



MBT

Michigan Business Tax

www.michigan.gov/taxes

Insurance Companies

2008 Forms and Instructions

What's Inside

This MBT booklet includes forms and instructions for insurance companies. These forms are designed for calendar year 2008.



www.MIfastfile.org

It's easy, fast, and secure!

See pages 4 and 19 for more information.

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

Michigan Department of Treasury
Customer Contact Division, MBT Unit
P.O. Box 30059 * Lansing, MI 48909 * (517) 636-4657



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

January 2009

Dear Taxpayer:

Enclosed are forms and instructions needed to file your 2008 Michigan Business Tax (MBT) annual return.

The Michigan Business Tax replaced the Single Business Tax (SBT), effective January 1, 2008. Under the MBT, insurance companies are subject to a tax on Michigan gross direct premiums written. Credits available to insurance companies under the SBT were retained.

If you have questions about your MBT obligations, please call the Michigan Department of Treasury's Customer Contact Division at (517) 636-4657, or visit www.michigan.gov/mbt.

Sincerely,

A handwritten signature in cursive script that reads "Robert J. Kleine".

Robert J. Kleine
State Treasurer

2008 General Information for Insurance Companies

Standard Taxpayers and Financial Institutions: See the *Michigan Business Tax (MBT) Instruction Booklet for Standard Taxpayers* (Form 4600) or the *MBT Instruction Booklet for Financial Institutions* (Form 4599) at www.michigan.gov/taxes.

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

End of Single Business Tax (SBT) – Beginning of Michigan Business Tax (MBT)

SBT was repealed on business activity after December 31, 2007 (Public Act (PA) 325 of 2006). MBT became effective January 1, 2008 (PA 36 of 2007).

Who Files an Insurance Return?

All insurance companies that are engaged in the business of writing, or that are authorized to write, Insurance or Surety contracts within the State of Michigan file the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588).

All insurers, domestic and foreign, must submit copies of Schedule T and the Michigan Business Page when filing this return.

Using This Booklet

This MBT booklet includes forms and instructions for all the insurance filers. Read the General Information first. Because MBT is a new tax, it is recommended that taxpayers and tax preparers also briefly review the instructions for all forms listed below. A taxpayer might qualify for a credit and yet be unaware of it.

There are eight nonrefundable and four refundable credits available for insurance companies to help reduce the initial calculation of tax. This includes a limited allowance for SBT credit carryforwards.

The Michigan Association and Facilities Credit and the Michigan Examination Fees Credit are claimed on Form 4588. All remaining credits are claimed on the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596). Some credits are calculated on additional forms, as indicated below.

Forms listed below are available on the Web at www.michigan.gov/taxes.

Nonrefundable Credits:

- SBT Credit Carryforwards (calculated on the *Single Business Tax (SBT) Credit Carryforwards* (Form 4569))
- Compensation Credit (calculated on Form 4596)
- Renaissance Zone Credit (calculated on the *MBT Renaissance Zone Credit Schedule* (Form 4595))
- Brownfield Redevelopment Credit (calculated on the *MBT Election of Refund or Carryforward of Credits* (Form 4584))
- Historic Preservation Credit (calculated on the *Michigan Historic Preservation Tax Credit* (Form 3581))
- Film Infrastructure Credit (as assignee only)
- Michigan Association and Facilities Credits (calculated on Form 4588)
- Michigan Examination Fees Credit (calculated on Form 4588)

Refundable Credits:

- Michigan Economic Growth Authority (MEGA) Employment Tax Credit (claimed on 4596)
- Workers' Disability Supplemental Benefit (WDSB) Credit (claimed on 4596)
- Brownfield Redevelopment Credit (calculated on Form 4584)
- Film Production Credit (as assignee only)

For more comprehensive information regarding MBT, visit the MBT Web site at www.michigan.gov/mbt. The Web site contains information taxpayers may find helpful in determining their estimated tax liability. Note that reliance on information found on the Web site does not protect a taxpayer from imposition of interest and penalties should the sum of the taxpayer's estimated payments not equal 85 percent of the taxpayer's MBT liability for the current tax year.

Overview of MBT for Insurance Companies

MBT imposes a separate tax on insurance companies equal to 1.25 percent of gross direct premiums written on property or risk located in Michigan. There is no filing threshold for insurance companies.

Direct premiums do not include:

- Premiums on policies not taken
- Returned premiums on cancelled policies
- Receipts from the sale of annuities
- Receipts on reinsurance premiums if the tax had been paid on the original premiums
- The first \$190,000,000 of disability insurance premiums written in Michigan.

