, line 11c. If not apportioning, enter 100 percent. Enter the same apportionment percentage for each row completed.
- **Column F:** Subtract column E from column B for each row. If column E is a loss, add its positive value to column B for each appropriate row. A loss in column E will increase the recapture base.

Line 2: *Mobile tangible assets* are all of the following:

- Motor vehicles that have a gross vehicle weight rating of 10,000 pounds or more and are used to transport property or persons for compensation;
- Rolling stock (railroad freight or passenger cars, locomotives or other railcars), aircraft, and watercraft used by the owner to transport property or persons for compensation or used by the owner to transport the owner's property for sale, rental, or further processing;
- Equipment used directly in completion of, or in construction contracts for, the construction, alteration, repair, or improvement of property.

For depreciable mobile tangible assets that were acquired in a tax year beginning after 1999 and prior to 2008, and were sold or otherwise disposed of during the tax year, enter the following:

- **Column A:** Separate the depreciable mobile tangible assets that were disposed of during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no dispositions of depreciable mobile tangible assets during the filing period may be omitted. However, do not omit the acquisition year of depreciable mobile tangible assets that have been sold on an installment method if gains attributable to installment payments received during the current filing period must be reported.
- **Column B:** Total gross proceeds from all depreciable mobile tangible assets that were acquired in the same taxable year and disposed of during the filing period. If a qualifying asset was sold on an installment sale in a prior filing period, the entire sale price was reported for recapture purposes in the year of sale. Therefore, if a payment was received on that installment sale in the current filing period, do not report that amount as gross proceeds for this period. See Column C, however, with respect to the gain from that installment payment.
- **Column C:** Net total gains/losses reflected in federal taxable income (as defined for MBT purposes) from all depreciable mobile tangible assets that were acquired in the same taxable year and disposed of during the filing period. Report also in column C any gain reflected in federal taxable income (as defined for MBT purposes) that is attributed to an installment payment received during the current MBT filing period, from a prior installment sale of an asset that was of a type and acquisition date covered by line 2. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable mobile tangible asset acquired in a tax year beginning after 1999 and prior to 2008, and sold or otherwise disposed of during the tax year. Sum the total gross proceeds and gain or loss for all disposed assets acquired in the same taxable year. Enter in this form only the total sum of gross proceeds and gain or loss grouped by taxable year the assets were acquired. Use one row per group of disposed assets acquired in the same taxable year. Start from the earliest acquisition year.

- **Column D:** Subtract figures in column C from figures in column B for each row. If column C is a loss, add its positive value to column B for each appropriate row. A loss in column C will increase the recapture.
- **Column E:** Enter the apportionment percentage from Form 4567, line 11c. Enter the same apportionment percentage for each row you have filled columns A through D.
- **Column F:** Multiply figures in column D by column E for each row.

Line 3: For depreciable tangible assets other than mobile tangible assets acquired in tax years beginning after 1996 and prior to 2008, that were eligible for the ITC in tax years beginning after 1999 and prior to 2008, and were transferred outside Michigan during the tax year, enter the following:

- **Column A:** Separate the depreciable tangible assets other than mobile tangible assets that were transferred out of Michigan during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no transfers of depreciable tangible assets out of Michigan during the filing period may be omitted.
- **Column B:** Total sum of adjusted federal basis from all depreciable tangible assets acquired in the same taxable year and transferred out of Michigan during the filing period.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable tangible asset other than mobile tangible assets acquired in tax years beginning after 1999 and prior to 2008, that were eligible for the ITC in tax years beginning after 1999 and prior to 2008, and were transferred outside Michigan during the tax year. Sum the total adjusted federal basis for all such transferred assets acquired in the same taxable year. Enter in this form only the total sum of adjusted federal basis grouped by taxable year the assets were acquired. Use one row per group of such transferred assets acquired in the same taxable year. Start from the earliest taxable year.

PART 2: CALCULATION OF SBT ITC RECAPTURE RATES

Recapture rates can be calculated using any of 3 methods described in the "Method Summary Table" below. The Table highlights the methods' pros and cons. Choose your method, and follow the appropriate instructions to calculate the rates on line 4, column E.

NOTE: Whichever method used, the calculated effective recapture rate of SBT ITC by year cannot be higher than the figure calculated under Method A for any year.

NOTE ON USING SIMPLEST METHOD: When amount of SBT ITC used equals the amount of SBT ITC created, the three methods yield the same result. This occurs in any of the following situations:

- **Calendar year filer(*):** 2009 MBT Form 4569, lines 2 and 3, are equal for the latest 2009 tax year return filed;
- **Fiscal year filer(*):** 2008 MBT Form 4569, line 4, equals zero for the latest 2009 tax year return filed;
- Filers**(**)** who created SBT ITC credits and have filed an MBT Form 4583 for either 2008 or 2009 tax year; or
- Filers**(**)** who created SBT ITC credits, have NOT filed 2008 or 2009 MBT return, and have filed MBT return(s) for tax year(s) after 2009.

(*) *For UBGs, the condition applies only for groups where all members were included in every 2008 and 2009 MBT return filed by the group.*

(**) *Filers refers to single filers (non-UBGs) or UBG members in the current tax year who were not part of a group in 2008 or 2009 and were single filers then. Not filing a Form 4567 does not allow a taxpayer to preserve SBT credit carryforward from one year to the next.*

The simplest method that can be used is Method A. Taxpayers that meet any of the situations above should use Method A. It provides correct results using the least amount of data input from the taxpayer.

Complete line 4 and line 5 according to the method chosen, as explained below:

- **Method A:**
  - **Line 4, columns A through D:** Enter the tax year end date of each acquisition year of disposed assets that triggered SBT ITC recapture. (Those dates should be the same as appear in column A of lines 1-3.) For each year displayed in column A, enter Form C-8000ITC information required in the appropriate column, using return data specific from each applicable tax year. If the amount of column C is zero for a particular year, and the amount on C-8000ITC, line 10 for that year is larger than zero, taxpayers may not enter zero on column E if the taxpayers fall in either of the two categories explained below, and must do the appropriate calculations as follows:

    1) Taxpayers used the straight method to calculate the SBT liability for that taxable year: calculate the credit rate as instructed on C-8000ITC, line 26 for that taxable year, and enter the result on column E; or

    2) Taxpayer used the excess compensation reduction method to calculate the SBT liability for that taxable year: calculate the credit rate on C-8000ITC, line 26, for that taxable year; subtract the percentage found on C-8000S, line 6, from 100%, and multiply the result of that subtraction by the calculated credit rate on C-8000ITC, line 26. Enter the result on column E.
  - **Line 5, columns A and B:** Leave lines blank.
  - **Line 4, column E:** Divide the amount in column C by the amount in column B, for each taxable year in column A, and enter as a percentage.

METHOD SUMMARY TABLE

TYPE OF METHOD	PROS	CONS
Method A	• Easy to calculate. • Taxpayer or UBG member disposing of ITC asset only need to enter information on line 4 for years in which assets that trigger recapture were acquired.	• Method does not take into account the extent to which the ITC was used.
Method B	• Takes into account the extent to which the ITC was used.	• Taxpayers must fill lines 4, 5, 6, Table I at the end of the instructions, and enter necessary information in Treasury webtool. • Information on line 4 must be entered for all years in which assets were bought and ITC was claimed, whether or not those assets were disposed in the current tax year.
Method C	• Taxpayers complete line 4, column E.	• Taxpayer needs to develop own calculation procedure that reflects the MBT statute. Retain records to substantiate calculation.

- **Method B:**
  - **Line 4, columns A through D:** Gather all C-8000ITC forms filed for tax years beginning on or after January 1, 2000. (If an amended C-8000ITC was filed, use the figures from the amended form, not the original.) Sort all the returns in chronological order of taxable year end date, from earliest to latest date. Starting with the Form C-8000ITC for the earliest applicable SBT filing period, enter the information requested on the table for each taxable year (use one row for each return).

NOTE: For SBT tax years when the taxpayer filed a C-8000 with no C-8000ITC, or a C-8030, enter on line 4A the taxable year end date, and enter zero for lines 4B, 4C, and 4D. Do not enter any information on lines 4A through 4D for SBT tax years in which the taxpayer filed nothing OR filed a C-8044. If more than one return was filed for the same tax year (that is, the taxpayer filed an amended return), use only the information from the latest return filed for that tax year.

  - **Line 5, columns A and B:** Starting with Form 4569 for the earliest 2008 and latest 2009 applicable MBT filing period, enter the information requested on table. If more than one return was filed for the same tax year (that is, the taxpayer filed an amended return), use only the information from the latest return filed for that tax year.

NOTE: For MBT tax years the taxpayer filed Form 4567 and no Form 4569, enter on line 5A the taxable year end date, and enter zero for line 5B. Do not enter any information on lines 5A and 5B for MBT years in which the taxpayer filed nothing or filed a Form 4583. See **Note on Using Simplest Method** under the heading **Calculation of SBT ITC Recapture Rates** on these instructions. Not filing a Form 4567 does not allow a taxpayer to preserve SBT credit carryforward from one year to the next.

UBGs: During tax years ending in 2008 and 2009, UBG groups were allowed to offset the group liability by claiming member's SBT ITC credit carryforward. When completing line 5, column B, enter the portion of the total group SBT ITC credit carryforward used by the group for each year that pertains to the specific member that is completing Form 4585. If the member completing Form 4585 was not part of a UBG in 2008 and/or 2009 tax years, and filed as a non-UBG filer, take care to report on lines 5A and 5B information from the member's singly filed returns. Likewise, if the member completing Form 4585 was part of another UBG in 2008 and/or 2009 tax years, take care to report on line 5A and 5B member information resulting from using the other UBG's returns information.

Example: In 2008, group ABC files MBT return claiming $1,000,000 in SBT ITC credit carryforward. The group consisted of Company 1, Company 2, Company 3, and Company 4. Company 4's tax year ended after the tax year of the group's Designated Member, so Company 4's data was not included in group ABC's 2008 MBT return, even though Company 4 was part of the UBG.

Table I: Determining Credit Amount that Offsets Credit Recapture

7. **A** Taxable Year (End Date) In Which MBT ITC Disposed Asset Was Acquired (MM-DD-YYY)	**B** SBT Capital Investment Amount (C-8000ITC, line 10)	**C** SBT ITC Credit Rate Divide line 4, column C, by line 4, column B (See Instructions if zero)	**D** Gross SBT ITC Credit Amount Multiply column B by column C

8. **E** Taxable Year (repeat from column A)	**F** SBT Recapture Capital Investment Amount (C-8000ITC, line 23)	**G** Gross SBT ITC Credit Recapture Multiply column F by column C	**H** SBT Recapture Amount Offset by Credit Lesser of columns D and G

9. **I** Taxable Year (repeat from column A)	**J** SBT ITC Credit Amount That offsets SBT liability (from webtool)	**K** Total SBT ITC Credit Amount Used Add columns J and H	**L** Extent Credit Used Rate Divide column K by column D (cannot be more than 1)	**M** SBT ITC Recapture Rate Multiply columns C and L. Carry amount to Worksheet 4a, line 4, column E

The total $1,000,000 in SBT ITC credit carryforward resulted from the sum of $200,000 in SBT ITC credit carryforward from Company 1, $300,000 from Company 2, and $500,000 from Company 3. In the current year, Companies 2, 3, and 4 dispose of capital investment outside of the UBG, which triggers SBT ITC credit recapture. In the current year, group ABC files MBT returns. The UBG fills one MBT Form 4585 for each Company 2, Company 3, and Company 4, in which is reported the SBT ITC credit recapture from each member. When filling Form 4585,line 5, column B for Company 2, report $200,000 – which represents the portion of the total SBT ITC credit carryforward claimed by the group in 2008 that corresponds only to Company 2's SBT ITC credit carryforward in 2008. When filling Form 4585, line 5, column B for Company 3, report $500,000 – which represents Company 3's portion of the total SBT ITC credit carryforward claimed by the group in 2008. When filling Form 4585, line 5B for Company 4, report $0 – which represents Company 4's portion of the total SBT ITC credit carryforward claimed by the group in 2008.

○ **Line 4, column E:** For each taxable year, enter the rates calculated on Table I, line 9, column M.

○ **Filling Table I at the end of these Instructions** (lines and columns not listed are explained on the table):

- **Line 7, column A:** Enter only taxable years in which SBT ITC disposed assets were acquired. Dates should match those listed on lines 1, 2, and 3, columns A. List each date only once.

- **Line 7, column C:** For each taxable year on line 6, column A, find the corresponding SBT ITC amount reported on line 4, column C, and Net Capital Investment amount reported on line 4, column B. Divide amounts from line 4, column C by amounts from line 4, column B for each taxable year and enter results here. If the quotient of that division for a particular tax year listed equals zero, and the amount on line 7, column B is positive, instead of zero, enter the following on line 7, column C as appropriate:

1) Taxpayer used the straight method to calculate the SBT liability for that taxable years: calculated the credit rate on C-8000ITC, line 26 for that taxable year, and enter the result here;

2) Taxpayer used the excess compensation reduction method to calculate the SBT liability for that taxable year: calculate the credit rate on C-8000ITC, line 26, for that taxable year; subtract the percentage found on C-8000S, line 6, from 100%, and multiply the result of that subtraction by the calculated credit rate on C-8000ITC, line 26. Enter the result here.

