

2018 MICHIGAN

Corporate Income Tax

FINANCIAL INSTITUTIONS

This booklet contains information on completing a Michigan Corporate Income Tax return for calendar year 2018 or a fiscal year ending in 2019.



- ⚡ E-filing your return is easy, fast, and secure!
- ⚡ Visit Treasury's Web site at www.MIfastfile.org for a list of e-file resources and how to find an e-file provider.

WWW.MIFASTFILE.ORG

FILING DUE DATE:
CALENDAR FILERS — APRIL 30, 2019
FISCAL FILERS — THE LAST DAY OF THE FOURTH
MONTH AFTER THE END OF THE TAX YEAR.

WWW.MICHIGAN.GOV/TAXES

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

2018 General Information for Financial Institutions

Standard Taxpayers and Insurance Companies: See the *Corporate Income Tax (CIT) Instruction Booklet for Standard Taxpayers* (Form 4890) or the *CIT Instruction Booklet for Insurance Companies* (Form 4904) at www.michigan.gov/taxes.

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

Who Files a Financial Return?

File a CIT Annual Return for Financial Institutions (Form 4908) if the taxpayer is any of the following:

- A bank holding company, a national bank, a state chartered bank, a state chartered savings bank, a federally chartered savings association, or a federally chartered farm credit system institution.
- Any entity, other than an entity subject to the tax imposed under Chapter 12 (insurance company), who is directly or indirectly owned by an entity described in 206.651(f)(i) and is a member of the UBG.
- A UBG consisting of entities described above.

NOTE: Because the definition of financial institution for CIT purposes includes any entity (except an insurance company) that is owned by a bank or other entity (as described above) and is a member of a UBG with its parent, this may cause an entity that is not commonly thought of as a financial institution to be treated as one for return filing purposes. A UBG of financial institutions must file a combined return on Form 4908 that includes each member of the group that is a financial institution.

If the taxpayer is not any of the above, check to see if filing either the *Insurance Company Annual Return for Corporate Income and Retailer Taxes* (Form 4905) or the *CIT Annual Return* (Form 4891) for standard filers is required.

Using This Booklet

This CIT financial institution booklet includes forms and instructions for financial institutions. These forms are designed for calendar year 2018 and for a fiscal filer with a federal tax year ending in 2019.

Read the “General Information” first. It is recommended that taxpayers and tax preparers review the instructions for all forms.

Overview of CIT for Financial Institutions

Every financial institution with nexus in Michigan is subject to a franchise tax. The franchise tax is imposed upon the tax base of the financial institution after allocation or apportionment to Michigan at the rate of 0.29 percent.

Filing CIT Quarterly Tax Estimates

If estimated liability for the year is reasonably expected to exceed \$800, a taxpayer must file estimated returns. A taxpayer may remit quarterly estimated payments by check with a *Corporate Income Tax Quarterly Return* (Form 4913) or may remit monthly or quarterly estimated payments electronically by Electronic Funds Transfer (EFT). When payments are made by EFT, Form 4913 is not required.

NOTE: Formerly, taxpayers could pay by check on a monthly or quarterly basis by remitting a check with a Combined Return for Michigan Tax (Form 160). Form 160 was replaced. The new form no longer accommodates CIT payments. As a result, Form 4913 is the only form that supports a CIT estimated payment.

Estimated returns and payments for calendar year taxpayers are due to Treasury by April 15, July 15, October 15, and January 15 of the following year. Fiscal year taxpayers should make returns and payments by the appropriate due date which is fifteen days after the end of each fiscal quarter. The sum of estimated payments for each quarter must always 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) Corporate Income Tax Division at 517-636-6925 for alternate payment methods.

The estimated payment made with each quarterly return must be computed on the actual CIT for the quarter, or 25 percent of the estimated total liability if paying a 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 the prior year’s tax under the Income Tax Act 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: 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 and filed a CIT return for 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 CIT liability for the current year. There is no prior-year safe harbor for a taxpayer’s first CIT tax period. For a taxpayer’s first CIT tax period the estimates must equal at least 85 percent of the total CIT liability, as explained 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 CIT Returns

Michigan has an enforced CIT e-file mandate. Software developers producing CIT 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 CIT returns prepared using tax preparation software or computer-generated forms must be e-filed.

Treasury will be enforcing the CIT e-file mandate. 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 CIT e-filed returns. A current list of defined attachments is available in the CIT "Michigan Tax Preparer Handbook for Electronic Filing Programs," which is available on the Treasury Web site at www.Mifastfile.org by clicking on "Tax Preparer," then "Corporate Income Tax Handbook" for the applicable tax year. Follow your software instructions for submitting attachments with an e-filed return.

If the CIT 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 CIT returns, complete all federal tax forms. These forms may include:

- Fiduciaries — U.S. Form 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 4908.

Copies of certain pages from these federal forms must also be attached to the annual return filed. See the instructions for Form 4908 for further details.

Completing Michigan Forms

Treasury captures the information from paper CIT 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 (7).
- **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 CIT Annual Return

First, determine whether the taxpayer has nexus with Michigan. *Nexus* is a legal term that expresses whether a taxpayer has sufficient connection to Michigan to justify subjecting the taxpayer to Michigan tax.

For information on nexus, and other CIT issues, see the Michigan Department of Treasury (Treasury) Web site at www.michigan.gov/treasury. (Click on the "Corporate Income Tax" on the left side of the page.) Treasury will post updates

here and via Revenue Administrative Bulletin (available in the “Reference” link on the left side of the page).

For a taxpayer using Form 4908, first complete lines 1 through 20, which is sufficient to calculate total liability before recapture of Certain Business Tax Credits. At that point, if any recapture of credits exists begin the *CIT Schedule of Recapture of Certain Business Tax Credits* (Form 4902).

Further General Guidance

For purposes of CIT, taxpayer means a C Corporation, insurance company, financial institution, or a unitary business group liable for tax, interest, or penalty.

A *Unitary Business Group* (UBG) is a group of United States persons that are corporations, insurance companies, or financial institutions, 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 members; AND
- The UBG has operations which result in a flow of value between the members 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.

All financial institution members must file a combined return (addressed in the “UBGs and Combined Filing” section of this General Information).

NOTE: In general, a person that is a disregarded entity for federal tax purposes must file as if it were a branch or division if owned by another business entity.

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 of this instruction booklet.

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. There are specific tests, discussed below, to determine whether two or more 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 CIT 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 separate forms that report income, deductions, and activities separately by member, and then the

combined amounts are entered on the Form 4891. 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 CIT 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.

Determining the Existence and Membership of a UBG

Unitary Business Group means a group of United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, that satisfies the control test and relationship test.

- **Control test.** 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 members; AND
- **Relationship test.** The UBG has operations which result in a flow of value between the members 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.

Additional information can be found under the “Corporate Income Tax” page at www.michigan.gov/taxes (see Revenue Administrative Bulletin (RAB) 2013-1, Unitary Business Group Control Test And Relationship Tests).

United States person is defined in the Internal Revenue Code (IRC) § 7701(a)(30).

A *foreign operating entity* means a United States corporation 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 IRC § 871(l)(1)(B)(ii).

An alternate, elective method for determining the existence and membership of a UBG under the affiliated group election is discussed in the instructions for Form 4908.

