

# 2019 MICHIGAN Schedule of Corporate Income Tax Liability for a Michigan Business Tax Financial Filer

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

Taxpayer Name (print or type)	Federal Employer Identification Number (FEIN)
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**PART 1: CIT TAX BEFORE CREDITS — Unitary Business Groups, see instructions.**

		A 2015	B 2016	C 2017	D 2018	E 2019		
1. Amount detailed in instructions.....	1.							
2. Goodwill from Form 4590, line 12.....	2.							
3. Add lines 1 and 2.....	3.							
4. Add line 3, columns A through E. If less than zero, enter zero, skip lines 5 and 6, and enter zero on line 7 .....	4.							00
5. Net Capital for Current Taxable year. Divide line 4 by number of tax years reported above .....	5.							00
6. Apportioned Tax base. Multiply line 5 by percentage on Form 4590, line 10c .....	6.							00
7. Tax Liability. Multiply line 6 by 0.29% (0.0029) .....	7.							00

**PART 2: CREDITS**

8. Certificated Nonrefundable Credits from Form 4947, line 11 .....	8.			00
9. Subtract line 8 from line 7. If less than zero, enter zero .....	9.			00
10. Recapture from Form 4947, line 28.....	10.			00
11. CIT Liability before Certificated Refundable credits. Add lines 9 and 10.....	11.			00
12. Certificated Refundable credits from Form 4947, line 39 .....	12.			00
13. Subtract line 12 from line 11. If less than zero, enter as a negative number. (A negative number here represents an overpayment.) .....	13.			00

**PART 3: MBT CALCULATION TO COMPARE AGAINST CIT FOR FINANCIAL FILERS**

14. Total MBT liability from Form 4590, line 30 .....	14.			00
15. Refundable credits from Form 4590, line 37 .....	15.			00
16. MBT liability after refundable credits. Subtract line 15 from line 14. If less than zero, enter as a negative number. (A negative number here represents an overpayment) .....	16.			00
17. If line 13 is greater than line 16 enter the difference. If line 16 is greater than or equal to line 13, enter zero. Carry to Form 4590, line 31.....	17.			00

# Instructions for Form 4975

## Schedule of Corporate Income Tax (CIT) Liability for a Michigan Business Tax (MBT) Financial Filer

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### Restrictions for MBT Filers

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

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### Purpose

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To calculate the CIT liability for a financial institution filing under MBT and compare that calculation to the MBT liability as calculated on the *MBT Annual Return for Financial Institutions* (Form 4590) to determine the greater of the two calculated tax liabilities.

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### Special Instructions for Unitary Business Groups (UBGs)

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Leave lines 1 through 4 blank. Complete line 5 with combined data from the *UBG Combined Filing Schedule for Financial Institutions* (Form 4752), line 25, after recalculating line 25 by adding back Goodwill to the Net Capital for each member of the UBG. On each UBG member's Form 4752, add back the Goodwill reported on line 18 columns A thru E to the amounts reported on line 23 columns A thru E. Then recalculate line 24 for each UBG member's Form 4752 using the amount from line 23 including the amount for Goodwill. Recalculate line 25 of Form 4752 for each UBG member using the new amount calculated for line 24. Proceed with the rest of the lines on Form 4975 after entering recalculated combined amounts from Form 4752 line 25 on line 5 of Form 4975.

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### Line-by-Line Instructions

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Lines not listed are explained on the form.

Enter the taxpayer's name and Federal Employer Identification Number (FEIN) in the appropriate fields.

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

#### Part 1: CIT Before Credits

**Line 1:** Effective with tax years beginning in 2019, PA 460 of 2018 alters the definition of equity capital for a financial institution for a Corporate Income Tax (CIT) filer. As a result, a Michigan Business Tax filer may need to review the CIT tax forms for the equivalent tax year to complete Form 4975.

In the CIT, *total equity capital* is the amount reported by the financial institution, or in the case of a **Unitary Business Group (UBG)** of financial institutions, the top-tiered parent entity, on certain regulatory forms designated by the Federal Financial Institutions Examination Council (FFIEC) and filed with the office of the comptroller of currency, the Federal Deposit Insurance Corporation (FDIC), or the Federal Reserve System.

The definition of equity capital in MBT is **not affected** by PA 460 of 2018.

If the equity capital of an MBT filer reported on Form 4590, line 11, is that same as what the taxpayer reported on the FFIEC filing, then those same amounts will be reported on Form 4975, line 1.

If the equity capital reported in MBT is different than the amount reported on the FFIEC filing, the taxpayer must complete a pro forma "Michigan Corporate Income Tax Annual Return for Financial Institutions" (Form 4908), lines 10 through 16. Complete these lines by following the Form 4908 instructions. Then carry the amounts on Form 4908, line 16, to Form 4975, line 1. Retain a copy of the Form 4908 calculations for your records.

**UBGs:** If the equity capital of an MBT filer reported on Form 4590, line 11, is that same as what the taxpayer reported on the FFIEC filing, then those same amounts will be reported on Form 4975, line 1.

If the equity capital reported in MBT is different than the amount reported on the FFIEC filing, the taxpayer must complete a pro forma "Michigan Corporate Income Tax Annual Return for Financial Institutions" (Form 4908), lines 10 through 16. Complete these lines by following the Form 4908 instructions. Then carry the amounts on Form 4908, line 16, to Form 4975, line 1. Retain a copy of the Form 4908 calculations for your records.

This process will include completing a pro forma "Michigan Corporate Income Tax Unitary Business Group Combined Filing Schedule for Financial Institutions" (Form 4910), lines 1 through 24. Retain a copy of the Form 4910 calculations for your records.

**Line 2:** Enter the amount taken as a subtraction for Goodwill from Form 4590, line 12. This amount must be added back to Net Capital to determine CIT liability because the Goodwill deduction is not permitted under that tax.

**Line 3:** Add lines 1 and 2 in each column.

**Line 4:** Add lines 3A, 3B, 3C, 3D, 3E. If less than zero, enter zero here and on line 7, skip to line 7.

**Line 5:** Divide line 4 by the number of tax periods reported in the table and enter here.

**UBGs:** Enter here the sum of all members Form 4752, line 25 after recalculation of lines 23, 24, and 25 on that form using the Goodwill addback, as instructed under the "Special Instructions for UBGs"

#### Part 2: Credits

**Line 8:** Enter certificated nonrefundable credit from Form 4947, line 11.

**Line 10:** Enter total recapture of Certain Business Tax Credits from Form 4947, line 28.

**Line 12:** Enter certificated refundable credits from Form 4947, line 39.

**Line 13:** Subtract line 12 from line 11. If less than zero, enter as a negative number. This is the CIT liability after certificated refundable credits. A negative number here represents an overpayment. Carry this amount to line 17 of this form.

**Part 3: MBT Calculation to Compare Against CIT for Financial Filers**

**Line 14:** Enter the total MBT liability from Form 4590, line 30.

**Line 15:** Enter the total refundable credits from Form 4590, line 37.

**Line 16:** Subtract line 15 from line 14. If less than zero, enter as a negative number. This is the MBT liability after refundable credits. A negative number here represents an overpayment.

**Line 17:** If line 13 is greater than line 16 enter the difference. If line 16 is greater than or equal to line 13, enter zero. Carry this amount to form 4590, line 31. This amount will be added to the MBT Liability to determine Total Tax Liability on Form 4590.

*Include completed Form 4975 as part of the tax return filing.*