- **Line 9, column J:** Enter amount of ITC credit used provided by the webtool that corresponds to each taxable year displayed on line 9, column I. Access the Michigan Department of Treasury (Treasury) Web tool by going to the Treasury site (**www.michigan.gov/mbt4585tool**), and enter the necessary information as instructed).

- **Line 9, column M:** For each taxable year on line 9, column I, multiply line 7, column C by line 9, column L. Enter results here. Match the taxable year on line 9, column I with the taxable year on line 4, column A, and carry amount from line 9, column M to line 4, column E for each appropriated tax year line.

- **Method C:**
  - ○ **Line 4, columns A through D:** Fill column A, and leave all others blank.
  - ○ **Line 5, columns A and B:** Leave lines blank.
  - ○ **Line 4, column E:** Enter results from the taxpayer's own software of choice (that is, a non-Treasury Web tool) or the taxpayer's own calculation that reflects the MBT statute. Retain records to substantiate figures entered in the filed return.

PART 3: CALCULATION OF SBT ITC RECAPTURE AMOUNTS

Line 6: Follow the instructions below:

Column A: Enter in chronological order, beginning with the earliest, the tax year end date of each acquisition year of disposed assets that triggered SBT ITC recapture from lines 1-3.

Column B: Separately for each acquisition year listed in column A, combine the corresponding amounts in line 1, column F, line 2, column F, and line 3, column B for all disposed assets that triggered SBT ITC recapture.

Column C: For each acquisition year listed in column A, enter the corresponding SBT ITC effective rate from line 4, column E. Match the acquisition year in line 6, column A, with the corresponding acquisition year in line 4, column A.

Column D: Multiply column B by column C for each acquisition year.

Line 7: Add up figures in each row of line 6, column D, and carry the amount to Form 4570, line 19.

Include completed Form 4585 as part of the tax return filing.

Attachment 21

2012 MICHIGAN Business Tax Schedule of Recapture of Certain Business Tax Credits and Deductions

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number

Complete this schedule for any recapture in this tax year of previous tax credits and deductions listed on this schedule.

1. Recapture of MEGA Research and Development Credit .... 1. ______ 00
2. a. Recapture of Michigan Business Tax MEGA Employment Tax Credit .... 2a. ______ 00
   b. Recapture of Single Business Tax MEGA Employment Tax Credit .... 2b. ______ 00
   c. Recapture of Single Business Tax MEGA Business Activity Credit .... 2c. ______ 00
3. Recapture of Entrepreneurial Credit .... 3. ______ 00
4. Recapture of MEGA Federal Contract Credit .... 4. ______ 00
5. Recapture of MEGA Photovoltaic Technology Credit .... 5. ______ 00
6. Recapture of Biofuel Infrastructure Credit .... 6. ______ 00
7. Recapture of MBT Brownfield Redevelopment Credit. Enter the amount from Form 4584, line 47 .... 7. ______ 00
8. Recapture of Film Infrastructure Credit
   a. Enter all eligible depreciable tangible assets located in Michigan that were acquired in a tax year beginning after December 31, 2007, and were sold or otherwise disposed of during the tax year. (Date format: MM-DD-YYYY)

A Description	B City	C Date Acquired	D Date Sold	E Gross Sales Price	F Gain/Loss

   b. Total columns E and F. A loss in column F will increase recapture.......... 8b. ______ ______
   c. Adjusted Proceeds. If line 8b, column F, is a gain, subtract line 8b, column F from line 8b, column E. If line 8b, column F, is a loss, add line 8b, column E and F .... 8c. ______ 00

   If taxable in another state, complete lines 8d and 8e; otherwise, skip to line 8f.

   d. Apportioned gains (losses). Multiply line 8b, column F, by the percentage from Form 4567, line 11c .... 8d. ______ 00
   e. Apportioned Adjusted Proceeds. If line 8d is a gain, subtract line 8d from line 8b, column E. If line 8d is a loss, add lines 8d and line 8b, column E .... 8e. ______ 00
   f. Recapture of Film Infrastructure Credit. Multiply line 8c or line 8e by 25% (0.25).......... 8f. ______ 00
9. Recapture of Anchor Company Payroll Credit.......... 9. ______ 00
10. Recapture of Anchor Company Taxable Value Credit .... 10. ______ 00
11. Recapture of Qualified Affordable Housing deductions .... 11. ______ 00
12. Recapture of Miscellaneous MEGA Battery Credits (for the recapture of the MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and MEGA Advanced Lithium Ion Battery Credit; see instructions)
   a. Total Recapture of Miscellaneous MEGA Battery Credits .... 12a. ______ 00
   b. Battery Credit code.......... 12b. ______
   c. Second Battery Credit code.......... 12c. ______
13. **Total Recapture of Certain Business Tax Credits and Deductions.** Add lines 1, 2a, 2b, 2c, 3, 4, 5, 6, 7, 8f, 9, 10, 11 and 12a. Carry amount to Form 4567, line 56, Form 4588, line 26, or Form 4590, line 29.......... 13. ______ 00

Instructions for Form 4587, Michigan Business Tax (MBT) Schedule of Recapture of Certain Business Tax Credits and Deductions

Purpose

Complete this schedule for any recapture in this tax year of previously claimed tax credits listed on this schedule. Recapture of some tax credits occurs at the same point in the forms as the credit is calculated. The credits on this form, however, are required by statute to be recaptured at a later point in the tax calculation process. This form is also used to report a required recapture of an Affordable Housing Deduction.

Attachments in support of these recapture amounts are not required. Maintain the recapture calculation information in your files for review during audit.

Special Instructions for Unitary Business Groups

If any member of the Unitary Business Group (UBG) is reporting recapture, a statement must be attached to this form identifying the reporting member and the recapture information for each applicable credit. If more than one member is reporting recapture, requested information should be provided in the statement on a per member basis. The total amount from all reporting members will be entered on each corresponding line on this form.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be in MM-DD-YYYY format.

Name and Account Number: Enter 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: A UBG reporting recapture should include only one copy of this form as part of its annual return. Enter the Designated Member (DM) name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

Line 1: There are two Research and Development Credits in MBT. The one reported on the *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570) does not apply here. Report on this line only recapture of the Research and Development Credit that is certified by Michigan Economic Growth Authority (MEGA) and claimed on *MBT Refundable Credits* (Form 4574).

The credit is earned under an agreement with MEGA. If MEGA determines that there has not been compliance with the terms of the agreement, the taxpayer must report recapture. Enter recapture amount equal to 125 percent of the total of all MEGA Research and Development Credits claimed on previously filed 4574 forms.

Line 2: If a taxpayer claims an MBT or Single Business Tax (SBT) MEGA Employment Tax Credit or an SBT MEGA Business Activity Credit for a previous tax period under an agreement with MEGA based on qualified new jobs, and then removes 51 percent or more of those qualified new jobs from Michigan within three years after the first year in which the taxpayer claims such a credit, the taxpayer must recapture an amount equal to the total of all such credits claimed on prior returns.

Line 2a: Enter the total amount of the MBT MEGA Employment Tax Credit claimed on previously filed 4574 forms subject to recapture.

Line 2b: Enter the total amount of the SBT MEGA Employment Tax Credit claimed on previously filed *SBT Miscellaneous Credits* (Form C-8000MC) forms subject to recapture.

Line 2c: Enter the total amount of the SBT MEGA Business Activity Credit claimed on previously filed C-8000MC forms subject to recapture.

Line 3: If the new jobs by which a taxpayer earns an Entrepreneurial Credit are relocated outside of Michigan within five years after claiming the credit, or if a taxpayer reduces employment levels by more than 10 percent of the jobs by which the taxpayer earned the credit, the taxpayer must recapture an amount equal to the total of all Entrepreneurial Credits received.

Enter the total amount of the Entrepreneurial Credit claimed on previously filed *MBT Miscellaneous Nonrefundable Credits* forms (Form 4573) subject to recapture.

Line 4: Enter the total amount of MEGA Federal Contract Credit claimed on previously filed *MBT Election of Refund or Carryforward of Credits* forms (Form 4584) subject to recapture.

NOTE: The MEGA Federal Contract Credit is claimed through an agreement with MEGA. If a taxpayer claims this credit and subsequently fails to meet requirements of the MBT Act or conditions of the agreement, the taxpayer must recapture the entire amount of such credit previously claimed.

Line 5: Enter the total amount of the MEGA Photovoltaic Technology Credit claimed on previously filed 4574 forms subject to recapture.

Line 6: Enter the total amount of the Biofuel Infrastructure Credit claimed on previously filed 4573 forms subject to recapture.

Line 8: The Film Infrastructure Credit is available through an agreement between the taxpayer and the Michigan Film Office, with the concurrence of the State Treasurer. The credit amount is up to 25 percent of the base investment expenditures in a qualified film and digital media infrastructure project. If the taxpayer sells or otherwise disposes of a tangible asset that was paid for or accrued after December 31, 2007, and whose cost is included in the base investment, the taxpayer must report recapture equal to 25 percent of the gross proceeds or benefit from the sale or disposition, adjusted by the apportioned gain or loss.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes recapture of the entire gross proceeds (including the amount of the note) in the year of sale, less any gain reflected in federal taxable income (as defined for MBT purposes) in the year of the sale. In each subsequent year of the installment note, enter zero in line 8a, column E, and enter the gain reflected in federal taxable income (as defined for MBT purposes) in column F. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

Line 8a: Enter all dispositions of depreciable tangible assets included in base investment expenditures that were paid or accrued after December 31, 2007, and were sold or otherwise disposed of during the tax year.

- **Columns A through D:** Enter a brief description of the asset, the city or township in which the asset is located, and the dates that the asset was paid for or accrued and disposed of or sold. To list multiple disposition as one entry, the date the assets were acquired and sold must be the same; dispositions with variable dates must be listed separately.
- **Column E:** Enter the total gross proceeds from the sale or disposition of depreciable tangible assets listed in column A.
- **Column F:** Enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

Lines 9-10: NOTE: The Anchor Company Payroll Credit and the Anchor Company Taxable Value Credit are claimed through an agreement with MEGA. If a taxpayer claimed one of these credits and subsequently fails to meet requirements of the MBT Act or conditions of the agreement, the taxpayer must recapture the entire amount of such credit previously claimed.

Line 9: Enter the total amount of the Anchor Company Payroll Credit claimed on previously filed 4584 forms subject to recapture.

Line 10: Enter the total amount of the Anchor Company Taxable Value Credit claimed on previously filed 4584 forms subject to recapture.

Line 11: Under Michigan Compiled Laws 208.1201(6), the seller of residential rental units may take a deduction from its Business Income Tax base, after apportionment, of the gain from the sale of the residential rental units to a buyer who is a Qualified Affordable Housing Project (QAHP). To qualify for a deduction, the seller and buyer must enter into an "operation agreement" in which the buyer agrees to operate a specific number of the residential rental units sold as rent restricted units for a minimum of 15 years. The Department of Treasury (Treasury) will record a lien against the property subject to the operation agreement, to enforce the possibility of future recapture of this deduction.

When the buyer fails to qualify as a QAHP or fails to operate any of the residential rental units as rent restricted units in accordance with the operation agreement within 15 years after the date of purchase, the lien recorded by Treasury becomes payable to the State. Failure to operate even one residential rental unit in accordance with an operation agreement constitutes failure to operate all or some of the residential rental units as rent restricted units in accordance with the operation agreement, and therefore is a recapture event. The lien is payable in the year the recapture event occurs. This recapture is mandatory even if a taxpayer is otherwise not required to file a return because it does not meet the filing threshold of $350,000.

Enter a recapture amount equal to the full amount of the deduction allowed to the seller multiplied by a fraction, the numerator of which is the difference between 15 and the years the affordable housing project qualified and complied with the terms of the agreement and the denominator of which is 15.

Line 12 NOTE: There are three different MEGA battery credits that are eligible for recapture and are reported on this line. If the taxpayer has more than one of these credits, enter the **combined** amount of those credits on line 12a.

Line 12a: Enter the total amount of the MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit and MEGA Advanced Lithium Ion Battery Credit deemed to be added back to the tax liability by the Michigan Economic Growth Authority.

Line 12b-c: If reporting recapture for only one of the three eligible battery credits, enter the appropriate two-digit code from the list below in line 12b. If reporting recapture for two credits, enter the appropriate code for one of the recaptured credits on line 12b, and the other on line 12c.