Filing the Correct Form

A different primary return and instruction booklet are available for standard taxpayers (Form 4891) and insurance companies (Form 4905).

Filing if Tax Year Is Less Than 12 Months

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. (NOTE: While the examples below are for a prior tax year, the concepts apply to the current tax year.)

Example 1: A taxpayer with a federal tax year beginning on Saturday, December 28, 2013, will be treated as follows:

- 2013 tax year end of December 31, 2013.
- Due date of April 30, 2014.
- 2014 tax year beginning January 1, 2014.

Example 2: A taxpayer with a federal tax year ending on Friday, January 3, 2014, will be treated as follows:

- 2013 tax year end of December 31, 2013.
- Due date of April 30, 2014.
- 2014 tax year beginning on January 1, 2014.

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:

- 2013-14 fiscal year end will be January 31, 2014.
- Due date will be May 31, 2014.
- 2014-15 fiscal year will begin on February 1, 2014.

Annualizing

If the prior filing period is less than 12 months, annualize the 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, timely, installments.

To annualize the prior year's tax liability, multiply the 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.

- **Example:** A fiscal year taxpayer with a tax year ending in June files a six-month return ending June 2014 reporting a tax liability of \$9,000. Estimates for the tax year ending June 2015 may be based on the annualized liability of \$18,000. Estimates must be paid in four equal installments of \$4,500.

Due Dates of Annual Returns

Annual returns of calendar year taxpayers are due by April 30, 2017. For fiscal years ending in 2017, the 2016-2017 fiscal year return will be due on the last day of the fourth month after the end of the tax year.

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 a CIT 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 CIT 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 a CIT 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

To amend a current or prior year annual return, complete the *Michigan CIT Amended Return for Financial Institutions* (Form 4909) that is applicable for that year, explaining the reason for the changes. Include all schedules filed with the original return, even if not amending that schedule. Do not include a copy of the original return with your amended return.

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.

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 the CIT 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 *CIT Penalty and Interest Computation for Underpaid Estimated*

Tax (Form 4899). 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, 2018	5.15%	0.0001411
July 1, 2018	5.41%	0.0001482
January 1, 2019	5.9%	0.0001616

For a list of interest rates, see the Revenue Administrative Bulletins (RABs) on the Treasury Web site at www.michigan.gov/taxes. (Click on the “Reference” link on the left side of the page.)

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer’s authorized agent. This may be the owner, corporate officer, or association member. The corporate officer may be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any 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 use a clip in the upper-left corner or rubber band the pages together. (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 CIT 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 (which are filed without a corresponding federal return) must be signed using Form MI-8879 (also called the *Michigan e-file Authorization for Business Taxes MI-8879*, 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.

The MI-8879 (Form 4763) will be printed and contain the taxpayer PIN. The tax preparer will retain Form MI-8879 in his or her records as part of the taxpayer’s printed return. CIT State Stand Alone e-filings submitted without a taxpayer PIN will be rejected by Treasury. Do not mail Form MI-8879 to Treasury and do not include Form MI-8879 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 30804
Lansing MI 48909

Without payment:

Michigan Department of Treasury
PO Box 30803
Lansing MI 48909

Mail an extension application (Form 4) to:

Michigan Department of Treasury
PO Box 30774
Lansing MI 48909-8274

Mail CIT quarterly estimate payments (Form 4913) 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 “CIT” on the front of the check. Do not staple the check to the return.

Correspondence

An address change or business discontinuance can be reported online by using Michigan Treasury Online (MTO), Business Tax Services. See www.michigan.gov/mtobusiness for information. In the alternative, *Notice of Change or Discontinuance* (Form 163), can be found online at www.michigan.gov/treasuryforms.

Mail correspondence to:

Michigan Department of Treasury
Business Taxes Division, CIT Unit
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 Service by calling 711.

Revenue Administrative Bulletins (RABs)

Treasury provides updates via RABs on the Treasury Web site at www.michigan.gov/taxes. (Click on the "Reference" link on the left side of the page.) Currently relevant RABs for the CIT are:

- 2013-9, CIT Definition of "Actively Solicits"
- 2013-1, CIT Unitary Business Group Control Test and Relationship Tests
- 2014-5, Michigan CIT Nexus Standards
- 2018-13, Interest Rate

2018 MICHIGAN Corporate Income Tax Annual Return for Financial Institutions

Issued under authority of Public Act 38 of 2011.

(MM-DD-YYYY)

(MM-DD-YYYY)

1. Return is for calendar year **2018** or for tax year beginning:

and ending:

2. Taxpayer Name (print or type)				Federal Employer Identification Number (FEIN)	
Street Address				7. Organization Type	
City	State	ZIP/Postal Code	Country Code	<input type="checkbox"/> Fiduciary	<input type="checkbox"/> C Corp/ LLC C Corp
3. Principal Business Activity			4. NAICS Code	8a. Affiliated Group Election year (MM-DD-YYYY) (see instructions)	
5. Business Start Date in Michigan		6. If a Final Return, Enter Effective End Date		8b. <input type="checkbox"/> Check if filing Michigan Unitary Business Group (UBG) return. (Include Form 4910.)	

9. Apportionment Calculation:	a. Michigan Gross Business (if no Michigan Gross Business, enter zero)..	9a.	00
	b. Total Gross Business.....	9b.	00
	c. Apportionment Percentage. Divide line 9a by line 9b.....	9c.	%

PART 1: FRANCHISE TAX Lines 10-12: If less than zero, enter zero.

	A 2014	B 2015	C 2016	D 2017	E 2018
10. Equity Capital 10.					
11. Average daily book value of Michigan obligations 11.					
12. Average daily book value of U.S. obligations.. 12.					
13. Subtotal. Add lines 11 and 12 .. 13.					
14. Net Capital. Subtract line 13 from line 10..... 14.					
15. a. Authorized insurance co. subsidiary: enter actual capital fund amount 15a.					
b. Minimum regulatory amt. required 15b.					
c. Multiply line 15b by 125% (1.25)..... 15c.					
d. Subtract line 15c from 15a. If less than zero, enter zero..... 15d.					
16. Add lines 14 and 15d..... 16.					
17. Add line 16, columns A through E. If less than zero, enter zero, skip lines 18 and 19, and enter zero on line 20 ... 17.					00

Taxpayer FEIN

PART 1: FRANCHISE TAX — Continued

18. Net Capital for Current Taxable Year. Divide line 17 by number of tax years reported in lines 10 through 16, columns A through E. (UBGs, see instructions).....	18.		00
19. Apportioned Tax Base. Multiply line 18 by percentage on line 9c	19.		00
20. Tax Liability. Multiply line 19 by 0.29% (0.0029). If less than or equal to \$100, enter zero	20.		00
21. Total Recapture of Certain Business Tax Credits from Form 4902.....	21.		00
22. Total Tax Liability. Add lines 20 and 21	22.		00

PART 2: PAYMENTS AND TAX DUE

23. Overpayment credited from prior return (MBT or CIT)	23.		00
24. Estimated tax payments	24.		00
25. Tax paid with request for extension	25.		00
26. Total Payments. Add lines 23 through 25	26.		00
27. TAX DUE. Subtract line 26 from line 22. If less than zero, leave blank.....	27.		00
28. Underpaid estimate penalty and interest from Form 4899, line 38.....	28.		00
29. Annual Return Penalty (see instructions)	29.		00
30. Annual Return Interest (see instructions)	30.		00
31. PAYMENT DUE. If line 27 is blank, go to line 32. Otherwise, add lines 27 through 30.....	31.		00