NOTE: This exemption is reduced by two dollars for every dollar that an insurance company's gross direct premiums everywhere (both within and outside of Michigan) exceed \$280,000,000.

An insurance company is subject to tax as calculated under MBT or the retaliatory tax under Michigan Compiled Law (MCL) 500.476a, whichever is greater. This tax is in lieu of the Modified Gross Receipts Tax, the Business Income Tax, and the surcharge.

The tax imposed under Chapter 2A of the MBT Act is in lieu of all other privilege and franchise fees or taxes, except for real and personal property taxes and sales and use taxes. Insurance companies are excluded from the surcharge levy by statute and are not subject to traditional apportionment due to the structure of their tax.

Filing MBT Quarterly Tax Estimates

Quarterly estimates must be paid in any year that the annual tax liability (including surcharge) is reasonably expected to exceed \$800. Estimates must equal at least 85 percent of the current year tax liability and be paid in four timely equal payments. If

they are not, the taxpayer will be charged penalty and interest. Payments can be made with either of the following returns:

- *Michigan Business Tax Quarterly Return* (Form 4548), or
- *Combined Return for Michigan Taxes* (Form 160).

If paying quarterly (on Form 160 or Form 4548), estimates are due April 15, July 15, October 15, and January 15. If filing monthly using Form 160, monthly payments may be filed on the 20th day of the month. For example, a taxpayer may file a monthly MBT estimate using Form 160 on April 20 rather than April 15 so long as the estimate for that month reasonably approximates the liability for the quarter. For taxpayers electing to make monthly remittances by Electronic Funds Transfer (EFT) where the requirement to file a paper Form 160 has been waived, MBT estimates remain due on the 20th day of the month following the month's end.

The estimated MBT for the quarter must reasonably approximate the liability for the quarter. The estimated payment made with each quarterly return must be computed on the actual Gross Direct Premiums Tax base or Retaliatory Tax for the quarter, whichever is greater, or 25 percent of the estimated annual total liability. For tax years ending in 2009 and later, if the prior year's tax is \$20,000 or less, estimated tax may be based on the prior year's total tax liability paid in four equal installments.

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.

E-filing MBT Returns

To optimize operational efficiency and improve customer service, the Department of Treasury is supporting e-file for the first year of MBT by participating in the Internal Revenue Service (IRS) Federal/State Modernized e-File (MeF) program. Check with your software provider to see if it supports MBT e-file, or visit the e-file Web site at www.MIfastfile.org to view a list of approved software providers.

The e-file mandate for SBT is being continued for software developers supporting MBT, effective January 1, 2010, for the 2009 tax year. Software developers producing MBT preparation software will need to support e-file for all eligible MBT forms that are included in their tax preparation software. Therefore, all eligible 2009 MBT returns prepared using software must be e-filed.

New this year, the Department will accept certain Portable Document Format (PDF) attachments with MBT e-filed returns. For a current list of defined attachments, visit the e-file Web site at www.MIfastfile.org, and select "Business Taxpayer." Follow your software instructions for submitting attachments with an e-filed return.

If the MBT return includes supporting documentation or attachments that are not on the predefined list of attachments, the return can still be e-filed. Follow your software instructions for including additional attachments. The 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 IRS Web site at www.irs.gov for more information on federal e-file requirements and the MeF program.

Completing Michigan Forms

The Department captures the information from paper MBT returns using an Intelligent Character Recognition (ICR) 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:** *012345678*. Do not put a slash through the zero (∅) or seven (≠).
- **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% becomes 24.1542%. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266% 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 Insurance Company Annual Return

First complete Form 4588, lines 1 through 23, which is sufficient to calculate total liability before miscellaneous nonrefundable credits. At that point, if any miscellaneous credits will be claimed, begin Form 4596, which serves several important functions:

- Acts as a checklist for all miscellaneous credits for insurance companies

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

Complete Form 4596 according to its instructions. For each applicable credit, calculate the credit as identified on the appropriate form and bring the result back to the appropriate line on Form 4596.

After total nonrefundable credits is determined on Form 4596, line 35, carry the figure to Form 4588. Total refundable credits amount calculated on Form 4596, line 5, is carried to Form 4588, line 48.

Insurance companies that are foreign or alien insurers must calculate a retaliatory tax on Form 4588, lines 29 through 43. The retaliatory tax requires a foreign insurer to pay the same type of obligation that a similar Michigan insurer is required to pay in the company's state of domicile. Domestic insurers do not need to calculate a retaliatory tax.