Miscellaneous MEGA Battery Credit Codes

CREDIT	CODE
MEGA Battery Manufacturing Facility Credit	11
MEGA Large Scale Battery Credit	12
MEGA Advanced Lithium Ion Battery Credit	13

Line 13: Add lines 1, 2a, 2b, 2c, 3, 4, 5, 6, 7, 8f, 9, 10, 11, and 12a. Standard taxpayers carry this amount to Form 4567, line 56. Insurance companies carry this amount to the Form 4588, line 26. Financial Institutions carry this amount to the Form 4590, line 29.

Include completed Form 4587 as part of the tax return filing.

Attachment 12

2012 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 14 ...... 1. | 00
2. Enter property information below. If operating in multiple Zones, file a separate Form 4595 for each Zone:

Street Address	Zone or Subzone	☐ Check if a certificated credit (see instructions)
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); UBGs, 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 the 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 the 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 15 .... 25b. | 00

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.

Amended Instructions for Form 4595
Michigan Business Tax (MBT) Renaissance Zone Credit Schedule
Changes for tax years beginning on or after January 1, 2010
As amended under Public Act 282 of 2014

Public Act 282 of 2014

Public Act (PA) 282 of 2014 resulted in the following changes to the Michigan Business Tax (MBT), **retroactive to tax years beginning on or after January 1, 2010**:

1) Exclusion of Cancelation of Debt Income (CODI) from gross receipts.

2) A change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT.

3) A change to the calculation of the Renaissance Zone Credit for taxpayers located in a Renaissance Zone before December 1, 2002.

Amended Returns

An amended return for changes due to PA 282 of 2014 must be filed no sooner than January 1, 2015, and no later than December 31, 2015, and must contain amendments for only the three items above. Refund claims must be made within the statute of limitations. If amendments for other than the three items above are required, a separate amended return must be filed.

PA 282 of 2014 requires that any refund as a result of an amended return based on these changes will be paid out over a six-year period beginning in 2016. An overpayment on an amended return for claims due to PA 282 of 2014 must be refunded and may not be credited forward.

Original Returns

If a taxpayer has not yet filed an original return for a tax year beginning on or after January 1, 2010, the taxpayer should implement the three changes listed above in the original return. An original return is not necessarily bound by the 2015 calendar year filing requirement. Traditional due date and statute of limitations restrictions still apply. An overpayment on an original return will not be subject to the six-year payout provision and may be credited forward, if available and if desired.

Renaissance Zone Credit

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 the Renaissance Zone in the tax year.
- 10 percent of adjusted services performed in the designated Renaissance Zone.
- For a taxpayer located and conducting business activity in the Renaissance Zone before December 1, 2002, **the credit is equal to the greater of the two results below**:

Result 1

○ The lesser of 1) the business activity conducted within the zone (from line 15) OR 2) the adjusted services performed in the zone (from line 21)

Result 2

○ 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 is nonrefundable, and continues through the tax year in which the Renaissance Zone designation expires.

TAXPAYERS FIRST LOCATED WITHIN THE RENAISSANCE ZONE BEFORE 12-31-2002 ONLY

Prior to PA 282 of 2014, a special calculation applied to taxpayers first located within the Renaissance Zone before December 31, 2002. Under PA 282, the special calculation has changed, and the qualifying date for the special calculation is taxpayers first located within the Zone before **December 1, 2002**.

Line 24: The following is an adjustment due to **Public Act 282 of 2014**. Follow these instructions for line 24; DO NOT follow the instructions on the face of the form.

For taxpayers first located within the Zone before December 1, 2002

Step 1: Determine the lesser of line 15 and line 21.

Step 2: Determine the greater of line 23 and the result of Step 1. Enter this amount on line 24.

All other taxpayers

Enter the lesser of line 15 and line 21.

End of Amended Instructions

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).

NOTE: If a person is located and has business activity in more than one Renaissance Zone, use a separate Form 4595 to calculate the credit for each Zone. For each line that requires Zone-specific data, enter data based only on business activity in the Zone identified on line 2 of this copy of the form.

Fiscal Year Filers: See "Supplemental Instructions for Standard Fiscal MBT Filers" in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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 the Renaissance Zone before December 31, 2002, and those businesses first locating and conducting business activity within the Renaissance Zone after December 30, 2002.

Use this form to calculate both a certificated and non-certificated renaissance zone credit. Check the certificated credit box if the credit being calculated is a certificated renaissance zone credit. File a separate Form 4595 for each zone and type (certificated or non-certificated) of credit.

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. A taxpayer with a certificated renaissance zone credit may make the election to remain taxable under the MBT for its first tax year ending after December 31, 2011. The certificated renaissance zone credits are the agricultural processing, border crossing, forest products processing, Michigan strategic fund designated and renewable energy renaissance zones for which a taxpayer has a development agreement with the Michigan Strategic Fund (MSF) before January 1, 2012, and the tool and die renaissance zones for which the taxpayer has entered into a qualified collaborative agreement with the MSF before January 1, 2012.

A taxpayer located in a designated renaissance zone that does not have a certificated renaissance zone credit but which makes the election to remain taxable under the MBT on the basis of another certificated credit may also claim this credit. For more information on certificated credits see the Schedule of Certificated Credits (Form 4947).

EXAMPLE 1: Taxpayer enters into a qualified collaborative agreement with the MSF and locates and begins conducting business in a tool and die renaissance zone on January 1, 2011. Taxpayer may elect to continue under the MBT on the basis of this certificated renaissance zone credit.

EXAMPLE 2: Taxpayer located and began conducting business in a designated renaissance zone on January 1, 2011; however, the renaissance zone does not qualify as a certificated credit for purposes of the MBT election (see list above). The taxpayer also holds a certificated anchor company credit. Taxpayer may make the election to remain taxable under the MBT on the basis of its certificated anchor company credit and continue to claim the renaissance zone credit once it has properly elected the MBT.

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 the Renaissance Zone in the tax year.
- 10 percent of adjusted services performed in the designated Renaissance Zone.
- For a taxpayer located and conducting business activity in the 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 **http://www.michiganadvantage.org/**. For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at (517) 636-6925.

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.

Include this form as part of the UBG's combined annual return. If more than one member is eligible for this credit, complete one Form 4595 for each eligible member (or multiple forms for a member that is located and has business activity in multiple Zones) and include all of them as part of 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 (or multiple forms for a member that is located and has business activity in more than one Zone). Enter the Designated Member (DM) name in the Taxpayer Name field, followed by the DM's Federal Employer Identification Number (FEIN), and the specific member of the UBG for which this form is filed, and its FEIN, on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

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" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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.

Check the certificated credit box if the Renaissance Zone designation is based on a Development Agreement or a Qualified Collaboration Agreement.

BUSINESS ACTIVITY CONDUCTED WITHIN THE RENAISSANCE ZONE

Line 3: Determine the **average value** of property by averaging the values at the start and end of the tax period. The State Treasurer may require the periodic averaging of values during the tax year if reasonably required to reflect properly the average value of a taxpayer's property. Property owned by the taxpayer is valued at its original cost.

Line 4: Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

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 (MCL) 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 a person reporting under an MBT organization type of Individual, Partnership, or S Corporation should complete line 19. This includes a Limited Liability Company (LLC) that files its federal return as a Partnership or S Corporation.

NOTE: A person that is a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity. However, a person that is disregarded for federal income tax purposes and that has already filed separately for its 2010 MBT tax year in either an original MBT return prior to January 1, 2012, or in an amended MBT return prior to December 1, 2011, may also file separately for its 2011 MBT tax year. A federally disregarded entity that files as a distinct entity is classified for MBT purposes according to the federal tax classification of its owner. For additional information, see "Changes for Disregarded Entities" in the "Important Information" section of the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Line 19a: UBGs: Enter the business income from the *MBT UBG Combined Filing Schedule for Standard Members,* Form 4580, Part 2A, line 30, for the member whose activity is reported on this copy of Form 4595.

Insurance companies and financial institutions: These types of taxpayers do not calculate business income as their tax base. For Renaissance Zone credit purposes, however, they must calculate and enter here pro forma business income. Use the *Business Income Worksheet* (Worksheet 4746), in Form 4600, to calculate business income. Attach that worksheet to the return. See MCL 208.1201 for further guidance.

Line 19b: UBGs: Enter the pro forma apportionment percentage from Form 4580, Part 2A, line 16a, for the member whose activity is reported on this copy of Form 4595.

Insurance companies and financial institutions: Unlike standard taxpayers, these types of taxpayers do not apportion their tax base by a sales factor. For Renaissance Zone credit purposes, however, they must calculate pro forma sales in Michigan and sales everywhere, and enter here a pro forma apportionment percentage based on those figures. See instructions for Form 4567 for guidance on the definition of sales and applicable sourcing provisions.

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.

TAXPAYERS FIRST LOCATED WITHIN THE RENAISSANCE ZONE BEFORE 12-31-2002 ONLY

For a person located in the Zone before December 31, 2002, that had no credit or no Michigan payroll in 2007, line 23 will calculate to zero. Therefore, such a person will not be entitled to a Renaissance Zone Credit on the Michigan Business Tax Return. If completing this form you must enter zero on line 24.

Line 22: Taxpayers first located within the Renaissance Zone before December 31, 2002, ONLY (all others, leave lines 22a through 22e blank). A taxpayer that is located and conducting business activity in two Zones will prepare two copies of Form 4595. Base each copy on the taxpayer's history in the Zone being reported.

Lines 25a and 25b: For a tax year that begins within one of the last three years of the 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 15 of the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).

If filing multiple 4595 forms, enter the total of line 25b for all Zones on Form 4573, line 14, or Form 4596, line 15, as applicable.

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

Form 4, Instructions for Application for Extension of Time to File Michigan Tax Returns

Important Information

An extension of time to file is not an extension of time to pay. Read the Line-by-Line Instructions before completing Form 4. The form and payment must be postmarked on or before the original due date of the return.

NOTE: Public Act of 38 of 2011 established the Michigan Corporate Income Tax (CIT). The CIT took effect January 1, 2012, and replaced the Michigan Business Tax (MBT), except for certain businesses that opt to continue claiming certificated credits. **Fiscal Filers** of the CIT or MBT must consult either the "Supplemental Instructions for Standard Fiscal CIT Filers" section in the *CIT Forms and Instructions for Standard Taxpayers* (Form 4890) or the "Supplemental Instructions for Standard Fiscal MBT Filers" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600), for additional details on completing Form 4.

NOTE: Business tax filers should check the box for CIT or MBT based on the business tax they plan to file. However, this form will extend both business taxes for the 2012 tax year if properly prepared meeting all listed conditions and filed timely. This form does not make the election to remain under the MBT.

Income Tax (Individual and Fiduciary)

File Form 4 or a copy of your federal extension. An extension of time to file the federal return automatically extends the time to file the Michigan return to the new federal due date. An extension of time to file is not an extension of time to pay. If you have not been granted a federal extension, the Michigan Department of Treasury (Treasury) will grant a 180-day extension for individual income tax and composite returns, or a 150-day extension for fiduciary returns.

- Do not file this form if a refund is expected or if you are not submitting payment with this form.
- If, at the time the extension is filed, it is determined additional Michigan tax is due, send the amount due and a completed Form 4 or a copy of your federal extension form. If filing Form 4, do not send a copy of the federal extension to Treasury. Retain a copy for your records. Extension requests received without payment on the account will not be honored and penalty and interest will accrue on the unpaid tax from the original due date of the return.
- Payments made to date include withholding, estimated tax payments, a credit forward from the previous tax year, and any other payments previously made for this tax year. Individual income tax filers should include any Michigan withholding.

CIT and MBT

Business tax filers must use this form to request an extension and must file it even if the Internal Revenue Service has approved a federal extension.

- If this form is properly prepared meeting all listed conditions and filed timely, Treasury will grant the taxpayer an extension to the last day of the eighth month beyond the original due date regardless of whether you are granted a federal extension.
- Do not send a copy of the federal extension to Treasury. Retain a copy for your records.
- **An extension of time to file is not an extension of time to pay.** If there will be a business tax liability, payment must be included with this form and/or appropriate estimated tax payments must have been made during the tax year, **or the extension request will be denied.** Late filing penalty and interest will accrue on the unpaid tax from the original due date of the return.

Unitary Business Group (UBG)

A UBG must file a combined return for its business taxes under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the Designated Member (DM) of the group. Only the DM may submit a valid Form 4 for the UBG. If any other member submits Form 4, it will not extend the time for filing the combined return. Any payment included with such request will be applied to the UBG. If a UBG includes standard members and financial institutions, it will have two DMs and file two combined returns. In that case, a separate extension must be requested (if desired) for each combined return, through the DM designated on that return. For more information, see the "Supplemental Instructions for Standard Members in UBGs" section in Form 4890 or Form 4600.

Line-by-Line Instructions

Lines not listed are explained on the form.

Detach here and mail with your payment. Do not fold or staple the application.

Michigan Department of Treasury, Form 4 (Rev. 07-11)

Issued under the authority of Public Acts 281 of 1967 and 36 of 2007.