PART 3: REFUND OR CREDIT FORWARD

32. Overpayment. Subtract lines 22, 28, 29 and 30 from line 26. If less than zero, leave blank (see instructions)	32.		00
33. CREDIT FORWARD. Amount on line 32 to be credited forward and used as an estimate for next tax year.....	33.		00
34. REFUND. Subtract line 33 from line 32.....	34.		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.		Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
<input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.		Preparer's PTIN, FEIN or SSN	
Authorized Signature for Tax Matters		Preparer's Business Name (print or type)	
Authorized Signer's Name (print or type)	Date	Preparer's Business Address and Telephone Number (print or type)	
Title	Telephone Number		

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 30803
 Lansing MI 48909

WITH PAYMENT - Pay amount on **line 31** and mail check and return to:

Michigan Department of Treasury
 PO Box 30804
 Lansing MI 48909

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

Instructions for Form 4908

Corporate Income Tax (CIT) Annual Return for Financial Institutions

Purpose

To calculate tax liability of a financial institution for CIT.

Every financial institution engaged in business activity in Michigan must file an annual return. However, a taxpayer whose tax liability is less than or equal to \$100 does not need to file a return or pay the tax.

Instructions for Unitary Business Groups

All financial institution members of a Unitary Business Group (UBG) must file a combined Form 4908 for the group with a Designated Member (DM) that must be the controlling member of the group, unless the controlling member does not have nexus with Michigan. If that is the case, the controlling member may appoint a group member with nexus to serve as the DM.

UBGs: Complete the *CIT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4910) before beginning Form 4908.

For more information on UBGs, see the *CIT Forms and Instructions for Financial Institutions* (Form 4907), or go online to the Department of Treasury Web site at www.michigan.gov/treasuryforms.

NOTE: A UBG may include financial institutions, insurance companies, and standard taxpayers. A group containing a mixture of these three taxpayer types may be required to file two or more returns to properly report the activities of the different taxpayer types within the group.

Under Michigan Public Act 38 of 2011, Section 651(f), *financial institution* means any of the following:

- i. A bank holding company, a national bank, a state chartered bank, a state chartered savings bank, a federally chartered savings association, or a federally chartered farm credit system institution.
- ii. Any entity, other than an entity subject to the tax imposed under Chapter 12 (insurance company), that is directly or indirectly owned by an entity described in (i) and is a member of the UBG.
- iii. A UBG of entities described in (i) or (ii), or both.

NOTE: Because the definition of financial institution for CIT purposes includes any entity (except an insurance company) that is owned by a bank or other entity (as described above) and is a member of a UBG with its owner, this may cause an entity that is not commonly thought of as a financial institution to be treated as one for return filing purposes. A UBG of financial institutions must file a combined return on Form 4908 that includes each member of the group that is a financial institution.

Taxpayer Certification

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

The Affiliated Group Election

The affiliated group election allows a group of persons that satisfy the definition of "affiliated group," (see below) to elect to be treated as a UBG under the CIT even if those persons do not satisfy the relationship test of MCL 208.611(6). The relationship test is discussed in the "UBGs and Combined Filing" section of Form 4907, and online at www.michigan.gov/taxes.

The term "affiliated group" means that term as defined in section 1504 of the IRC **except that** 1) the term includes all United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, and 2) the entities listed in (1) are commonly owned, directly or indirectly, by any member of such affiliated group and other members of which more than 50 percent of the ownership interests with voting rights or ownership interests that confer comparable rights to voting rights of the member is directly or indirectly owned by a common owner or owners.

A taxpayer makes the election by affirmatively indicating so on the annual return (see line 8a). The affiliated group members are treated as members of a UBG for all purposes. **Once an election is made, it is irrevocable and binding for the tax year plus the next 9 tax years.** See MCL 206.691(2) for more information.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

For periods less than 12 months, see "General Information for Financial Institutions" in the Michigan CIT for Financial Institutions booklet, Form 4907.

Amended Returns: To amend a current or prior year return, complete the *CIT Amended Return for Financial Institutions* (Form 4909) that is applicable for that year, and attach a separate sheet explaining the reason for the changes. Include a copy of an amended federal return or a signed and dated copy of the Internal Revenue Service (IRS) audit report, if applicable. Submit a complete amended return including all necessary attachments. **Do not include a copy of the original return with your amended return.** Find detailed instructions on Form 4909.

Line 1: Unless a calendar year, 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 fractional part of a year, tax year means the period for which the return covers. Generally, a taxpayer's tax year is for the same period as is covered by its federal income tax return.

Line 2: Enter the taxpayer's name and Federal Employer Identification Number (FEIN) in the appropriate fields. Be sure to use the same account number on all forms. The taxpayer FEIN from page 1 must be repeated in the proper location on page 2.

For CIT, *taxpayer* means a corporation, insurance company, financial institution, or a UBG liable for tax, interest, or penalty.

NOTE: Unless already registered, taxpayers must register with the Michigan Department of Treasury before filing a tax return. Taxpayers are encouraged to register online at www.michigan.gov/businessstaxes. Taxpayers that register with Treasury online receive their registration confirmation within seven days.

If the taxpayer does not have an FEIN, the taxpayer must obtain an FEIN before filing the CIT. The Web site www.michigan.gov/businessstaxes provides information on obtaining an FEIN.

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

Enter the two-digit abbreviation for the country code. See the list of country codes in Form 4907.

Any refund or correspondence from this return will be sent to the address used on this form. The taxpayer's primary address in Treasury files, identified as the legal address and used for all purposes other than refund and correspondence on a specific CIT return, will not change unless the taxpayer files a *Notice of Change or Discontinuance* (Form 163).

UBGs: In the Taxpayer Name field, enter the name of the DM for the financial institutions. Enter the FEIN of the DM of the financial group.

FOREIGN FILERS: Complete the address fields as follows:

Address: Enter the postal address for this taxpayer.

City: Enter the city name for this taxpayer. DO NOT include the country name in this field.

State: Enter the two-letter state or province abbreviation. If there is no applicable two-letter abbreviation, leave this field blank.

ZIP/Postal Code: Enter the ZIP Code or Postal Code.

Country Code: Enter the two-letter country code provided in this tax booklet.

Line 3: Enter a brief description of the principal types of financial services in which the taxpayer is engaged.

Line 4: 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 federal Form 1120, Schedule K, federal Form 1120S, or federal Form 1065.

UBGs: Enter here the NAICS for the principal activity of the group. If no principal activity is available, enter the NAICS code used when filing the DM's federal Form 1120, Schedule K; federal Form 1120S; or federal Form 1065.

Line 5: Enter the start date of first business activity in Michigan.

Line 6: Enter the date, if applicable, on which the taxpayer went out of business.

Line 7: 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: For CIT purposes, a disregarded entity is treated as a part of its owner.

Line 8a: Enter here the end date — in an MM-DD-YYYY format — of the tax year in which the affiliated group election was first made. The election lasts 10 years and is irrevocable.

