

--

MBT Additional Tax Credit for Qualified Utilities Making Certain Capital Investments Worksheet

PURPOSE

Gas and Electric Utilities that in tax year 2008 made capital investments in electric and gas distribution assets and had a portion of their Investment Tax Credit (ITC) denied by reason of the 50% limitation may be eligible for additional ITC credit.

CREDIT ELIGIBILITY

- Credit is for 2008 tax year only.
- Taxpayer must be an electric or gas utility that makes capital investments in electric and gas distribution assets in 2008.
- For tax year 2008, eligible taxpayer has a positive Net Capital Investment (Form 4570, line 28, is positive).
- For tax year 2008, taxpayer's sum of Compensation Credit and Investment Tax Credit (ITC) is greater than the 50% limitation (Form 4570, line 29, is greater than Form 4570, line 33.)

1. Gross Compensation Credit from Form 4570, line 3	1.		00
2. If Form 4570, line 28, is positive, enter the positive amount here. If negative, you are not eligible for the additional ITC	2.		00
3. Calculate the amount of credit for Form 4570, line 34, and enter here. (Credit is carried forward to Form 4570 from line 16 below)	3.		00
4. Net Compensation Credit. Enter lesser of lines 1 and 3	4.		00
5. Subtract line 4 from line 3	5.		00
6. Net Investment Tax Credit. Enter lesser of lines 2 and 5	6.		00
7. Denied Investment Tax Credit. Subtract line 6 from line 2	7.		00
8. Computed Tax Liability excluding bonus depreciation deduction on MBT Business Income Tax base and ITC recapture calculations	8.		00
9. Computed Tax Liability including bonus depreciation deduction on MBT Business Income tax base and ITC recapture calculation	9.		00
10. Subtract line 9 from line 8. If less than zero, enter zero	10.		00
11. Multiply line 10 by 50% (0.50)	11.		00
12. Gross Additional ITC. Enter the lesser of lines 7 and 11. If positive, proceed to line 13. Otherwise, STOP - do not submit this worksheet; there is no additional ITC.	12.		00
13. Tax Liability After Surcharge from Form 4568, line 3	13.		00
14. Multiply line 13 by 80% (0.80)	14.		00
15. Add lines 3 and 12	15.		00
16. Allowed Credit. Enter lesser of lines 14 and 15 here and on Form 4570, line 34. This worksheet must be attached to claim this credit	16.		00

ADDITIONAL INSTRUCTIONS

Line 8: Computed Tax Liability excluding bonus depreciation deduction refers to tax liability as computed on Form 4567, line 38, when the bonus depreciation amount on assets purchased after 2007 is not deducted when computing the MBT Business Income Tax base nor the ITC recapture calculations and no additional ITC amount (as computed by this worksheet) is allowed.

Line 9: Computed Tax Liability including bonus depreciation deduction refers to tax liability as computed on Form 4567, line 38, when the bonus depreciation amount on assets purchased after 2007 is deducted when computing the MBT Business Income Tax base and the ITC recapture calculations and no additional ITC amount (as computed by this worksheet) is allowed.