Application for Extension of Time to File Michigan Tax Returns

Make check payable to "**State of Michigan**." Print your **Social Security** or **account number** and **"Michigan Extension"** on the front of your check.
Mail to: Michigan Department of Treasury, PO Box 30774, Lansing, MI 48909-8274

1. Extension request is for the following tax Check ONLY ONE ☐ Income Tax* ☐ Fiduciary Tax* (includes Composite Filers) ☐ Michigan Business Tax ☐ Corporate Income Tax * Do not file this form if a refund will be shown on the return.	2. Month and Year Your Tax Year Ends (MM-YYYY) —	3. Federal Employer Identification or TR Number
	4. ☐ Check if extension is requested for good cause — see instructions.	5. Filer's Social Security Number
	6. ☐ Check if an extension was granted for taxpayer's federal tax return.	7. Spouse's Social Security Number (If filing jointly)
8. Business or Trust Name		9. Tentative Annual Tax
10. Taxpayer's Name (first name, middle initial, last name) or Fiduciary/Trustee Name		11. Total Payments Made to Date
12. Mailing Address		**13. Payment Amount** .00

DO NOT WRITE IN THIS SPACE

Line 1: File a separate application for each tax type. Check the box next to the appropriate tax. If filing a Composite Income Tax return (for nonresident partners or shareholders), check the "Fiduciary Tax" box.

Line 2: Enter the month and year your tax year ends, NOT the date you are making the payment. For most individual income tax filers, this date is 12-2012.

Fiscal Year Filers (CIT): See "Supplemental Instructions for Standard Fiscal CIT Filers" in Form 4890.

Lines 3, 5, and 7: CIT, MBT, Fiduciary, and Composite filers, enter your FEIN or TR number on line 3. Income Tax filers only, enter your Social Security number on line 5 (and line 7 if filing jointly).

Line 4: Filers who have not been granted a federal extension may request an extension for good cause. Examples of good cause include, but are not limited to: (a) taxpayer's initial return, (b) taxpayer's final return, (c) a change in accounting period, and (d) taxpayer's books and records are not available or complete. **NOTE**: The inability to pay a tax due is not good cause.

Line 6: Check the box if you have been granted a federal extension. Retain a copy of your federal extension for your files. By checking the box on line 6, you are affirming that you have a federal extension in your possession. You must be able to produce a copy for verification, if requested.

Lines 8 and 10: If applicable, these lines must both be completed to avoid delays in processing.

Penalty and Interest

If the tax due is underestimated and sufficient payment is not paid with the application for extension, interest will be due on the unpaid or underpaid amount.

The interest rate is 1 percent above the adjusted prime rate and is adjusted on January 1 and July 1. Interest is charged from the original due date of the return to the date the balance of the tax is paid.

Any one of the following penalties may also apply to the unpaid tax:

- The initial penalty is 5 percent of tax due. Penalty increases by an additional 5 percent per month or fraction thereof, after the second month, to a maximum of 25 percent for failure to pay;
- 10 percent for negligence;
- 25 percent for intentional disregard of the law.

When You Have Finished

Detach Form 4 from the instructions and mail to the address on the form. MBT filers who submit a properly completed request will receive a written response at the legal address on file with Treasury. Income Tax and Fiduciary Tax filers will not receive a response.

Computation and Payment of Tax Due

Estimate tax liability for the year and pay any unpaid portion of the estimate with the application for extension.

A.	Tax before credits	A.	
B.	Credits (if any)	B.	
C.	Total annual tax liability. Subtract line B from line A. Enter here and carry to Form 4, line 9	C.	
D.	Payments made to date. Enter here and carry to Form 4, line 11 *	D.	
E.	Estimated balance due. Subtract line D from line C	E.	
F.	Amount paid with Form 4. Enter here and carry to Form 4, line 13	F.	

* Payments made to date include withholding, estimated tax payments, a credit forward from the previous tax year, and any other payments previously made for this tax year.

2012 Supplemental Instructions for Standard Members in Unitary Business Groups (UBGs)

NOTE: These instructions for Unitary Business Groups (UBGs) are meant to supplement general instructions and form-specific instructions for standard taxpayers of the Michigan Business Tax (MBT), not to replace them.

Standard taxpayers and standard members refer to all taxpayers or UBG members, respectively, other than financial institutions or insurance companies. Financial institutions that are members of a UBG should see "Supplemental Instructions for Financial Institution Members in UBGs" in the *MBT Forms and Instructions for Financial Institutions* (Form 4599).

There is not a corresponding supplement for insurance companies because, although they can be members of a UBG, they do not file combined returns.

Introductory pages of this MBT instruction booklet contain general information designed to assist in identifying the existence and membership of a UBG. The following instructions address:

- Filing combined returns by different member types within a UBG.
- Understanding the role of the Designated Member (DM).

For each type of UBG member that is reported on a combined return (standard and financial institution), there is a required form that collects data that is necessary for preparation of a combined return:

- The *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580) supports a combined return of standard members to be filed on the *MBT Annual Return* (Form 4567).
- The *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752) supports a combined return of financial institution members to be filed on the *MBT Annual Return for Financial Institutions* (Form 4590).

Guidance that is specific to only one form is contained in the instructions for that form, in sections titled either "Special Instructions for Unitary Business Groups" or simply "UBGs." With the exception of a section providing supplemental instructions for the *MBT Tax Loss Adjustment for the Small Business Alternative Credit* (Form 4575), the following are instructions that apply to more than one form.

Special Instructions and the Designated Member

Special Instructions for the Annual Return

By definition, a UBG can include standard members, insurance companies, and financial institutions. However, in some cases not all members of the UBG will be included on the same return. All standard members in a UBG (except those owned by and unitary with a financial institution) file a single combined return on Form 4567. Financial institution members of a UBG (and any standard member owned by and unitary with a financial institution in the group) file a combined return on Form 4590. Insurance company members of a UBG each file separately on Form 4588.

Before completing a combined return, UBGs should first complete the Form 4580 or Form 4752. These forms are used to gather and combine data from each member included in the combined filing schedule and eliminate intercompany transactions where applicable, to support the primary return. Insurance companies that are part of a UBG will each file a separate Form 4588, but should be listed as an excluded affiliate with an incompatible tax base on Form 4580 or Form 4752, as applicable.

NOTE: If a member of a UBG holds a certificated credit and wishes to claim that credit, the group and not the member, must make the election to remain taxable under the MBT. The entire UBG will remain taxable until the certificated and any carryforward of that credit is exhausted.

The Designated Member (DM)

A UBG combined return of standard members is filed under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the DM of the standard member group. Designated Member means a UBG member that has nexus with Michigan and will file the combined MBT return on behalf of the standard members of the group. In a brother-sister controlled group, any member with nexus may be designated to serve as DM. In a parent-subsidiary controlled group or a combined controlled group (an interlocking combination of a parent-subsidiary group and a brother-sister group), the controlling member must serve as DM if it has nexus with Michigan. If it does not have nexus, the controlling member may appoint any member with nexus with Michigan to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a group member or the controlling member attains Michigan nexus. The filing period of a combined return is based on the tax year of the DM.

If a UBG is comprised of both standard members and financial institutions, the UBG will have two DMs (one for the standard members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms). If the standard members are owned by a financial institution, they will file on the financial UBG return, Form 4590.

NOTE: If the UBG filed MBT in 2011 and elected to file MBT in 2012, then the UBG must use the same DM if the DM still has nexus and is still a member of the UBG in 2012. If the DM no longer has nexus or is no longer a member of the UBG, then the UBG must select a new DM.

Role of the DM: The DM speaks, acts, and files the MBT return on behalf of the group for MBT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group's MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM's name and account number. The designated member must be of the same taxpayer type (standard or financial institution) as the members for which it files a combined return.

Special Instructions for Supporting Forms

Most forms are completed by UBGs on a group basis. However, the following forms must be completed with entity-specific data, rather than groupwide data:

- *Michigan Historic Preservation Tax Credit* (Form 3581)
- *MBT Loss Adjustment for the Small Business Alternative Credit* (Form 4575). (In some circumstances, a separate copy of Form 4575 also is completed with groupwide data.)
- *MBT Schedule of Shareholders and Officers* (Form 4577)
- *MBT Schedule of Partners* (Form 4578)
- *MBT Qualified Affordable Housing Seller's Deduction* (Form 4579)
- *MBT Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax* (Form 4585)
- *MBT Schedule of Business Activity Protected Under Public Law 86-272* (Form 4586) or *MBT Schedule of Business Activity for Non-Designated Members of a Unitary Business Group Protected Under Public Law 86-272* (Form 4581), as applicable.
- *Michigan Farmland Preservation Tax Credit* (Form 4594)
- *MBT Renaissance Zone Credit Schedule* (Form 4595)
- *Gross Receipts Worksheet* (Worksheet 4700)
- *Business Income Worksheet* (Worksheet 4746).

If more than one member completes one of these forms, multiple copies of that form must be included in the group's combined return.

In addition, many credits require an entity-specific calculation of a credit amount. The following table provides a summary of UBG credit calculations, where:

A) The test or criteria to qualify for the credit should be applied on a group basis (G) or a separate entity basis (E),

B) If the qualification test is satisfied, the calculation of the available credit amount should be on a group basis (G) or a separate entity basis (E),

C) Calculation of the credit should be done after elimination of intercompany transactions (Y or N). Note: This applies only to the calculation of the credit. The tax liability of the UBG against which the credit will be applied is calculated after elimination of all intercompany transactions from the tax bases and apportionment.

Credit	(A)	(B)	(C)
Anchor Company Payroll Credit	E	E	N
Anchor Company Taxable Value Credit	E	E	N
Arts and Culture Credit	G	G	N
Bottle Deposit Administration Credit	E	E	N
Brownfield Redevelopment Credit	E	E	N
Community or Education Foundation Credit	G	G	N
Compensation Credit	G	G	N
Farmland Preservation Credit	E	E	N
Film Infrastructure Credit	E	E	N
Film Job Training Credit	E	E	N
Film Production Credit	E	E	N
Gross Receipts Filing Threshold Credit	G	G	N
Historic Preservation Credit	E	E	N
Homeless Shelter/Food Bank Credit	G	G	N
Hybrid Technology Research and Development Credit	E	E	N
Individual or Family Development Account Credit	G	G	N
International Auto Show Credit	E	E	N
Investment Tax Credit	G	G	*
Large Food Retailer Credit	G	G	N
Low-Grade Hematite Credit	G	G	N
MEGA Advanced Battery Engineering	E	E	N
MEGA Advanced Lithium Ion Battery	E	E	N
MEGA Battery Cell Sourcing	E	E	N
MEGA Battery Manufacturing Facility	E	E	N
MEGA Employment Tax Credit	E	E	N
MEGA Federal Contract Credit	E	E	N
MEGA Large Scale Battery Credit	E	E	N
MEGA Photovoltaic Credit	E	E	N
MEGA Plug in Traction Battery Integration	E	E	N
MEGA Plug in Traction Battery Manufacturing	E	E	N
MEGA Polysilicon Energy Cost	E	E	N
Mid-size Food Retailer Credit	G	G	N
NASCAR Speedway Credit	E	E	N
New Motor Vehicle Dealer Inventory Credit	E	E	N
Next Energy Business Activity Credit	E	E	N
Next Energy Payroll Credit	E	E	N
Personal Property Tax Credit	G	G	N
Private Equity Fund Credit	E	E	N
Public Contribution Credit	G	G	N
Renaissance Zone Credit	E	E	N
Research and Development Credit	G	G	N
Small Business Alternative Credit	G	G	N
Stadium Credit	E	E	N
Start-up Business Credit	E	E	N
Workers' Disability Supplemental Benefit Credit	G	G	N

* Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit. Intercompany eliminations are otherwise not applicable.

The available amount of each of the above credits is taken against the entire group's tax liability. Additional UBG instructions are provided on forms where these credits are calculated.

If the UBG is comprised of both standard members and financial institutions, two copies of supporting forms will be completed (one group of supporting forms for the standard members' annual return and one group of supporting forms for the financial institutions' annual return).

Pro Forma Calculations for Certain Credits

For some credits, evaluation of whether a UBG is qualified to claim the credit is based on characteristics and activities of a single member, rather than the group as a whole. Similarly, for some credits, after it is determined that a UBG is qualified to claim the credit, calculation of the amount of credit available is based on data of a single member, rather than the group. Each credit requiring this method is identified on the form on which it is calculated. A pro forma MBT liability is required for the member generating the credit.

Where a pro forma calculation is required, the underlying objective is to determine what the tax liability (immediately prior to the credit) of the UBG member generating the credit would have been if that member was not included in the group. Therefore, the member generating the credit must calculate its pro forma tax liability as if it was a singular, stand-alone taxpayer in all aspects. This supporting pro forma calculation should be provided in a statement attached to the return. However, this calculation and its results should never be transferred to Form 4567 or displayed in a layout similar to Form 4567.