Calendar year filers that made this election beginning 2013, and fiscal filers that made this election beginning with the 2013-14 fiscal year, completed the *Michigan Corporate Income Tax Affiliated Group Election to File as a Unitary Business Group* (Form 5114) to make the election. Enter here the end date — in an MM-DD-YYYY format — of the tax year for which Form 5114 was filed.

Taxpayers that first make this election beginning calendar year 2014 or later **do not use Form 5114**, which is now discontinued. Instead, make the election on this line of the return filed for the first year of the election, by entering the end date of that filing period in an MM-DD-YYYY format.

Line 8b: Check this box if filing a Michigan UBG return and include Form 4910.

Lines 9a through 9c: A taxpayer may apportion on lines 9a through 9c only if its business activities are subject to tax both within and outside of Michigan. A financial institution is *subject to tax in another state*, as that term is used here, only if:

- It 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, or a corporate stock tax or a tax of the type imposed under the Income Tax Act in that other state; OR
- That other state has jurisdiction to subject the financial institution to one or more of the taxes listed above regardless of whether that state does or does not subject the financial institution to such a tax.

Gross Business means the sum of the following less transactions between those entities included in a UBG:

- i. Fees, commissions, or other compensation for financial services.
- ii. Net gains, not less than zero, from the sale of loans and other intangibles.
- iii. Net gains, not less than zero, from trading in stocks, bonds, or other securities.
- iv. Interest charged to customers for carrying debit balances of margin accounts.
- v. Interest and dividends received.
- vi. Any other gross proceeds resulting from the operation as a financial institution.

Gross Business is in Michigan to the extent:

- Receipts from credit card receivables including interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to credit card

holders such as annual fees are in Michigan if the billing address of the credit card holder is located in Michigan.

- Credit card issuer's reimbursement fees are in Michigan if the billing address of the credit card holder is located in Michigan.
- Receipts from merchant discounts are in Michigan if the commercial domicile of the merchant is in Michigan.
- Loan servicing fees are in Michigan under any of the following circumstances:
 - For a loan secured by real property, if the real property for which the loan is secured is in Michigan.
 - For a loan secured by real property, if the real property for which the loan is secured is located both in Michigan and in one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan.
 - For a loan secured by real property, if more than 50 percent of the fair market value of the real property for which the loan is secured is not located within any one state but the borrower is located in Michigan.
 - For a loan not secured by real property, the borrower is located in Michigan.
- Receipts from services are in Michigan if the recipient of the services receives all of the benefit of the services in Michigan. If the recipient of the services receives some of the benefit of the services in Michigan, the receipts are included in the numerator of the apportionment factor in proportion to the extent that the recipient receives benefit of the services in Michigan.
- Receipts from investment assets and activities and trading assets and activities, including interest and dividends, are in Michigan if the financial institution's customer is in Michigan. If the location of the financial institution's customer cannot be determined, both of the following apply:
 - 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 Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. Interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements are in Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. The amount of receipts and other income from investment assets and activities is in Michigan if assets are assigned to a regular place of business of the taxpayer in Michigan.
 - The 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

Michigan if the assets are assigned to a regular place of business of the taxpayer in Michigan.

- Interest charged to customers for carrying debit balances on margin accounts without deduction of any costs incurred in carrying the accounts is in Michigan if the customer is located in Michigan.
- Interest from loans secured by real property is in Michigan if the property is located in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan, and if more than 50 percent of the fair market value of the real property is not located within any one state but the borrower is located in Michigan.
- Interest from loans not secured by real property is in Michigan if the borrower is located in Michigan.
- Net gains from the sale of loans secured by real property or mortgage service rights relating to real property are in Michigan if the property is in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan, or if more than 50 percent of the fair market value of the real property is not located in any one state, but the borrower is located in Michigan.
- Net gains from the sale of loans not secured by real property or any other intangible assets are in Michigan if the depositor or borrower is located in Michigan.
- Receipts from the lease of real property are in Michigan if the property is located in Michigan.
- Receipts from the lease of tangible personal property are in Michigan if the property is located in Michigan when it is first placed in service by the lessee.
- Receipts from the lease of transportation tangible personal property are in Michigan if the property is used in Michigan or if the extent of use of the property in Michigan cannot be determined but the property has its principal base of operations in Michigan.

UBGs: Carry amount from Form 4910, line 2C, to line 9a, and the amount from Form 4910, line 3C, to line 9b.

PART 1: FRANCHISE TAX

The following tax base calculation involves a five-year average of net capital. Enter data from the current year and four most recent CIT and Michigan Business Tax (MBT) tax years to complete the five-year table. For purposes of this table, treat a partial year as a full year. If the current and four preceding tax years include any short periods, the years printed in column headings for this part will not apply accurately. For example, assuming no short periods reported for federal purposes, a financial institution with a fiscal year-end of August 31 would average the net capital for tax years ending August 31, 2010, August 31, 2011, December 31, 2011, August 31, 2012, and August 31, 2013.

Fiscal filers, see the supplemental instructions to Form 4907.

Line 10: Enter equity capital as of the last day of the filing period, as computed in accordance with generally accepted accounting principles (GAAP). If the financial institution does not maintain its books and records in accordance with GAAP, net capital must be computed in accordance with the books

and records used by the financial institution, so long as the method fairly reflects the financial institution's net capital for purposes of CIT. If the financial institution owns a subsidiary that is an authorized insurance company, the equity capital of the insurance subsidiary is not included in the financial institution's equity capital. Attach supporting schedules. While it may be possible to end up with negative net equity, beginning with negative equity capital is not permitted.

UBGs: Leave lines 10 through 17 blank, complete line 18 with combined data from Form 4910, line 22, and proceed with the rest of the lines on Form 4908.

NOTE: In completing the combined return, a member of a UBG of financial institutions eliminates its investment of the positive equity capital in other members of the same group. Eliminations occur to equity capital at the member level. Because each member of the group must compute the Net Capital tax base in accordance with GAAP, **each member should represent a positive or zero equity capital before Eliminations.**

Line 11: Under PA 38 of 2011, Section 651(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit described in Section 3 of the Shared Credit Rating Act, Public Act 227 of 1985, MCL 141.1053.

Line 12: Under PA 38 of 2011, Section 651(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States Constitution or any statute of the United States.

Line 15a: If this taxpayer owns a subsidiary that is an authorized insurance company, enter the actual amount of the capital fund maintained within that subsidiary. This does not include a captive insurance company.

Line 15b: Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

Line 18: UBGs: Combine Forms 4910, line 22, and enter the total here. If the combined amount is less than zero, enter zero. UBGs should leave Form 4908, lines 10 through 17 blank.

PART 2: PAYMENTS AND TAX DUE

UBGs: On lines 23 through 25, enter combined data for all members included on this combined return.

Line 23: Enter overpayment credited from prior MBT or CIT return.

Line 24: Enter the total estimated CIT tax paid with the *CIT Quarterly Tax Return* (Form 4913) or the amount of estimated CIT tax paid through Electronic Funds Transfer. Include all payments made on returns that apply to the tax year included in this return.

Line 25: Enter tax paid with the *Application for Extension of Time to File Michigan Tax Returns* (Form 4).