New Requirements: Unitary Business Groups (UBGs) and Combined Filing

General Information about UBGs

Unitary Business Group means a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights (or rights comparable to voting rights) of the other United States persons; AND
- The UBG has operations that result in a flow of value between persons included 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.

United States person means that term as defined in Internal Revenue Code (IRC) 7701(a)(30). The term United States person means:

- A citizen or resident of the United States,
- A domestic Partnership,
- A domestic Corporation,
- Any estate (other than a foreign estate, within the meaning of IRC 7701(a)(31)), and
- Any Trust if:
 - A court within the United States is able to exercise primary supervision over the administration of the Trust, AND
 - One or more United States persons have the authority to control all substantial decisions of the Trust.

NOTE: The IRC defines Partnership and Corporation to include a Limited Liability Corporation (LLC) taxed federally as such.

A *Foreign operating entity* is a United States person that satisfies each of the following:

- Would otherwise be a part of a UBG that has at least one person included in the 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 any of the foregoing.
- At least 80 percent of its income is active foreign business income as defined in IRC 861(c)(1)(B).

The Department will follow IRC 318 or analogous authority to determine indirect or constructive ownership and control, except that the Department will apply IRC 318 to all ownership interests.

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

Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exists intercompany transactions, including financing.

Special UBG Instructions for Insurance Companies

By definition a UBG can include standard taxpayers, insurance companies, and financial institutions. However, in some cases not all members of the UBG will be included on the same return. All standard taxpayer members in a UBG (except those owned by and unitary with a financial institution) file a single combined return on the *MBT Annual Return* (Form 4567). Financial institution members of a UBG (and any standard taxpayer owned by and unitary with a financial institution in the group) file a combined return on the *MBT Annual Return for Financial Institutions* (Form 4590).

Insurance companies are not specifically excluded from the statutory definition of a unitary business group, and thus may constitute a UBG. In practice, however, there is no practical effect of this possibility. The tax on authorized insurance companies is equal to 1.25 percent of gross direct premiums written on property or risk located or residing in Michigan. Because the tax is only on direct premiums on property or risk located in Michigan there will be no traditional apportionment for insurance companies. Thus, even when an authorized insurance company is unitary with another authorized insurance company, this will have no effect in calculating the

tax. As a result, a combined return will not be necessary and each insurance company member of a UBG will file separately on Form 4588.

Exemption Guidelines

The tax imposed and levied under the MBT Act does not apply to an insurance company authorized under Chapter 46 or 47 of the Insurance Code of 1956, PA 218 of 1956, MCL 500.4601 to 500.4673 and MCL 500.4701 to 500.4747.

Filing the Correct Form

A different primary return and instruction booklet are available for standard taxpayers (Form 4567) and financial institutions (Form 4590).

Due Dates of Annual Returns

The tax year of an insurance company is the calendar year. An insurance company must file the annual return required before March 2 after the end of the tax year. The extension that is available to the standard taxpayer under MCL 208.1505(4) is not available to insurance companies.

Amending a Return

To amend a current annual return, complete Form 4588 and check the box in the upper-right corner of the return. Enter the figures on the amended return as they should be. There is no longer a separate form for amending a return.

To request copies of current or past forms, see “To Request Forms” on this page.

To amend a return to claim a refund, file within four years of the original return’s due date. 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 an MBT tax base, filing an amended return is required. To avoid penalty, file the amended return within 120 days after the final determination by the IRS.

Computing Penalty and Interest

Penalty is computed at 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent. This applies to annual and estimated returns.

The interest rate is adjusted by the Department on January 1 and July 1 of each year, to 1 percent above the adjusted prime rate. For a complete list of interest rates, see Revenue Administrative Bulletin (RAB) 2008-5 on the Department’s Web site at www.michigan.gov/taxes.

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer’s authorized agent. This may be the owner, partner, corporate officer, officer’s agent, or association member.

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 taxpayer and preparer in the appropriate area on the return.

Assemble the returns and attachments and staple in the upper-left corner. (Do not staple a check to the return.)

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

Mailing Addresses

Postage Changes: Effective May 2007, the U.S. Post Office calculates postage based on the weight, size, and thickness of an envelope. Consult with the Post Office before mailing to avoid delays in delivery; items with insufficient postage will be returned by the Post Office.