Effects of Members Joining a Group

When an entity becomes a member of a UBG part way through the member's tax year, for MBT purposes the new member will experience a short tax year beginning on the date the member joins the group, even if it does not have a short period for federal purposes.

For both the UBG return and the new member's separate short period return, tax bases will be calculated using actual numbers from the applicable short period of the new member.

If a member that is new to the group brings with it a certificated credit or carryforward of a certificated credit, the UBG taxpayer will continue to apply the choice it made for the first tax year ending after December 31, 2011, concerning the MBT election. Or, in the case of a qualifying brownfield or historic preservation credit — the election made by the group at a later time. If the joining member brings a qualifying brownfield or historic preservation credit for which credit amount remains available, the UBG taxpayer may make the election to be taxable under the MBT in a year in which credit amount is available and must remain taxable under the MBT for all years in which brownfield or historic preservation credit amount is available if the election is made.

Effects of Members Leaving a Group

When a member of a UBG ceases to be a member part way through the member's tax year, for MBT purposes the departing member will experience a short tax year ending on the departure date, even if it does not have a short period for federal purposes.

For both the UBG return and the departing member's separate short period return, tax bases will be calculated using actual numbers from the applicable short period of the departing member.

When a member leaves the UBG other than at the end of its federal tax year, any available certificated credit generated by the member will be allocated to the period that includes the effective date of the certificate. A credit carryforward attributable to the departing member and existing in the departing member's (or the group's) account prior to leaving the group typically will be applied first to the group return for the group filing period that includes the end of the departing member's short state tax year that ended upon leaving the group. Any carryforward remaining after that application (i.e., neither consumed or expired) will, generally, be fully available for use by the departing member.

If the remaining UBG does not hold a certificated credit after the departing member leaves with credit then the group is no longer eligible to continue under the MBT. If the departing member joins another UBG, bringing the certificated credit, the UBG taxpayer will continue to apply the choice it made concerning the credit election. (In the case of qualifying brownfield and historic preservation certificated credits, see "Effects of Joining a Group" for more detail.) If the departing member becomes a solo filer with remaining certificated credit, that member will continue to file under the MBT until the credit is used up. These results do not change if the departing member is the DM.

Other UBG-Related Issues

An affiliated person that is excluded from membership in a UBG because it is a foreign person, which has nexus and meets the applicable filing threshold, must file a separate MBT return.

Supplemental Instructions for the MBT Loss Adjustment for the Small Business Alternative Credit, Form 4575

For the purpose of applying loss adjustment from a member's separately filed year, when members' separate years share a common year end and the amount of available loss from a single tax year exceeds the amount needed to offset the UBG's adjusted business income (ABI) disqualifier, the portion of available loss from that tax year used by each member to offset the group's disqualifier must reflect the proportion of each member's total loss available from that tax year with respect to the total loss available to the UBG from the same tax year.

EXAMPLE: (Note that while the dates in the following example don't apply to a tax year 2012 return, the concept remains the same.) The total loss adjustment needed to reduce a UBG's ABI disqualifier is $65. The UBG has loss available in the amount of $50 from its 2008 tax year, which had a tax year end of December 31, 2008. Member A, who was included in the UBG's 2008 tax year return, has loss available in the amount of $20 from its 2006 SBT tax year which ended September 30, 2006. Member B, who became a member of the UBG during the current tax year due to a change in ownership, has loss available in the amount of $25 from its 2006 SBT tax year which ended September 30, 2006, and loss available in the amount of $25 from its separate 2008 tax year which ended September 30, 2008. Member C also became a member of the UBG during the current tax year and has loss available in the amount of $75 from its separate 2008 tax year which ended September 30, 2008.

In this example, three columns of the table will be populated: one column with a tax year end of 09-30-2006 and available loss of $45; a second column with a tax year end of 09-30-2008 and available loss of $100; and a third column with a tax year end of 12-31-2008 and available loss of $50. Because loss is used on a first-in, first-out basis, the group will use the entire amount of loss available ($45) from the column with the 09-30-2006 tax year end; that is, all of Member A's available loss ($20) from its 2006 SBT year, as well as all of Member B's available loss from its 2006 SBT year ($25). The use of the members' losses must be maintained in the taxpayer's records. The remaining $20 of loss adjustment needed to reduce the groups' ABI disqualifier will be subtracted from the loss available in the second column with the 09-30-2008 year end. Members B and C will account for this adjustment in their records in a proportional manner. That is, Member B will record a $5 loss adjustment used from its 2008 separate tax year, or the remaining loss adjustment needed to reduce the group's ABI disqualifier ($20) multiplied by a fraction, the numerator of which is Member B's available loss ($25) and the denominator of which is the total loss available in the second column ($100). Likewise, Member C will record a loss adjustment used of $15. Thus, in subsequent tax years, the UBG will have the following remaining loss available to reduce its ABI disqualifier: Member B's available loss in the amount of $20 from its 2008 separate tax year; Member C's available loss in the amount of $60 from its 2008 separate tax year, and the UBG's available loss in the amount of $50 from its 2008 tax year. The loss available to the UBG to reduce its ABI disqualifier will not be affected by Member B's or C's use, if any, of available loss from their separate tax years to reduce their respective shareholder income disqualifiers.

Further Guidance on Existence and Membership of a UBG

For further guidance, please consult the following:

• Online at **www.michigan.gov/taxes:** Click on the "Reference Library" link on the left side of the page, which leads to information on Revenue Administrative Bulletins (RABs). Of particular interest are RAB 2010-1, MBT—Unitary Business Group Control Test, and RAB 2010-2, MBT—Unitary Business Group Relationship Tests.

2012 Supplemental Instructions for Standard Fiscal Michigan Business Tax (MBT) Filers

NOTE: These instructions for fiscal year MBT filers are meant to supplement the general instructions, not to replace them. Standard filers refers to all taxpayers other than financial institutions or insurance companies. Fiscal year filers that are financial institutions filing their initial 2012 MBT returns should see the MBT Forms and Instructions for Financial Institutions (Form 4599). (Insurance companies cannot be fiscal year filers.)

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted.

For most certificated credits, a taxpayer must claim the credit and elect to remain taxable under the MBT with the annual return filed for taxpayer's first tax year ending after December 31, 2011. This will be the short period return beginning January 1, 2012, for most fiscal year filers. For more information on certificated credits, see instructions to the various MBT credit forms.

A fiscal filer will use the tax forms for the 2012 tax year to complete two tax returns. A standard taxpayer with a federal fiscal year beginning in 2011 and ending in 2012 should have already filed a short-period MBT return to report its final 2011 MBT liability for the period from the beginning of its 2011-12 fiscal year through December 31, 2011. Use the 2012 tax year forms to complete a short-period MBT return for the period from January 1, 2012, to the end of the 2011-12 fiscal year. The taxpayer will then utilize the 2012 tax year forms for its 2012-2013 fiscal year.

The following instructions pertain only to the fiscal filer's initial 2012 MBT short-period return beginning January 1, 2012.

Computing the Initial 2012 Return for a Period of Less Than 12 Months

If the fiscal year standard taxpayer will not be taxable under either the CIT or MBT for its short-period tax year beginning January 1, 2012, then it must compute the tax base for the final 2011 short-period MBT year using the actual method. It may not use the annual method. These methods are described below.

If the fiscal year standard taxpayer will be taxable under either the CIT or MBT for its short-period tax year beginning January 1, 2012, then it may elect to compute the tax base for the final 2011 short-period MBT year in accordance with one of the following calculation methods:

Annual Method. The tax base may be computed as if the MBT Act was effective throughout the taxpayer's 2011-12 federal tax period. The Modified Gross Receipts and the Business Income Tax base will then be multiplied by a fraction, in which the numerator is the number of months of the federal period that fall in 2012, and the denominator is the number of months in the full federal period (typically 12). The proration of the Modified Gross Receipts base is done on line 23b of Form 4567. The proration of the Business Income tax bases is done on line 44b of Form 4567.

Actual Method. The tax base may be computed based on actual business activity occurring in the initial 2012 short-period in accordance with the same method of accounting used in prior fiscal years, which reflects the actual tax base attributable to the period.

Credit Calculation: Credits are calculated on actual payments made or actions taken within the short period, regardless of whether the taxpayer uses the annual or actual method in calculating its tax base.

The calculation method the taxpayer employed for its final 2011 MBT return must also be used for the initial short-period CIT or MBT return for 2012. Thus, if a taxpayer elects to use the annual method for its final 2011 MBT return it must also use the annual method for its initial CIT or MBT short-period 2012 return.

Example: Using the annual method, a standard taxpayer with a fiscal year-end of August 31 would compute the tax base on full year numbers (September 1, 2011, through August 31, 2012, annual accounting period), and then multiply that amount by 4/12 (or 1/3) to obtain the MBT short-year tax base for the period of September 1, 2011, through December 31, 2011, or by 8/12 (or 2/3) to obtain the CIT or 2012 MBT short-year tax base for the period of January 1, 2012, through August 31, 2012.

Alternatively, the same taxpayer could choose to compute the actual tax base for business activity occurring in the short-years using the same method of accounting employed in prior years. In either case, the calculation method used (annual or actual) to file the final 2011 fiscal MBT return must be used when filing the initial fiscal short-period CIT or MBT return for 2012.

NOTE: A taxpayer will be required to amend its 2011 final MBT return so the filing methods are consistent if a different method is chosen for the initial filing of the CIT or MBT short-period return for 2012.

Unitary Business Groups (UBGs): The DM will choose the method for the UBG. If the fiscal year standard taxpayer (i.e., the group) will not be taxable under either the CIT or MBT for its short-period tax year beginning January 1, 2012, then it must compute the tax base for the final 2011 short-period MBT year using the actual method. It may not use the annual method.

If the fiscal year standard taxpayer (i.e., the group) will be taxable under either the CIT or MBT for its short-period tax year beginning January 1, 2012, then it may elect to compute the tax base for the final 2011 short-period MBT year using either the annual or actual method. Both of these methods are explained above. The calculation method the taxpayer employed for its final 2011 MBT return must also be used for the initial short-period CIT or MBT return for 2012. Thus, if a UBG elects to use the annual method for the 2011 MBT return it must also use the annual method for its initial CIT or MBT short-period 2012 return.

Filing for a tax Year Less than 12 Months. All general practices pertaining to annualization and proration will apply for the qualification and calculation of credits and adjustments on filings for a period less than 12 months.

Annualizing

If a business operated less than 12 months, annualize to determine which forms to file and the eligibility for the Small Business Alternate Credit. Fiscal year filers choosing the annual method of computing their tax base will report figures using their entire 2011-12 federal return. For all other taxpayers, including fiscal year filers using the actual method, do not use annualized numbers on a return unless specified; use them only to determine filing requirements and qualifications for credits. See "2012 General Information for Standard Taxpayers" in the MBT Forms and Instructions for Standard Taxpayers (Form 4600) for further details.

Due Date

Fiscal year taxpayers will file a short-period return beginning January 1, 2012, to the end of their federal tax year. They will be granted an automatic extension to the same date as the 2012 calendar year returns, which is April 30, 2013. **However, an extension of time to file is not an extension of time to pay.** An extension request form need not be filed unless required to transmit payment of any tax that would be due with the annual return. The annual return tax due must be paid by the original due date, which is the last day of the fourth month after the end of the filing period.

Federal Returns

If using the annual method to compute the final fiscal return, attach copies of all federal forms required. If you choose the actual method to compute your final return, attach a pro forma federal return reflecting your actual income and expenses, prepared in accordance with the method of accounting used in prior fiscal years. This pro forma federal return must include all income, expenses and adjustments required. If using the actual method, attach a copy of quarterly or monthly financial statements for 2011-12.

Additional Instructions for Specific Forms

Forms not addressed here need no supplemental instructions.

MBT Annual Return (Form 4567)

On line 1, enter January 1, 2012, as the begin date and enter the ending date that corresponds to the taxable period as reported to the Internal Revenue Service (IRS)

Enter all dates in MM-DD-YYYY format.

Line 11d: Check the box if you are a Fiscal Filer computing tax in accordance with the annual method. Compute the percentage of your 2011-12 accounting period attributable to 2012.

UBGs: If the Designated Member (DM) is a calendar year filer, all members, including fiscal year members, must use the actual method. If the DM is a fiscal year filer, all members must use the same method of calculation, annual or actual, chosen by the DM. Do not, however, use lines 11d through 11g, even if the annual method will be used. Proration for a UBG is performed on Part 2A of the MBT Unitary Business Group Combined Filing Schedule (Form 4580).

Line 54: Nonrefundable credits from the MBT Nonrefundable Credits Summary (Form 4568), line 40. If claiming nonrefundable credits, see Form 4568. Note that these credits have strict eligibility requirements. All credits against the tax must be claimed and calculated based on actual payments made and actions performed in 2012, regardless of the method selected for the tax calculation.

MBT Credits for Compensation, Investment and Research and Development (Form 4570)

Credits against the tax must be claimed and calculated based on actual payments made and actions performed in 2012, regardless of whether a taxpayer uses the annual or actual method for tax calculations. Do not include acquisitions or dispositions occurring in 2011 in the calculation of the ITC.