Line 28: If penalty and interest are owed for failure to make sufficient and timely estimated payments, complete the *CIT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4899) 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. (Form 4899 is available on the Web at www.michigan.gov/taxes.)

Line 29: Refer to the “Computing Penalty and Interest” section in Form 4907 to determine the annual return penalty rate and use the following Overdue Tax Penalty worksheet.

WORKSHEET – OVERDUE TAX PENALTY

A. Tax due from Form 4908, line 27		00
B. Late/extension or insufficient payment penalty percentage		%
C. Multiply line A by line B.....		00

Carry amount from line C to Form 4908, **line 29.**

Line 31: Use the following worksheet to calculate Overdue Tax Interest.

WORKSHEET – OVERDUE TAX INTEREST

A. Tax due from Form 4908, line 27		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 4908, **line 30.**

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 4907, 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 Form 4908, **line 30.**

PART 3: REFUND OR CREDIT FORWARD

Line 32: If the amount of the overpayment, less any penalty and interest due on **lines 28, 29 and 30** is less than zero, enter the difference (as a positive number) on **line 31.**

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 CIT tax year. Complete **lines 33 and 34** as applicable.

Line 33: If the taxpayer anticipates a CIT liability in the filing period subsequent to this return, some or all of any overpayment from **line 32** 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 CIT tax year.

Line 34: Enter the amount of refund requested.

Reminder: Taxpayers must sign and date returns. Tax 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.

- **Corporations:** Federal 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:** Federal Form 1120-S (pages 1 through 4)*, Schedule D, Form 851, Form 4562, Form 4797, and Form 8825.
- **Fiduciaries:** Federal Form 1041 (pages 1 through 4), Schedule D, and Form 4797.
- **Partnerships:** Federal Form 1065, (pages 1 through 5)*, Schedule D, Form 4797, and Form 8825.
- **Limited Liability Companies:** Attach appropriate schedules shown above based on federal return filed.

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

PART 2B: MEMBER DATA FOR COMBINED RETURN — Complete a separate copy of Part 2B for each UBG member listed in Part 1.

4. Member Name			Member FEIN	
5. Member Address (Street)			10. Organization Type	
City	State	ZIP/Postal Code	<input type="checkbox"/> Fiduciary	<input type="checkbox"/> S Corporation / LLC S Corporation
6. Federal tax period included in return (MM-DD-YYYY).....			<input type="checkbox"/> C Corporation / LLC C Corporation	<input type="checkbox"/> Partnership / LLC Partnership
Beginning		Ending	11. <input type="checkbox"/> Check if nexus with Michigan.	
7. If part year member, enter membership dates (MM-DD-YYYY)			12. <input type="checkbox"/> Check if new member.	
8. NAICS Code	9. If a Final Return, Enter Effective End Date		13. <input type="checkbox"/> Check if member only by Affiliated Group Election	

FRANCHISE TAX BASE

Lines 14, 16, 17 and 19d:
If less than zero, enter zero.

	A 2014	B 2015	C 2016	D 2017	E 2018
14. Equity Capital 14.					
15. Eliminations (enter as a positive number).. 15.					
16. Average daily book value of MI obligations 16.					
17. Average daily book value of U.S. obligations.. 17.					
18. Subtract lines 15, 16 and 17 from line 14..... 18.					
19. a. Authorized insurance co. subsidiary: enter actual capital fund amount..... 19a.					
b. Minimum regulatory amt. required 19b.					
c. Multiply line 19b by 125% (1.25). 19c.					
d. Subtract line 19c from 19a.... 19d.					
20. Add lines 18 and 19d..... 20.					
21. Add line 20, columns A through E..... 21.					00
22. Net capital. Divide line 21 by number of tax years reported above. If negative, enter as negative..... 22.					00

MEMBER BUSINESS

23. Michigan Gross Business. Carry combined total of line 23 entries from all members to Part 2A, line 2A.....	23.	00
24. Total Gross Business. Carry combined total of line 24 entries from all members to Part 2A, line 3A.....	24.	00

PAYMENTS. See instructions

25. Overpayment credited from prior period return (MBT or CIT)	25.	00
26. Estimated tax payments	26.	00
27. Tax paid with request for extension	27.	00

Instructions for Form 4910

Corporate Income Tax (CIT) Unitary Business Group Combined Filing Schedule for Financial Institutions

Purpose

The purpose of this form is to:

- Identify all members of a Unitary Business Group (UBG) that are reporting on this return.
- Gather tax return data for each member included in the financial institution's 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 *CIT Annual Return for Financial Institutions* (Form 4908) submitted on behalf of the UBG by the Designated Member (DM). Even if there is only one financial institution member in a UBG, that member must file this form in support of its Form 4908. See "Filing Procedures for UBGs" later in these instructions for guidance.

General Information About UBGs in CIT

Unitary Business Group means a group of United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, that satisfies the control test and relationship test. If an Affiliated Group Election is made (see instructions for Form 4891), the UBG also includes all members of the affiliated group, as defined in Internal Revenue Code (IRC) § 1504(1) except that the group includes only US persons (no foreign persons or foreign operating entities) that are corporations, financial institutions or insurance companies that satisfy the control test and have made the election to file as a UBG. Once the election is made, the Affiliated Group is treated as a UBG for all purposes.

United States person is defined in IRC § 7701(a)(30).

A *foreign operating entity* means a United States corporation 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 IRC § 871(l)(1)(B)(ii).

For more information on UBGs, see "UBGs and Combined Filing" in *Corporate Income Tax for Financial Institutions Booklet* (Form 4907). Additional information can be found under the "Corporate Income Tax" page at www.michigan.gov/taxes. Revenue Administrative Bulletin (RAB) 2013-1, Unitary Business Group Control Test And Relationship Tests, is available under the "Reference" 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. Financial institution members file a combined return on Form 4908 with Form 4910 filed in support.

Form 4910 is used to gather and combine data from each financial institution member of the UBG to support the group's Form 4908 and related forms. This form must be completed before the group's Form 4908 and related forms are completed.

Financial institutions include any of the following:

- A bank holding company, a national bank, a state chartered bank, a state chartered savings bank, a federally chartered savings association, or a federally chartered farm credit system institution.
- Any person, other than a person subject to the tax imposed under Chapter 12 of the Income Tax Act (Insurance Tax), 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.

NOTE: Because the definition of financial institution for CIT purposes includes any entity (except an insurance company) that is owned by a bank or other entity (as described above) and is a member of a UBG with its owner, this may cause an entity that is not commonly thought of as a financial institution to be treated as one for return filing purposes.

To complete this form and prepare a combined return, the UBG must select a DM. For purposes of a combined return filed by financial institution members of a UBG, *Designated Member* means a financial institution member that has nexus with Michigan and that will file the combined CIT return on behalf of all financial institution members of the UBG. If the financial institution member that owns or controls the other financial institution members has nexus with Michigan, that controlling member must serve as DM.

If that controlling member does not have nexus with Michigan, it may appoint any financial institution member of the UBG with nexus to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a UBG member or the controlling member attains Michigan nexus.

If a UBG is comprised of both standard members (not owned by and unitary with a financial institution in the UBG) and financial institutions, the UBG will have two DMs (one for the standard members completing Form 4891 and related forms, and one for the financial institution members completing Form 4908 and related forms).