Mail the annual return and all necessary schedules to:

With payment:

Michigan Department of Treasury
P.O. Box 30113
Lansing, MI 48909

Without payment:

Michigan Department of Treasury
P.O. Box 30783
Lansing, MI 48909

Mail MBT quarterly estimate payments (Form 4548) to:

Michigan Department of Treasury
P.O. 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.**” Write the taxpayer’s Federal Employer Identification Number (FEIN) or Treasury (TR) assigned number and “MBT” on the check.

Correspondence

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

Mail correspondence to:

Customer Contact Division, MBT Unit
Michigan Department of Treasury
P.O. Box 30059
Lansing, MI 48909

To Request Forms

- **Internet.** Current and past year forms are available on the Department’s Web site at www.michigan.gov/treasuryforms.
- **Phone:** Call toll-free 1-800-367-6263 to have business tax forms mailed to you.
- **Alternate Format:** Assistance in obtaining printed material in an alternate format may be requested by calling 1-800-827-4000 and pressing options 1, 4, and 223.
- **TTY:** Teletypewriter assistance is available by calling (517) 636-4999.

2008 Insurance Company Annual Return for Michigan Business and Retaliatory Taxes

Issued under authority of Public Act 36 of 2007.

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

1. Company Name				2. Federal Employer Identification Number (FEIN) or TR Number	
Address (Number, Street)				3. <input type="checkbox"/> Check if Foreign Insurer	
City	State	ZIP Code	Country Code	4. State of Incorporation (use 2 letter abbreviation)	

GROSS DIRECT PREMIUMS WRITTEN IN MICHIGAN

5. Gross direct premiums written in Michigan.....					5. <input style="width:100%;" type="text" value="00"/>
6. Premiums on policies not taken.....	6.	<input style="width:100%;" type="text" value="00"/>			
7. Returned premiums on cancelled policies.....	7.	<input style="width:100%;" type="text" value="00"/>			
8. Receipts on sales of annuities.....	8.	<input style="width:100%;" type="text" value="00"/>			
9. Receipts on reinsurance assumed.....	9.	<input style="width:100%;" type="text" value="00"/>			
10. Add lines 6 through 9.....					10. <input style="width:100%;" type="text" value="00"/>
11. Direct Premiums Written in Michigan. Subtract line 10 from line 5. If less than zero, enter zero.....					11. <input style="width:100%;" type="text" value="00"/>

DISABILITY INSURANCE EXEMPTION

12. Disability insurance premiums written in Michigan, not including credit or disability income insurance, OR \$190,000,000, whichever is smaller.....					12. <input style="width:100%;" type="text" value="00"/>
13. Gross direct premiums from all lines of insurance carrier services received everywhere.....	13.	<input style="width:100%;" type="text" value="00"/>			
14. Phase out.....	14.	<input style="width:100%;" type="text" value="280,000,000"/>			
15. Subtract line 14 from line 13. If less than zero, enter zero.....	15.	<input style="width:100%;" type="text" value="00"/>			
16. Exemption reduction. Multiply line 15 by 2.....					16. <input style="width:100%;" type="text" value="00"/>
17. Subtract line 16 from line 12. If less than zero, enter zero.....					17. <input style="width:100%;" type="text" value="00"/>
18. Adjusted Tax Base. Subtract line 17 from line 11.....					18. <input style="width:100%;" type="text" value="00"/>
19. Michigan Business Tax Before Credits. Multiply line 18 by 1.25% (0.0125).....					19. <input style="width:100%;" type="text" value="00"/>

CREDITS

20. Enter amounts paid from 1/1/2007 to 12/31/2007 to each of the following					
a. Michigan Workers' Compensation Placement Facility.....	20a.	<input style="width:100%;" type="text" value="00"/>			
b. Michigan Basic Property Insurance Association.....	20b.	<input style="width:100%;" type="text" value="00"/>			
c. Michigan Automobile Insurance Placement Facility.....	20c.	<input style="width:100%;" type="text" value="00"/>			
d. Property and Casualty Guaranty Association.....	20d.	<input style="width:100%;" type="text" value="00"/>			
e. Life and Health Guaranty Association.....	20e.	<input style="width:100%;" type="text" value="00"/>			
21. Add lines 20a through 20e.....					21. <input style="width:100%;" type="text" value="00"/>
22. a. Michigan Examination Fees.....	22a.	<input style="width:100%;" type="text" value="00"/>			
b. Credit. Multiply line 22a by 50% (0.50).....					22b. <input style="width:100%;" type="text" value="00"/>
23. Tax Before Miscellaneous Nonrefundable Credits. Subtract lines 21 and 22b from line 19.....					23. <input style="width:100%;" type="text" value="00"/>
24. Miscellaneous Nonrefundable Credits from Form 4596, line 33.....					24. <input style="width:100%;" type="text" value="00"/>
25. Michigan Business Tax After Nonrefundable Credits. Subtract line 24 from line 23. If less than zero, enter zero..					25. <input style="width:100%;" type="text" value="00"/>
26. Recapture of Certain Business Tax Credits and Deductions from Form 4587, line 10.....					26. <input style="width:100%;" type="text" value="00"/>
27. Total Michigan Business Tax. Add lines 25 and 26.....					27. <input style="width:100%;" type="text" value="00"/>