MBT Common Credits for Small Businesses (Form 4571)

All credits against the tax must be claimed and calculated based on actual payments made and actions performed in 2012, regardless of the method selected for the tax calculation.

Lines 6 and 7: Compensation and Directors Fees. Officers and active shareholders will be reported on an actual basis on lines 6 and 7, regardless of the method selected for the tax calculation.

MBT Charitable Contribution Credits (Form 4572)

Lines 3, 7, 12, and 16: Provide a credit for contributions made to various qualifying organizations. These donations must have been made in 2012, regardless of the method selected for the tax calculation.

MBT Miscellaneous Nonrefundable Credits (Form 4573)

To be eligible for the Next Energy Business Activity Credit, Start-Up Business Credit, and Film Job Training Credit the appropriate certificate must be received on or before December 31, 2011.

The historic preservation credit is available as a certificated to the extent that a taxpayer had a part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter before by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The Brownfield Redevelopment credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012.

The MEGA federal contract, MEGA polysilicon and MEGA battery credits are available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The film infrastructure credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

MBT Refundable Credits (Form 4574)

The MEGA Employment Tax Credit, MEGA federal contract credit, MEGA photovoltaic, MEGA battery pack, MEGA polysilicon and Anchor company credits are available as a certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The film production credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Personal Property Tax Credits are limited to taxes levied after 2007 and paid in 2012.

MBT Loss Adjustment Worksheet for the Small Business Alternative Credit (Form 4575)

Part 1: Business income and shareholder compensation disqualifiers must be computed on an annualized basis. Enter annualized numbers on lines 1, 4 and 6.

Part 2: Fiscal year filers will use the information from the five preceding periods.

MBT Schedule of Shareholders and Officers (Form 4577)

In columns I through K, enter actual dividends, salaries, wages, director's fees, employee insurance plans, pension, etc., received during the tax year in 2012, regardless of the method selected for the tax calculation. For a fiscal year filer choosing to compute the tax base using the annual method, column M, "Share of Business Income," will have to be adjusted to reflect the prorated business income.

MBT Schedule of Partners (Form 4578)

For a fiscal year filer choosing to compute the tax base using the annual method, column D, "Share of Business Income/ Loss," must be adjusted to reflect the prorated business income.

MBT Qualified Affordable Housing Seller's Deduction (Form 4579)

The Qualified Affordable Housing Seller's Deduction can only be claimed on sales completed in 2012.

MBT Unitary Business Group Combined Filing Schedule (Form 4580)

Line 1: In Part 1A, identify group members whose federal tax periods end within the filing period of the DM. If the DM has made a valid election to use the actual method, each member will report only activity occurring in 2012. If the DM is a calendar year filer, then all group members must use the actual method.

Line 2: If a member has two tax periods ending with or within the filing period of the DM, the return must include two copies of Parts 1B and 2A for that member. DO NOT, however, list that member twice in Part 1A.

Line 6: For members with a fiscal year ending in 2012, enter 01-01-2012 as the beginning date and enter the member's tax year end, for federal income tax purposes for the ending date.

Line 7: This line is used to identify a person that was a member of the UBG for less than its entire federal tax year due to changes in ownership or satisfaction of the UBG relationship test. Do not include in line 7 any member that uses a fiscal year and that reports all of its activity from January 1, 2012, to the ending date of its 2011-2012 fiscal year on this combined return.

MBT Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax (Form 4585)

Credits, including recapture of credits, must be claimed and calculated based on actions performed in 2012.

MBT Election of Refund or Carryforward of Credits (Form 4584)

All credits against the tax must be calculated based on actual payments made or actions taken in the period reported.

MEGA federal contract credit, MEGA battery pack, MEGA polysilicon and Anchor company credits are available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The historic preservation credit is available as a certificated credit to the extent that a taxpayer had a part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter before by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The Brownfield Redevelopment credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012.

Michigan Farmland Preservation Tax Credit (Form 4594)

Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer entered into a preservation agreement prior to December 31, 2011.

A fiscal year taxpayer with a tax year ending in 2012 will compute the portion applied against MBT liability by determining the actual income in the portion of the 2011-12 fiscal year that falls within 2012, in accordance with the method of accounting used in prior fiscal years, which reflects the actual income attributable to the short period beginning January 1, 2012.

Prorating: The property taxes must be prorated. Use the following computation to determine the amount of taxes that can be claimed:

- Determine number of months of 2011-12 fiscal year that is in calendar year 2012.
- Divide number of months by 12 to compute percentage.
- Multiply percentage by property taxes billed in 2012 to compute amount of taxes that can be claimed.

Assembling Attachments: Attach a schedule showing the Entity's computation of the actual income. This schedule or pro forma federal return must include all adjustments required. Also attach a copy of the entity's actual Federal Income Tax return, if available.

MBT Renaissance Zone Credit Schedule (Form 4595)

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. A taxpayer with a certificated renaissance zone credit may make the election to remain taxable under the MBT for its first tax year ending after December 31, 2011. The certificated renaissance zone credits are the agricultural processing, border crossing, forest products processing, Michigan strategic fund designated and renewable energy renaissance zones for which a taxpayer has a development agreement with the Michigan Strategic Fund (MSF) before January 1, 21012, and the tool and die renaissance zones for which the taxpayer has entered into a qualified collaborative agreement with the MSF before January 1, 2012.

A taxpayer located in a designated renaissance zone that does not have a certificated renaissance zone credit but which makes the election to remain taxable under the MBT on the basis of another certificated credit may also claim this credit.

For purposes of the calculation required for taxpayers first located within a Renaissance Zone before December 31, 2002, fiscal year filers may use the 12-month calendar year amounts for payroll and Renaissance Zone business activity in 2007, or the final 12-month fiscal year ending in 2007. The same choice must be made for each component of the calculation.

A fiscal year taxpayer's phase-out percentage for the final three years of the Renaissance Zone Credit is determined by the beginning of the taxpayer's filing period. No proration of months is involved.

For example:

- Renaissance Zone designation expires on December 31, 2010.
- The three years in which the credit is subject to the phase-out reduction are 2008, 2009, and 2010.
- In the taxpayer's tax year which commences on July 1, 2008, and ends on June 30, 2009, its Renaissance Zone Credit will be reduced by 25 percent.
- In the taxpayer's tax year which commences on July 1, 2009, and ends on June 30, 2010, its Renaissance Zone Credit will be reduced by 50 percent.
- In the taxpayer's tax year which commences on July 1, 2010, and ends on June 30, 2011, the business activity factor of the MBT Act Renaissance Zone Credit is calculated as if the taxpayer is within a Renaissance Zone for a period less than the full tax period, and that credit amount is reduced by 75 percent.

Application for Extension of Time to File Michigan Tax Returns (Form 4)

An extension of time to file is not an extension of time to pay.

The 2012 portion of the taxpayer's 2011-12 fiscal year will be filed under either the new Corporate Income Tax (CIT) rules of Public Act 38 of 2011 (most taxpayers), or under the special continuation of MBT provided by PA 39 of 2011 (taxpayers with certificated credits from MBT). The Michigan Department of Treasury (Treasury) has granted an automatic extension for the 2012 portion of such returns to April 30, 2013. Despite the automatic extension granted by Treasury for the 2012 short period, any payment that typically would be paid with an extension request must be remitted with a completed Form 4 to avoid extension penalty and interest. If no additional tax is owed, the filing of the form is not necessary.

For taxpayers with a fiscal year ending after April 30, 2012, this automatic extension to April 30, 2013, will not reach as far as a conventional extension requested by Form 4. A taxpayer in this category that desires an extension beyond April 30, 2013, must file Form 4 for its 2012 short period.

Line 1: Fiscal Year Filers requesting an extension for the portion of their MBT activity for the short-year beginning January 1, 2012, should check the "Corporate Income Tax" box.

The short-year beginning January 1, 2012 will be granted an automatic extension to the same date as the 2012 calendar year returns, which is April 30, 2013. However, an extension of time to file is not an extension of time to pay. An extension request form need not be filed for the 2012 short period unless required to transmit payment of any tax that would be due with the annual return for that short period. The annual return tax due must be paid by the original due date, which is the last day of the fourth month after the end of the filing period.

If sending a payment for the 2012 portion of the fiscal tax year, check the "Corporate Income Tax" box. Checking this box DOES NOT commit the taxpayer with certificated credits under MBT to file a CIT return; that commitment is made when the taxpayer files the tax return for that short-period.

Regardless of whether an MBT or CIT return is ultimately filed, if the tax due is underestimated and sufficient payment is not paid with the application for extension, interest will be due on the unpaid or underpaid amount. See the Form 4 instructions for additional information on Penalty and Interest.

Amended Instructions for Form 4700
Michigan Business Tax (MBT) Gross Receipts Worksheet
Changes for tax years beginning on or after January 1, 2010
As amended under Public Act 282 of 2014

Public Act 282 of 2014

Public Act (PA) 282 of 2014 resulted in the following changes to the Michigan Business Tax (MBT), **retroactive to 2010**:

1) Exclusion of Cancelation of Debt Income (CODI) from gross receipts.

2) A change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT.

3) A change to the calculation of the Renaissance Zone Credit for taxpayers located in a Renaissance Zone before December 1, 2002.

Amended Returns

An amended return for changes due to PA 282 of 2014 must be filed no sooner than January 1, 2015, and no later than December 31, 2015, and must contain amendments for only the three items above. Refund claims must be made within the statute of limitations. If amendments for other than the three items above are required, a separate amended return must be filed.

PA 282 of 2014 requires that any refund as a result of an amended return based on these changes will be paid out over a six-year period beginning in 2016. An overpayment on an amended return for claims due to PA 282 of 2014 must be refunded and may not be credited forward.

Original Returns

If a taxpayer has not yet filed an original return for a tax year beginning on or after January 1, 2010, the taxpayer should implement the three changes listed above in the original return. An original return is not necessarily bound by the 2015 calendar year filing requirement. Traditional due date and statute of limitations restrictions still apply. An overpayment on an original return will not be subject to the six-year payout provision and may be credited forward, if available and if desired.

Gross Receipts Worksheet

The MBT forms and instructions include the *Gross Receipts Worksheet* (Form 4700) to assist taxpayers in calculating Gross Receipts as reported on the *MBT Annual Return* (Form 4567).

The following instructions will allow taxpayers to account for the PA 282 change to gross receipts while using the Form 4700 previously released for tax years 2010-2013.

2012 and 2013 Forms

Taxpayers calculating gross receipts as amended by PA 282 should use Form 4700, for the corresponding year, as instructed through line 64.

Taxpayers will then calculate the exclusion of amounts attributed to the taxpayer pursuant to a discharge of indebtedness as described under IRC 61(a)(12), including forgiveness of a nonrecourse debt. That amount will be added to the subtotal generated at line 65.

Continue with the remainder of the form as instructed.

2010 and 2011 Forms

Taxpayers calculating gross receipts as amended by PA 282 should use Form 4700, for the corresponding year, as instructed through line 71.

Taxpayers will then calculate the exclusion of amounts attributed to the taxpayer pursuant to a discharge of indebtedness as described under IRC 61(a)(12), including forgiveness of a nonrecourse debt. That amount will be added to the subtotal generated at line 72.

Continue with the remainder of the form as instructed.

End of Amended Instructions

FEIN or TR Number

UBG Member FEIN or TR Number

Gross Receipts Worksheet

Complete the appropriate parts below based on the person's organization type. Part 1 is for an Individual or Fiduciary; Part 2 is for a C Corporation (or a person filing federal returns as a C Corporation); and Part 3 is for a Partnership or S Corporation (or a person filing a federal return as a Partnership or an S Corporation). Parts 4 and 5 apply to all filers, independent of their organization type.

Gross receipts is not necessarily derived entirely from the federal return, however, this worksheet will calculate gross receipts as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce gross receipts not identified by specific lines on this worksheet, and report that amount on the most appropriate line. The Michigan Department of Treasury may adjust the figure resulting from this worksheet to account properly for such uncommon situations. Complete and attach this worksheet to your return. Unitary Business Groups (UBGs) must complete and attach a worksheet for each member.

Gross receipts, before applying the statutory exceptions, consists solely of positive amounts derived from transactions or events. Therefore, if any of the federal return items utilized in Part 1, Part 2 or Part 3 is a net result of both negative and positive transactions, it must be recalculated for use here by counting only the positive elements represented in that net figure.