If this UBG also includes standard and/or insurance company members, those members will not report tax data on this form, but will be listed as excluded affiliates in Part 3.

Standard members will combine and report their data using

CIT Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers (Form 4896), *CIT Data for Unitary Business Group Members* (Form 4897), and *CIT Annual Return* (Form 4891).

NOTE: Insurance company members will file separately, using *Insurance Company Annual Return for Corporate Income and Retaliatory Taxes* (Form 4905). Because insurance companies always file separately, rather than on a combined return, there is no CIT insurance form that serves a function similar to that of Forms 4897 and 4910.

Example A: UBG A is composed of the following:

- Four standard members
- Three financial institutions (all have 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 4896, Form 4897 and Form 4891 containing the four standard members and Form 4910 and Form 4908 containing the three financial institutions. In Part 1 of each form, only the members that are included on that form (either the four standard members, or the three financial institutions) will be listed. Form 4896 and Form 4897 with standard members will be filed under the name and Federal Employer Identification Number (FEIN) of the group's standard DM. One of the financial institutions will serve as DM for those three members and file Form 4910 and Form 4908. On Form 4896, list all financial and insurance members. On Part 3 of Form 4910, list all standard and insurance members. The two insurance companies each will file a stand-alone Form 4905.

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 have 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 4896, Form 4897, or Form 4891. Seven members will file a combined return on Form 4908 and Form 4910, listing the two insurance members as excluded affiliates on Part 3 of Form 4910. The two insurance companies each will file a stand-alone Form 4905.

Role of the Designated Member: The DM speaks, acts, and files the CIT return on behalf of the UBG for CIT purposes. Only the DM may file a valid extension request for the UBG. Treasury maintains the UBG's CIT tax data (e.g., prior CIT returns, overpayment credit forward) under the DM's name and FEIN.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

For additional guidance, see the "Supplemental Instructions for Financial Members in UBGs" in the *CIT Forms and Instructions for Financial Institutions* (Form 4907).

Part 1: Unitary Business Group Members

In Part 1, list only those members of the UBG that are included on the annual return that is supported by this form. If more than 16 members, include additional copies of this page of Form 4910 as needed, repeating the DM's name and FEIN in the field at the top of each page. All excluded UBG members will be identified in Part 3.

The Designated Member FEIN from the top of page 1 must be repeated in the proper location on pages 2 and 3.

Lines 1A and 1B: Beginning with the DM, list the UBG financial institution members and their corresponding FEIN.

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 financial institutions: Member A, the DM with a calendar tax year, and Members B and C with fiscal years ending March 31, 2014, and September 30, 2014, respectively. Taxpayer ABC's tax year is that of its DM. Thus, Taxpayer ABC's tax year ends December 31, 2014, and its annual return is due April 30, 2015. That annual return must include the tax years of Members B and C ending March 31, 2014, and September 30, 2014.

If, in the previous example, Member A, the DM, instead had a fiscal year ending July 31, 2015, the UBG's tax year would end July 31, 2015, and its annual return would be due November 30, 2015. The combined return for the UBG would include Member A's tax year of August 1, 2014 through July 31, 2015, Member B's tax year of April 1, 2014 through March 31, 2015 and Member C's tax year of October 1, 2013 through September 30, 2014.

Part 2A: Apportionment Data for Combined Return

When completing Part 1, if multiple copies of this page are required, provide the same answers to Part 2A, lines 2 and 3, on each copy of this page that is submitted.

Line 2: Gross business is defined in the instructions on Form 4908, line 9a. On a combined return, gross business is calculated after eliminating transactions between financial institution members of the UBG. Enter combined gross business in Michigan of all financial institution members on line 2A, show eliminations on line 2B, and show net after eliminations on line 2C. The combined gross business in Michigan equals the sum of line 23 of Form 4910 of every member of the group.

Carry amount from line 2C to line 9a on Form 4908.

NOTE: For a UBG that includes financial institutions, gross business includes gross business in Michigan of every financial institution included in that UBG without regard to whether the

financial institution has nexus in Michigan. Gross business between financial institutions included in a UBG must be eliminated in calculating the gross business factor.

Line 3: Enter all gross business everywhere on line 3A, show eliminations on line 3B, and show net after eliminations on line 3C. The gross business everywhere of the UBG equals the sum of line 24 of Form 4910 of every member of the group.

Carry amount from line 3C to line 9b on Form 4908.

Part 2B: Member Data for Combined Return

In all cases with one or more financial institutions in a UBG, complete one copy of Part 2B for each financial institution in the UBG whose net capital is reported on this return. Note that an entity that would otherwise be a standard member but is owned by and unitary with a financial institution is defined by statute to be a financial institution. If a financial institution member (other than the DM) has two or more federal tax periods ending with or within the filing period of this return, use a separate copy of Part 2B for each of that member's federal periods.

Line 6: List the member's tax year, for federal income tax purposes, from which business activity is being reported on this copy of Part 2B.

Line 7: If due to acquisition or disposition 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. If this member is part of a UBG based on the affiliated group election, and was not a member of the UBG 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 the control test was satisfied. These dates constitute a short tax period for CIT purposes, even if there is no corresponding short federal tax period. This member must prepare a pro forma federal return calculation for the portion of its federal year during which it was a member of this UBG, and use that pro forma calculation as the basis for reporting the tax data required by Part 2B.

Line 8: Enter the taxpayer'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 *Schedule K* of U.S. Form 1120.

Line 9: Enter the date, if applicable, on which this member went out of existence. Examples include 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 column to report that this member has stopped doing business in Michigan. To complete the discontinuance for Michigan taxes, file Form 163, which is available at www.michigan.gov/treasuryforms.

Line 10: Identify the organization type of this member:

- 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 is not within this Fiduciary category.);

- C Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter C of the IRC).

- 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: An entity that is disregarded for federal income tax purposes also will be disregarded for Michigan CIT purposes. Therefore, as with the federal treatment, the activity of such an entity will be included and reported on the return (or on Form 4910) filed by the entity's owner, as if that activity was conducted directly by the owner.

Line 11: If this member has nexus with Michigan, check this box.

Line 12: This line does not apply to the first CIT return filed by this UBG. For subsequent tax periods, check this box if this member was not included in the UBG's preceding CIT return.

Line 13: For informational and statistical purposes, please check (with an X) this box if the following two conditions exist:

- 1) The group to which this member belongs is a UBG by way of the Affiliated Group Election (line 8a on Form 4908 is filled), AND
- 2) The member for which this form is being filed does NOT meet both the relationship & traditional control UBG tests.

See the instructions for *CIT Annual Return for Financial Institutions* (Form 4908) for further information about the election. If this box is checked, Form 4908, line 8a, **MUST** contain a date. Once an election is made, every person that meets the definition of "affiliated group," which includes meeting the affiliated group ownership test, is a member of the UBG by way of the Affiliated Group Election (i.e., criterion #1 is met). The ownership test for an affiliated group may be different than the control test for non-affiliated group UBGs. Further, the determination of members of a CIT affiliated group is made without regard to whether the relationship test is met. For informational and statistical purposes, indicate whether the member for which this form is filed would meet the traditional UBG tests had the group not made the Affiliated Group Election.