Return is due March 1, 2009.

WITHOUT PAYMENT: Mail return to:

Michigan Department of Treasury
P.O. Box 30783
Lansing, MI 48909

WITH PAYMENT: Pay amount on line 54 and mail check and return to:

Michigan Department of Treasury
P.O. Box 30113
Lansing, MI 48909

Make check payable to "State of Michigan." Print the FEIN or TR Number and "MBT" on the front of the check. Do not staple the check to the return.

Foreign and alien insurers complete lines 28 through 43. Domestic insurers complete line 28, then go to line 44.

28. Enter amount from line 27 28. 00

TAXES

- 29. State of incorporation tax..... 29.
- 30. Michigan Business Tax from line 28 30.

A State of Incorporation	B Michigan
29.	X X X X X X X X
30.	X X X X X X X X
31.	25
32.	X X X X X X X X
33.	X X X X X X X X
34.	X X X X X X X X
35.	X X X X X X X X
36.	
37.	X X X X X X X X
38.	
39.	
40.	
41.	
42.	

FEES AND ASSESSMENTS

- 31. Annual statement filing fee 31.
- 32. Certificate of Authority renewal fee..... 32.
- 33. Certificate of Compliance 33.
- 34. Certificate of Deposit 34.
- 35. Certificate of Valuation..... 35.
- 36. Enter total of other fees paid in the state of incorporation.
Attach a detailed schedule of fees..... 36.
- 37. Fire Marshall Tax 37.
- 38. Second Injury Fund 38.
- 39. Silicosis and Dust Disease Fund..... 39.
- 40. Safety Education and Training Fund 40.
- 41. Enter total of all other assessments.
Attach a detailed schedule of assessments 41.

TOTAL

42. Total Taxes, Fees and Assessments. Add lines 29 through 41..... 42.

43. Retaliatory Amount. Subtract line 42, column B, from column A. If less than zero, enter zero..... 43. 00

44. **Total Tax Liability.** Add lines 28 and 43. Domestic insurers, enter amount from line 28 44. 00

PAYMENTS, REFUNDABLE CREDITS AND TAX DUE

- 45. Credit forward from 12/31/2007 Single Business Tax Insurance Return, Form 1366, line 60 45. 00
- 46. Estimated tax payments 46. 00
- 47. Tax paid with request for extension 47. 00
- 48. Refundable Credits from Form 4596, line 5..... 48. 00
- 49. Total Payments. Add lines 45 through 48. (Then, if not amending, skip to line 51.) 49. 00

AMENDED RETURN ONLY

- a. Payment made with the original return 50a. 00
- b. Overpayment received on the original return 50b. 00
- c. Add lines 49 and 50a and subtract line 50b from the sum ...

- 50c. 00
- 51. **TAX DUE.** Subtract line 49 (or line 50c, if amending) from line 44. If less than zero, leave blank..... 51. 00
- 52. Underpaid estimate penalty and interest from Form 4582, line 38..... 52. 00
- 53. Annual return penalty % = 00 plus interest of 00. Enter total 53. 00
- 54. **PAYMENT DUE.** If line 51 is blank, go to line 55. Otherwise add lines 51 through 53..... 54. 00

OVERPAYMENT, REFUND OR CREDIT FORWARD

- 55. Overpayment. Subtract lines 44, 52 and 53 from line 49 (or line 50c, if amending). If less than zero, leave blank. (See instructions.)..... 55. 00
- 56. **CREDIT FORWARD.** Amount of overpayment on line 55 to be credited forward 56. 00
- 57. **REFUND.** Amount of overpayment on line 55 to be refunded..... 57. 00

<p>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.</p>		<p>Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</p>	
<p><input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.</p>		<p>Preparer's PTIN, FEIN or SSN</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
<p>Taxpayer Signature</p>		<p>Preparer's Business Name (print or type)</p>	
<p>Taxpayer Name (print or type) Date</p>		<p>Preparer's Business Address and Telephone Number (print or type)</p>	
<p>Title Telephone Number</p>			

Instructions for Form 4588

Insurance Company Annual Return for Michigan Business and Retaliatory Taxes

Purpose

To calculate the tax liability and to claim credits for Insurance Companies for both Michigan Business and Retaliatory Taxes.