INFORMATION DIRECTLY FROM SPECIFIC FEDERAL RETURNS

PART 1: INDIVIDUALS AND FIDUCIARIES

1. U.S. Form *1040, Schedule C* or *C-EZ* gross receipts (net of returns) ..... 1. ____ 00
2. U.S. Form *1040, Schedule C*, other income ..... 2. ____ 00
3. U.S. Form *1040, Schedule D*, short- and long-term sales price* ..... 3. ____ 00
4. U.S. Form *1040, Schedule E*
   a. Part I, total rents received ..... 4a. ____ 00
   b. Total royalties received ..... 4b. ____ 00
5. U.S. Form *4797*, gross sales price,* business assets ..... 5. ____ 00
6. **Gross Receipts from Federal Return for Individuals and Fiduciaries.** Add lines 1 through 5. Carry amount to line 19 ..... 6. ____ 00

PART 2: C CORPORATIONS

7. U.S. Form *1120*, balance of gross receipts or sales less returns and allowances ..... 7. ____ 00
8. U.S. Form *1120*, sum of dividends, interest, gross rents and gross royalties ..... 8. ____ 00
9. U.S. Form *1120*, other income ..... 9. ____ 00
10. U.S. Form *1120*, Schedule D, short- and long-term sales price* ..... 10. ____ 00
11. U.S. Form *4797*, gross sales price* ..... 11. ____ 00
12. **Gross Receipts from Federal Return for C Corporations.** Add lines 7 through 11. Carry amount to line 19 ..... 12. ____ 00

PART 3: PARTNERSHIPS AND S CORPORATIONS

13. U.S. Form *1065*, or U.S. Form *1120S*
    a. Gross receipts (net of returns) ..... 13a. ____ 00
    b. Other income/receipts ..... 13b. ____ 00
14. U.S. Form *8825*, gross income from real estate rentals ..... 14. ____ 00
15. U.S. Form *1065*, or *1120S, Schedule D*, short- and long-term sales price* ..... 15. ____ 00
16. U.S. Form *1065*, or *1120S, Schedule K*
    a. Gross other rental income ..... 16a. ____ 00
    b. Interest, dividend, royalty income ..... 16b. ____ 00
    c. Other income ..... 16c. ____ 00
17. U.S. Form *4797*, gross sales price*, business assets ..... 17. ____ 00
18. **Gross Receipts from Federal Return for Partnerships and S Corporations.** Add lines 13 through 17. Carry amount to line 19 ..... 18. ____ 00

* See the definition of Gross Receipts under MCL § 208.1111.

Continued on Page 2

FEIN or TR Number
UBG Member FEIN or TR Number

ADJUSTMENTS TO FEDERAL GROSS RECEIPTS

19.	**Gross Receipts as recorded on line 6, 12 or 18**	19.	00

PART 4: ADDITIONS TO GROSS RECEIPTS

To the extent EXCLUDED or DEDUCTED in arriving at the number used in line 19, include the following:

20.	Proceeds from the sale of assets used in a business activity	20.	00
21.	Dividend and interest income	21.	00
22.	Receipts from gratuities stipulated on a bill	22.	00
23.	Receipts from gross commissions earned	23.	00
24.	Receipts from client reimbursed expenses not obtained in an agency capacity	24.	00
25.	Gross proceeds from intercompany sales	25.	00
26.	Rents	26.	00
27.	Royalties	27.	00
28.	Sales of scrap and other similar items	28.	00
29.	Other receipts not included in previous lines	29.	00
30.	Add lines 20 through 29	30.	00
31.	SUBTOTAL Add line 19 and line 30	31.	00

PART 5: EXCLUSIONS FROM GROSS RECEIPTS

To the extent INCLUDED in arriving at line 31, enter the following receipts:

32.	Proceeds from sales by a principal collected by the taxpayer in an agency capacity and delivered to the principal	32.	00
33.	Amounts received on behalf of a principal that are received and expended by the taxpayer in an agency capacity for the following:		
	a. Performance of service by third party for the benefit of the principal for service required by law to be performed by a licensed person	33a.	00
	b. Performance of service by a third party for the benefit of the principal that the taxpayer has not undertaken a contractual duty to perform	33b.	00
	c. Payment of principal and interest under a mortgage loan or land contract, lease or rental payments, or taxes, utilities, or insurance premiums relating to real or personal property owned or leased by the principal	33c.	00
	d. Capital asset that is or will become eligible for depreciation, amortization, or accelerated cost recovery by the principal for federal income tax purposes, or real property owned or leased by the principal	33d.	00
	e. Property not described above that is purchased by taxpayer on behalf of the principal, where taxpayer does not take title to or use in the course of performing its contractual business activities	33e.	00
	f. Fees, taxes, assessments, levies, fines, penalties, or other payments established by law that are paid to a governmental entity and that are the legal obligation of the principal	33f.	00
34.	Amounts excluded from gross income of a foreign corporation engaged in the international operation of aircraft under IRC § 883(a)	34.	00
35.	Amounts received by advertising agency used to acquire advertising media time, space, production, or talent on behalf of another person	35.	00
36.	Amounts received by a newspaper to acquire advertising space not owned by that newspaper in another newspaper on behalf of another person, excluding any consideration received by taxpayer for acquiring that advertising space	36.	00
37.	Amounts received by taxpayer that manages real property owned by a third party that are deposited into a separate account kept in the name of that third party and that are not reimbursements to the taxpayer and are not indirect payments for management services that the taxpayer provides to that third party	37.	00
38.	For taxpayers that during tax year do NOT both buy and sell any receivables, proceeds from the taxpayer’s transfer of an account receivable, if the sale that generated that receivable was included in Gross Receipts for Federal Income Tax purposes	38.	00
39.	Proceeds from original issue of stock or equity instruments or equity issued by a regulated investment company as defined in IRC § 851	39.	00
40.	Proceeds from the original issue of debt instruments	40.	00
41.	Refunds from returned merchandise	41.	00
42.	Cash and in-kind discounts	42.	00

Continued on Page 3

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PART 5: EXCLUSIONS FROM GROSS RECEIPTS — CONTINUED

43. Trade discounts .... 43. ______ 00
44. Federal, state, or local tax refunds .... 44. ______ 00
45. Security deposits .... 45. ______ 00
46. Payment of the principal portion of loans .... 46. ______ 00
47. Value of property received in a like-kind exchange .... 47. ______ 00

48. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that are capital assets and IRC § 1231(b) land:

a. Amount from such dispositions of capital assets as defined in IRC § 1221(a) or land used in a trade or business as defined in IRC § 1231(b) .... 48a. ______ 00

b. Combined gains from each disposition in this category that produced a gain that is included in that taxpayer's federal taxable income. (Do not net against dispositions that produced loss.) .... 48b. ______ 00

c. **Amount excluded from Gross Receipts.** Subtract line 48b from line 48a .... 48c. ______ 00

49. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that is a hedging transaction[(a)]:

a. Amount from such dispositions of property used in a hedging transaction ..... 49a. ______ 00

b. Amount of overall net gain from hedging transactions entered into during the tax year .... 49b. ______ 00

c. **Amount excluded from Gross Receipts.** Subtract line 49b from line 49a .... 49c. ______ 00

50. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that is investment and trading assets managed as part of the person's treasury function[(b)]:

a. Amount from such dispositions of property that is investment and trading assets managed as part of the person's treasury function .... 50a. ______ 00

b. Amount of overall net gain from treasury function incurred during tax year.. 50b. ______ 00

c. **Amount excluded from Gross Receipts.** Subtract line 50b from line 50a .... 50c. ______ 00

51. Proceeds from an insurance policy, a settlement of a claim or a judgment in a civil action, less any proceeds that are included in federal taxable income (as defined for MBT purposes) .... 51. ______ 00

52. For a sales finance company, as defined in MCL § 492.102 and directly or indirectly owned in whole or in part by a motor vehicle manufacturer as of January 1, 2008, and for a person that is a broker or dealer as defined under 15 USC § 78c(a)(4) or (5), or a member of the UBG of that broker or dealer that buys and sells contracts subject to 7 USC § 1 to 27f for its own account:

a. Amounts realized from the repayment, maturity, sale, or redemption of the principal of a loan, bond, or mutual fund, certificate of deposit, or similar marketable instrument provided such instruments are not held as inventory .... 52a. ______ 00

b. Principal amount received under a repurchase agreement or other transaction properly characterized as a loan... 52b. ______ 00

53. For a mortgage company[(c)], proceeds representing the principal balance of loans transferred or sold .... 53. ______ 00

54. For a professional employer organization[(d)] (PEO), any amount charged that represents the actual cost of wages and salaries, benefits, worker's compensation, payroll taxes, withholding, or other assessments paid to or on behalf of a covered employee by the PEO under a professional employer arrangement .... 54. ______ 00

55. Any invoiced items used to provide more favorable floor plan assistance to a person subject to the MBT than to a person not subject to the MBT and paid by a manufacturer, distributor, or supplier .... 55. ______ 00

56. For an individual, estate, or other person organized for estate or gift planning purposes:

a. Receipts from investment activity, including interest, dividends, royalties, and gains from an investment portfolio or retirement account, if the investment activity is not part of the taxpayer's trade or business .... 56a. ______ 00

b. Receipts from the disposition of tangible or intangible property held for personal use and enjoyment, such as a personal residence or personal assets .... 56b. ______ 00

c. Other amounts received that are NOT from transactions, activities, and sources in the regular course of the taxpayer's trade or business .... 56c. ______ 00

57. Receipts derived from investment activity by a person organized exclusively to conduct investment activity and that does not conduct investment activity for any person other than an individual or a person related[(e)] to that individual, or by a common trust fund established under MCL § 555.101 to 555.113 .... 57. ______ 00

58. Interest and dividends derived from obligations or securities of the United States government, this state, or any governmental unit of this state (as defined under MCL § 141.1053) .... 58. ______ 00

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PART 5: EXCLUSIONS FROM GROSS RECEIPTS (CONT.)

59. Amounts attributable to an ownership interest in a pass-through entity, regulated investment company, real estate investment trust, or cooperative corporation whose business activities are taxable under the modified gross receipts tax or would be subject to the modified gross receipts tax if the business activities were in this state[f] 59. 00

60. For a regulated investment company as that term is defined under IRC § 851, receipts derived from investment activity by that regulated investment company 60. 00

61. Only Health Maintenance Organizations (HMOs) holding contract with the State for Medicaid services may complete this line: If applicable per MCL § 208.1111(1) (dd), enter amounts received during the period that is both within the tax year and within October 1, 2012, through September 30, 2013, for Medicaid premium or reimbursement of costs associated with service provided to a Medicaid recipient or beneficiary. The State Budget Director has until January 1, 2013, to certify that necessary rates provide explicit adjustment for MBT obligations, in which case NO deduction will be allowed for any HMO holding contract with the State for Medicaid services[g].. 61. 00

62. For a taxpayer that provides health care management consulting services, amounts received by the taxpayer as fees from its clients that are expended by the taxpayer to reimburse those clients for labor and nonlabor services that are paid by the client and reimbursed to the client pursuant to a services agreement 62. 00

63. Bad Debt amounts deducted for Federal Income Tax that correspond to items included in MGR tax base for current or prior MBT return 63. 00

64. Dividends and royalties received or deemed received from a foreign operating entity or a person other than a U.S. person, including, but not limited to, the amounts determined under IRC § 78, or 951 through 964 ..... 64. 00

65. Add lines 32 through 47, 48c, 49c, 50c, and 51 through 64 ..... 65. 00

To the extent INCLUDED in arriving at line 31, and to the extent NOT deducted as purchases from other firms on the *MBT Annual Return*, Form 4567, lines 13, 14 or 15, (or, for UBG standard members, the *MBT UBG Combined Filing Schedule for Standard Members*, Form 4580, lines 18, 19 or 20) enter:

66. Sales or use taxes collected from or reimbursed by a consumer or other taxes collected from or reimbursed by a purchaser and remitted to a local, state, or federal tax authority 66. 00

67. In the case of receipts from the sale of motor fuel by a person with a motor fuel tax license or a retail dealer, the amount equal to federal and state excise taxes paid by any person on such motor fuel under IRC § 4081 or applicable state law ... 67. 00

68. In the case of receipts from the sale of beer, wine, or intoxicating liquor by a person holding a license to sell, distribute, or produce those products, the amount equal to federal and state excise taxes paid by any person on or for such products under IRC Subtitle E or applicable state law 68. 00

69. In the case of receipts from the sale of communication, video, internet access and related services and equipment, any government imposed tax, fee, or other imposition in the nature of a tax or fee required by law, and authorized to be charged on a customer's bill or invoice, but not including net income taxes, net worth taxes, property taxes, or the MBT 69. 00

70. In the case of receipts from the sale of electricity, natural gas, or other energy source, any government imposed tax, fee, or other imposition in the nature of a tax or fee required by law, and authorized to be charged on a customer's bill or invoice, but not including net income taxes, net worth taxes, property taxes, or the MBT..... 70. 00

71. Any deposit required under the following:
   a. 1976 IL 1, MCL § 445.571 to 445.576 ..... 71a. 00
   b. R 436.1629 of the Michigan administrative code..... 71b. 00
   c. R 436.1723a of the Michigan administrative code..... 71c. 00
   d. Any substantially similar beverage container deposit law of another state 71d. 00