Franchise Tax Base

The following tax base calculation involves a five-year average of net capital. Enter data from the current year and four most recent CIT and Michigan Business Tax (MBT) tax years to complete the five-year table. For purposes of this table, treat a partial year as a full year. If the current and four preceding tax years include any short periods, the years printed in column headings for this part will not apply accurately. For example, assuming no short periods reported for federal purposes, a financial institution with a fiscal year-end of August 31, 2015 would average the net capital for the short state tax years (due to the MBT-CIT transition) ending December 31, 2011 and August 31, 2012, and the full tax years ending August 31, 2013, August 31, 2014, and August 31, 2015.

NOTE: In completing the combined return, a member of a unitary business group of financial institutions eliminates its investment in the positive Equity Capital of other members of the same group. Eliminations occur to Equity Capital at the member level. Because each member of the group must compute the Net Capital tax base in accordance with GAAP, each member should represent a positive or zero Equity Capital before Eliminations.

Line 14: Enter equity capital as of the last day of this member's filing period, computed in accordance with generally accepted accounting principles. If the member does not maintain its books and records in accordance with generally accepted accounting principles, net capital must be computed in accordance with the books and records used by the member, so long as the method fairly reflects the member's net capital for purposes of this tax. Each member of the unitary group must follow this rule in computing its tax base as part of the group. Thus, the resulting unitary return for CIT may not exactly correlate to the group's federal returns or consolidated GAAP equity but will comply with the requirements of the CIT.

Line 15: In completing the combined return, a member of a unitary business group of financial institutions eliminates its investment in the positive Equity Capital of other members of the same group. Eliminations occur to Equity Capital at the member level.

Enter on this line the member's investment in the positive Equity Capital of other members of the same group.

Line 16: Under MCL 206.651(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit described in Section 3 of the Shared Credit Rating Act, PA 227 of 1985, MCL 141.1053.

Line 17: Under MCL 206.651(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States constitution or any statute of the United States.

Line 19a: If this taxpayer owns a subsidiary that is an authorized insurance company, enter the actual amount of the capital fund maintained within that subsidiary. This does not include a captive insurance company.

Line 19b: Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

Line 22: Enter the combined totals of line 22 of this form on Form 4908, line 18, and skip lines 10 through 17 on Form 4908. If this combined number is less than zero, enter zero on Form 4908, line 18.

Line 23: Gross business is defined in the instructions on Form 4908, line 9a. Enter gross business in Michigan of the financial institution member reporting on Part 2B of this form. Combine line 23 for each financial institution member and enter on Part 2A, line 2A.

Line 24: Enter gross business everywhere of the financial institution member reporting on Part 2B of this form. Combine line 24 for each financial institution member and enter on Part 2A, line 3A.

Line 25: Enter overpayment credited from prior return (MBT or CIT). When membership of a UBG changes from one filing period to the next, credit forward of an overpayment from the prior return remains with the DM's account.

Line 26: All CIT 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 2B. If any other member paid estimates attributable to this group return, enter those estimates on that member's copy of Part 2B. Include all payments made by that member for any portion of its federal filing period that is included on this group return.

For example, if a non-DM member has a 12-month fiscal year beginning April 1, 2013, and is a member of a calendar year UBG throughout that period, its business activity from April 1, 2013, through March 31, 2014, will be reported on the group's December 31, 2014, return. If that member pays CIT quarterly estimates based on its federal tax year, it will make two estimates during 2013, before the DM's (and group's) filing period begins. Because those estimates are attributable to activity that will be reported on the group's December 31, 2014, return, they should be included on the paying member's copy of Part 2B for the December 31, 2014, group return.

Line 27: 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 2B.

Part 3: Affiliates Excluded From the Combined Return of Financial Institutions

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 comparable rights to voting rights of the other U.S. persons; 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.

A person that would be a standard taxpayer if viewed separately is defined as a financial institution if it is owned, directly or indirectly, by a financial institution and is in a UBG with its owner.

If eligible, a UBG may alternatively be determined by way of an *Affiliated Group Election* (see instructions for Form 4891 for the CIT definition of an affiliated group, and for eligibility and other details about the election). The "greater than 50% test" for the affiliated group may be different than the traditional control test discussed above, and the affiliated group is determined without regard to the relationship test discussed above.

The purpose of Part 3 is to identify entities for which the

ownership test described above is satisfied but which are not included on this combined return, either because the flow of value/integration/dependence/contribution test is not satisfied or because the member is excluded by statute. A new member whose net capital is not included in this return because its tax year ends after the filing period of the UBG also should be listed here.

NOTE: If there is only one financial institution member in a UBG for a given tax year, that member must file this form in support of its Form 4908 and list all excluded members using the reason codes below.

Line 28A: If a person being listed here is listed on federal Form 851, enter the identifying number for that person from the column called “Corp. No.” at the left edge of pages 1, 2, and 3 of federal Form 851.

Line 28D: From the following list of reason codes, select the number for the reason explaining why this affiliate is being excluded from the combined return of financial institutions supported by this form.

1*	Lacks business activities resulting in a flow of value or integration with, dependence upon, or contribution to the group.
2	Foreign operating entity.
3	Foreign entity.
4	Member has no CIT tax year (as a member of this UBG) ending with or within this filing period.
5	Insurance company. (Insurance companies always file separately.)
6	“Standard” taxpayers not owned by a financial institution. (Financial institutions and “standard” taxpayers are not included on the same combined return.)
7	Other.
*NOTE: Reason code number 1 does not apply to a group that has made the Affiliated Group election.	

If you have questions, call the Michigan Department of Treasury, Technical Services Section, at 517-636-4230.

Line 28E: If this person has nexus with Michigan, check this box.

Line 28F: Enter this 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 U.S. Schedule K of U.S. Form 1120.

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. If the reason the person is not on this return is because it did not satisfy the flow of value, etc., test at any time during the filing period, list the person on **line 28**, and do not enter it here.

Line 29C: Reason codes for a person being included in last year’s return but not on the combined return for financial institutions supported by this form:

10	The person no longer meets the control test but the ownership interest is still greater than zero.
12	The person no longer meets the control test and the ownership interest is zero.
14	Before the beginning of the filing period for this return, the person ceased to exist due to dissolution.
16	Before the beginning of the filing period for this 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 “Attachments” section of Form 4908 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 4910 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 “Attachments” section of Form 4908 instructions.

NOTE: An entity that is disregarded for federal income tax purposes also will be disregarded for Michigan CIT purposes. Therefore, as with the federal treatment, the activity of such an entity will be included and reported on the return (or on Form 4910) filed by the entity’s owner, as if that activity was conducted directly by the owner.

Include completed Form 4910 as part of the tax return filing.

2018 Supplemental Instructions for Financial Institution 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 financial institution taxpayers of the Corporate Income Tax (CIT), not to replace them.

Standard taxpayers and *standard members* refer to all taxpayers or UBG members, respectively, other than financial institutions or insurance companies. Standard members of a UBG should see the “Supplemental Instructions for Standard Members in UBGs” section in the *CIT Forms and Instructions for Standard Taxpayers* (Form 4890).

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 CIT 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 *CIT Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers* (Form 4896) and *CIT Data on Unitary Business Group Members* (Form 4897) support a combined return of standard members to be filed on the *CIT Annual Return* (Form 4891).
 - The *CIT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4910) supports a combined return of financial institution members to be filed on the *CIT Annual Return for Financial Institutions* (Form 4908).

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.” 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 4891. Financial institution members of a UBG (including any standard member owned by and unitary with a financial institution in the group) file a combined return on Form 4908. Insurance company members of a UBG each file separately on Form 4905.

Before completing a combined return, UBGs should first complete Form 4896 and Form 4897 or Form 4910. These forms are used to gather 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 4905, but should be listed as an excluded affiliate with an incompatible tax base on Form 4896 or Form 4910, as applicable.

The Designated Member (DM)

A UBG combined return of financial institutions is filed under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the DM of the financial institution group. Designated Member means a UBG member that has nexus with Michigan and will file the combined CIT return on behalf of the financial institution 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 4891 and related forms, and one for the financial institution members completing Form 4908 and related forms).

If the standard members are owned by a financial institution, they will file as part of the financial UBG return, Form 4910.

NOTE: If the UBG filed under MBT in 2011 and is now filing under CIT, the UBG must use the same DM if the DM still has nexus, is a C corporation, and is still a member of the UBG. If the DM no longer has nexus, is not a C corporation, or is no longer a member of the UBG, then the UBG must select a new DM using the rules laid out in these instructions.

Role of the DM: The DM speaks, acts, and files the CIT return on behalf of the group for CIT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group’s CIT tax data (e.g., prior CIT returns, 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.

Recapture of Certain Credits

Recapture of credits, must be earned and calculated based on actions performed on or after January 1, 2012, regardless of the method selected for the tax calculation.

Effects of Members Joining a Group

When an entity becomes a member of a UBG part way through the member's tax year, for CIT 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.

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 CIT 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.

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 CIT return.

Further Guidance

For information on CIT issues, see the Treasury Web site at www.michigan.gov/taxes.

Country Codes

Countries are identified by two-letter codes – Country Codes – which are required on some Michigan Business Tax (MBT) forms, including the annual returns. The following is a list of countries and their codes.

AF Afghanistan	CK Cook Islands	IN India	NR Nauru	SB Solomon Islands
AX Åland Islands	CR Costa Rica	ID Indonesia	NP Nepal	SO Somalia
AL Albania	CI Côte D'ivoire	IR Iran	NL Netherlands	ZA South Africa
DZ Algeria	HR Croatia	IQ Iraq	AN Netherlands Antilles	GS S. Georgia, Sandwich
AS American Samoa	CU Cuba	IE Ireland	NC New Caledonia	KR South Korea
AD Andorra	CY Cyprus	IM Isle Of Man	NZ New Zealand	SS South Sudan
AO Angola	CZ Czech Republic	IL Israel	NI Nicaragua	ES Spain
AI Anguilla	CD Dem. Rep. of Congo	IT Italy	NE Niger	LK Sri Lanka
AQ Antarctica	DK Denmark	JM Jamaica	NG Nigeria	SD Sudan
AG Antigua & Barbuda	DJ Djibouti	JP Japan	NU Niue	SR Suriname
AR Argentina	DM Dominica	JE Jersey	NF Norfolk Island	SJ Svalbard, Jan Mayen
AM Armenia	DO Dominican Republic	JO Jordan	KP North Korea	SZ Swaziland
AW Aruba	EC Ecuador	KZ Kazakhstan	MP N. Mariana Islands	SE Sweden
AU Australia	EG Egypt	KE Kenya	NO Norway	CH Switzerland
AT Austria	SV El Salvador	KI Kiribati	OM Oman	SY Syrian Arab Republic
AZ Azerbaijan	GQ Equatorial Guinea	KW Kuwait	PK Pakistan	TW Taiwan
BS Bahamas	ER Eritrea	KG Kyrgyzstan	PW Palau	TJ Tajikistan
BH Bahrain	EE Estonia	LA Laos	PS Palestinian Occ. Terr.	TZ Tanzania
BD Bangladesh	ET Ethiopia	LV Latvia	PA Panama	TH Thailand
BB Barbados	FK Falkland Islands	LB Lebanon	PG Papua New Guinea	TL Timor-Leste
BY Belarus	FO Faroe Islands	LS Lesotho	PY Paraguay	TG Togo
BE Belgium	FJ Fiji	LR Liberia	PE Peru	TK Tokelau
BZ Belize	FI Finland	LY Libya	PH Philippines	TO Tonga
BJ Benin	FR France	LI Liechtenstein	PN Pitcairn	TT Trinidad & Tobago
BM Bermuda	GF French Guiana	LT Lithuania	PL Poland	TN Tunisia
BT Bhutan	PF French Polynesia	LU Luxembourg	PT Portugal	TR Turkey
BO Bolivia	TF Fr. Southern Terr.	MO Macao	PR Puerto Rico	TM Turkmenistan
BA Bosnia, Herzegovina	GA Gabon	MK Macedonia	QA Qatar	TC Turks & Caicos
BW Botswana	GM Gambia	MG Madagascar	RE Réunion	TV Tuvalu
BV Bouvet Island	GE Georgia	MW Malawi	RO Romania	UG Uganda
BR Brazil	DE Germany	MY Malaysia	RU Russian Federation	UA Ukraine
IO Brit. Ind. Ocean Terr.	GH Ghana	MV Maldives	RW Rwanda	AE United Arab Emir.
BN Brunei Darussalam	GI Gibraltar	ML Mali	BL St. Barthélemy	GB United Kingdom
BG Bulgaria	GR Greece	MT Malta	SH St. Helena	UN United Nations
BF Burkina Faso	GL Greenland	MH Marshall Islands	KN St. Kitts & Nevis	US United States
BI Burundi	GD Grenada	MQ Martinique	LC St. Lucia	UM U.S. Minor Out. Isl.
KH Cambodia	GP Guadeloupe	MR Mauritania	MF St. Martin	UY Uruguay
CM Cameroon	GU Guam	MU Mauritius	PM St. Pierre & Miquelon	UZ Uzbekistan
CA Canada	GT Guatemala	YT Mayotte	VC St. Vincent, Grenad.	VU Vanuatu
CV Cape Verde	GG Guernsey	MX Mexico	WS Samoa	VE Venezuela
KY Cayman Islands	GN Guinea	FM Micronesia	SM San Marino	VN Vietnam
CF Cent. African Repub.	GW Guinea-Bissau	MD Moldova	ST Sao Tome & Principe	VG Virgin Islands, British
TD Chad	GY Guyana	MC Monaco	SA Saudi Arabia	VI Virgin Islands, U.S.
CL Chile	HT Haiti	MN Mongolia	SN Senegal	WF Wallis & Futuna
CN China	HM Heard, McDonald Isl.	ME Montenegro	RS Serbia	EH Western Sahara
CX Christmas Island	VA Holy See (Vatican)	MS Montserrat	SC Seychelles	YE Yemen
CC Cocos Islands	HN Honduras	MA Morocco	SL Sierra Leone	ZM Zambia
CO Colombia	HK Hong Kong	MZ Mozambique	SG Singapore	ZW Zimbabwe
KM Comoros	HU Hungary	MM Myanmar	SK Slovakia	
CG Congo	IS Iceland	NA Namibia	SI Slovenia	XX Countries-Other