72. Excise tax collected from or reimbursed by a consumer and remitted pursuant to MCL § 207.371 to 207.383 ... 72. 00

73. In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer, or seller, the amount equal to the federal and state excise taxes paid by any person on or for such products under IRC Subtitle E or applicable state law 73. 00

74. **SUBTOTAL** Add lines 66 through 73..... 74. 00

GROSS RECEIPTS FOR MBT PURPOSES

75. Subtract lines 65 and 74, from line 31. Carry this amount to Form 4567, line 12. Standard members of a UBG will carry this amount to Form 4580, Part 2A, line 17 ..... 75. 00

Superscript Explanations on Page 5

Additional instructions

a) For purposes of this provision, a hedging transaction is one entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily to manage (i) risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. Transfer of title of real or tangible personal property is not a hedging transaction. "Hedging transaction" means that term as defined under IRC § 1221 regardless of whether the transaction was identified by the taxpayer as a hedge for federal income tax purposes, provided, however, that transactions not identified as a hedge for federal income tax purposes shall be identifiable to the department by the taxpayer as a hedge in its books and records.

b) For purposes of this provision, a person principally engaged in the trade or business of purchasing and selling investment and trading assets is not performing a treasury function. "Treasury function" means the pooling and management of investment and trading assets for the purpose of satisfying cash flow or liquidity needs of the taxpayer's trade or business.

c) "Mortgage company" means a person that is licensed under MCL § 445.1651 to 445.1684, or MCL § 493.51 to 493.81, and has greater than 90 percent of its revenues, in the ordinary course of business, from the origination, sale, or servicing of residential mortgage loans.

d) Professional employer organization is not the same thing as a staffing company, and it means an organization that provides the management and administration of the human resources of another entity by contractually assuming substantial employer rights and responsibilities through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

- Maintaining a right of direction and control of employees' work, although this responsibility may be shared with the other entity.
- Paying wages and employment taxes of the employees out of its own accounts.
- Reporting, collecting, and depositing state and federal employment taxes for the employees.
- Retaining a right to hire and fire employees.

e) For purposes of this provision, a person is related to an individual if that person is a spouse, brother or sister, whether of the whole or half blood or by adoption, ancestor, lineal descendent of that individual or related person, or a trust benefiting that individual or one or more persons related to that individual.

f) For this provision, the following definitions apply: Cooperative Corporation means those organizations described under subchapter T of the IRC; Pass-through entity means a partnership, subchapter S Corporation, or other person, other than an individual, that is not classified for Federal Income Tax purposes as an association taxed as a corporation; Real estate investment trust means the term defined under IRC § 856; and Regulated investment company means the term defined under IRC § 851.

g) A taxpayer with a federal fiscal year ending in 2012 can only claim amounts received between January 1, 2012, and the last day of the taxpayer's federal fiscal year.

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Business Income Worksheet

Complete the appropriate parts below, based on the person's organization type. Part 1 is for an Individual or Fiduciary; Part 2 is for a C Corporation (or a person filing federal returns as a C Corporation); and Part 3 is for a Partnership or S Corporation (or a person filing a federal return as a Partnership or an S Corporation). This worksheet will calculate business income as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce business income not identified by specific lines on this worksheet, and report that amount on the most appropriate line. Include an attachment explaining that line. The Michigan Department of Treasury may adjust the figure resulting from this worksheet to account properly for such uncommon situations. Complete and attach this worksheet to your return. Unitary Business Groups (UBG) must complete and attach a worksheet for each member.

PART 1: INDIVIDUALS AND FIDUCIARIES

1.	U.S. Form *1040, Schedule C* or *C-EZ*, net profit/loss	1.	00
2.	U.S. Form *1040, Schedule D*, gain/loss [(a)]	2.	00
3.	U.S. Form *1040, Schedule E*, line 26 rent and royalty income/loss	3.	00
4.	U.S. Form *4797* gain/loss not included in Schedule D [(a)]	4.	00
5.	Domestic Production Activities deduction based on IRC § 199 reported on U.S. Form *8903*, to the extent deducted from federal taxable income	5.	00
6.	Other Income. Include an attachment explaining this line.	6.	00
7.	**Total business income before adjustment.** Add lines 1 through 6	7.	00
8.	Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC. If adjustment is negative, enter as negative:		
	a. Net bonus depreciation adjustment [(b)]	8a.	00
	b. Gain/loss adjustment on the sale of an eligible depreciable asset [(c)]	8b.	00
9.	Add lines 8a and 8b. If negative, enter as negative.	9.	00
10.	**Total business income after adjustment.** Add lines 7 and 9. Carry amount to Form 4567, line 28, or Form 4583, line 10. For a UBG member, carry amount to Form 4580, Part 2A, line 30	10.	00

PART 2: C CORPORATIONS

11.	Federal taxable income from U.S. Form *1120*	11.	00
12.	Domestic Production Activities deduction based on IRC § 199 reported on U.S. Form *8903*, to the extent deducted from federal taxable income	12.	00
13.	Miscellaneous. Include an attachment explaining this line	13.	00
14.	**Total business income before adjustment.** Add lines 11, 12 and 13	14.	00
15.	Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC. If adjustment is negative, enter as negative:		
	a. Net bonus depreciation adjustment [(b)]	15a.	00
	b. Gain/loss adjustment on the sale of an eligible depreciable asset [(c)]	15b.	00
16.	Add lines 15a and 15b. If negative, enter as negative.	16.	00
17.	**Total business income after adjustment.** Add lines 14 and 16. Carry amount to Form 4567, line 28, or Form 4583, line 10. For a UBG member, carry amount to Form 4580, Part 2A, line 30	17.	00

PART 3: PARTNERSHIPS AND S CORPORATIONS

18.	U.S. Form *1065*, or *1120S Schedule K*, Income (loss):		
	a. Ordinary income/loss	18a.	00
	b. Net real estate rental income/loss	18b.	00
	c. Net other rental income/loss	18c.	00
	d. Interest, dividend, and royalty income	18d.	00
	e. Net short-term gain/loss	18e.	00
	f. Net long-term gain/loss	18f.	00
	g. Other portfolio income/loss	18g.	00
	h. Guaranteed payments to partners or wages paid to a member of a LLC Partnership	18h.	00
	i. Other net gain/loss under section 1231	18i.	00
	j. Other income. Include an attachment explaining this line	18j.	00
19.	**Total income/loss.** Add lines 18a through 18j	19.	00

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PART 3: PARTNERSHIPS AND S CORPORATIONS (CONT.)

20.	U.S. Form *1065* or *1120S, Schedule K*, Deductions:		
	a. Charitable contributions	20a.	00
	b. Section 179 expense	20b.	00
	c. Deductions related to portfolio income	20c.	00
	d. Other deductions, excluding deductions for domestic production activities (IRC § 199). Include an attachment explaining this line.	20d.	00
21.	**Total deductions.** Add lines 20a through 20d	21.	00
22.	**Total business income before adjustments.** Subtract line 21 from line 19	22.	00
23.	Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC (If adjustment is negative, enter as negative):		
	a. Net bonus depreciation adjustment [b]	23a.	00
	b. Gain/loss adjustment on the sale of an eligible depreciable asset [c]	23b.	00
24.	Add lines 23a and 23b. If negative, enter as negative.	24.	00
25.	**Total business income after adjustment.** Add lines 22 and 24. Carry amount to Form 4567, line 28, or Form 4583, line 10. For a member of a UBG, carry amount to Form 4580, Part 2A, line 30	25.	00

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

(b) For the computation of business income for Michigan Business Tax (MBT) purposes, persons who claimed a federal special depreciation deduction under IRC § 168(k) on property first placed in service in 2008 or later must calculate the net bonus depreciation adjustment on those assets as follows: net bonus depreciation adjustment in tax year equals the total federal depreciation claimed in tax year less the total amount of depreciation that would be claimed in the federal return in the tax year if the person had elected not to utilize the bonus depreciation allowance at IRC § 168(k). A person may not elect IRC § 179 expensing of an asset for MBT purposes if it did not elect to use IRC § 179 for that asset federally.

(c) For the computation of business income for MBT purposes, persons who claimed a federal special depreciation deduction under IRC § 168(k) on property first placed in service in 2008 or later and subsequently disposed of that property in the current tax year must calculate the gain/loss adjustment on the sale of those assets as follows: gain/loss adjustment in tax year equals the total amount of federal depreciation that would be claimed in the federal return over the years (starting the year the asset was placed in service and ending on the current tax year) if the person had elected not to utilize the bonus depreciation allowance at IRC § 168(k) on the property being disposed LESS the total federal depreciation claimed over the years (starting the year asset was placed in service and ending on the current tax year). A person may not elect IRC § 179 expensing of an asset for MBT purposes if it did not elect to use IRC § 179 for that asset federally.

2012 Certified Community Foundations and Component Funds

A component fund serves donors and nonprofit organizations in a specific geographic area as a restricted fund of a neighboring community foundation. The following are certified for the Community Foundations Credit for 2012.

01 Albion Community Foundation
02 Ann Arbor Area Community Foundation
- Community Foundation of Plymouth
- Ypsilanti Area Community Fund

58 Barry Community Foundation
- Thornapple Area Enrichment Fund

17 Battle Creek Community Foundation
- Athens Area Community Foundation
- Homer Area Community Foundation
- Springfield Community Foundation

03 Bay Area Community Foundation
- Arenac County Fund

04 Berrien Community Foundation
45 Branch County Community Foundation
36 Cadillac Area Community Foundation
- Missaukee Area Community Foundation
- Missaukee Area Youth Fund

64 Canton Community Foundation
06 Capital Region Community Foundation
- City of East Lansing Fund
- DeWitt Area Community Fund
- Eaton County Community Foundation
- Lansing Fund
- Leslie Community Fund
- Meridian Township Fund
- Ovid-Elsie Community Fund
- St. Johns Area Community Fund
- Williamston Area Beautification Fund

66 Central Montcalm Community Foundation
44 Charlevoix County Community Foundation
28 Community Foundation for Muskegon County
- Community Foundation for Mason County
- Community Foundation for Oceana County
- Manistee County Community Foundation

29 Community Foundation for Northeast Michigan
- Iosco County Community Foundation
- North Central Michigan Community Foundation
- Straits Area Community Foundation

10 Community Foundation of Greater Flint
- Clio Area Community Fund
- Davison Community Fund
- Fenton Community Fund
- Flushing Community Fund
- Grand Blanc Community Fund

11 Community Foundation of Monroe County
- Greater Milan Area Community Foundation

35 Community Foundation of St. Clair County
20 Community Foundation of the Holland/Zeeland Area
54 Community Foundation of the Upper Peninsula
- Alger Regional Community Foundation
- Community Foundation for Delta County
- Gogebic-Ontonagon Community Foundation
- Les Cheneaux Community Foundation
- Rudyard Area Community Foundation
- Schoolcraft County Community Foundation
- St. Ignace Area Community Foundation
- Tahquamenon Area Community Foundation
- West Iron County Area Community Foundation

50 Dickinson Area Community Foundation
- Crystal Falls Area Community Foundation
- Norway Area Community Foundation

13 Four County Community Foundation
14 Fremont Area Community Foundation
- Lake County Community Foundation
- Mecosta County Community Foundation
- Osceola County Community Foundation

15 Grand Haven Area Community Foundation
- Allendale Area Community Foundation
- Coopersville Area Community Foundation

16 Grand Rapids Community Foundation
- Cascade Community Foundation
- East Grand Rapids Community Foundation Fund
- Ionia County Community Foundation
- Lowell Area Community Fund
- Southeast Ottawa Community Foundation
- Sparta Community Foundation
- Wyoming Community Foundation

46 Grand Traverse Regional Community Foundation
37 Greenville Area Community Foundation
- Lakeview Area Community Fund
- Montcalm Panhandle Community Fund

43 Hillsdale County Community Foundation
60 Huron County Community Foundation
21 Jackson Community Foundation
22 Kalamazoo Community Foundation
- Covert Township Community Fund

67 Keweenaw Community Foundation
77 Lapeer County Community Foundation
23 Leelanau Township Community Foundation
62 Lenawee Community Foundation
55 Livonia Community Foundation
26 Marshall Community Foundation
05 Michigan Gateway Community Foundation
42 Mt. Pleasant Area Community Foundation
72 North Woodward Community Foundation
75 Otsego County Community Foundation
47 Petoskey-Harbor Springs Area Community Foundation
76 Roscommon County Community Foundation
30 Saginaw Community Foundation
- Chesaning Area Community Foundation Fund

61 Sanilac County Community Foundation
31 Shiawassee Community Foundation
40 Sturgis Area Community Foundation
- Constantine Area Community Foundation
- White Pigeon Area Community Foundation

32 Three Rivers Area Community Foundation
73 Tuscola County Community Foundation
- Cass City Booster's Club
- Greater Millington Area Fund

2012 Certified Education Foundations

1001 Ann Arbor Public Schools Educational Foundation
1551 Lansing Educational Advancement Foundation

Notes

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