Line-by-Line Instructions

Lines not listed are explained on the form.

Do not enter data in boxes filled with Xs.

Amended Returns: Check the box (upper-right corner, page 1) if this is an amended return, and attach a separate sheet explaining the reason for the changes. Include any supporting documents including an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document.

Country Code: If other than the United States, enter the country code. See the list of country codes on page 18.

Line 2: Use the taxpayer's Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) assigned number. Be sure to use the same account number on all forms. If the taxpayer does not have an FEIN or TR number, the taxpayer is encouraged to register online at www.michigan.gov/businessstaxes before filing this form. By registering online, an account number is usually assigned within seven days. The Department will notify the taxpayer when a TR number is assigned. Use that number on all future MBT filings and correspondence until the entity obtains its FEIN. If the taxpayer does not have the number by the time it files, leave this line blank.

Line 3: Check this box if company is a foreign insurer. Alien insurers are considered foreign insurers, unless their port of entry is Michigan, in which case the company is considered domestic for the filing of this return.

Line 5: Enter all gross direct premiums written on property or risk located or residing in Michigan.

Line 6: Enter premiums on policies not taken to the extent these premiums were included in line 5.

Line 7: Enter returned premiums on canceled policies to the extent these premiums were included in line 5.

Line 8: Enter receipts on sales of annuities to the extent these receipts were included in line 5.

Line 9: Enter receipts on reinsurance premiums assumed to the extent these receipts were included in line 5, and only if tax was paid on the original premiums.

CREDITS

Line 20: Enter the amounts paid to the listed facilities or associations from January 1, 2007, to December 31, 2007, the year immediately preceding the 2008 tax year, including special assessments. Net amounts paid and refunds received during the 2007 tax year for the same facility or association. If refunds received exceed the amount paid in the year for the same facility or association, enter zero.

Line 22a: Enter the amount of Michigan Examination Fees paid in 2008 (under Michigan Compiled Law (MCL) 500.224).

Line 24: Miscellaneous Nonrefundable Credits from *Michigan Business Tax Miscellaneous Credits for Insurance Companies* (Form 4596), line 33.

Retaliatory Instructions

For foreign and alien insurers only; domestic insurers skip lines 29 through 43.

Include with the return a copy of the state of incorporation tax form on which Michigan premiums were reported.

Do not mail this return with the Michigan Annual Financial Statement, and do not send the annual statement filing fee with this return. The taxpayer will be billed separately for the annual statement filing fee by the Michigan Insurance Bureau.

Foreign insurers must pay to Michigan the same type of obligation a similar Michigan insurer is required to pay in the company's state of domicile. Enter all items that are required of a Michigan insurance company. Some taxes and obligations imposed in other states may have no corresponding requirement in Michigan, however, this does not relieve the foreign insurer from the obligation of computing and paying the tax.

Do not include the following Michigan assessments, or comparable assessments in the company's state of incorporation, in the retaliatory calculation:

- Michigan Workers' Compensation Placement Facility
- Michigan Basic Property Insurance Association
- Michigan Automobile Insurance Placement Facility
- Property and Casualty Guaranty Association
- Michigan Life and Health Insurance Guaranty Association
- Catastrophic Claims Association.

California insurers must include Bureau of Fraudulent Claims assessments. New York domiciled companies must file and pay a tentative retaliatory tax to Michigan by the annual due date, March 1, 2009. An amended Form 4588 must be filed after the actual CT33 is filed with New York. Transfer the CT33 numbers onto the amended Form 4588 and attach a copy of the CT33 to substantiate the taxpayer's claim.

Line 29: Enter the tax a Michigan company would pay in the state of incorporation for the company's Michigan business. Attach a copy of the state's tax form on which Michigan premiums were reported.

Lines 30 through 42: In column A, "State of Incorporation," enter the payments that would have been payable by a similar Michigan company doing business in the company's home state. In column B, "Michigan," enter actual payments made to Michigan.

Lines 37 through 41: Attach proof of payment for any items listed in the "Michigan" column. Itemize any other assessments not listed. Attach a separate list if necessary.

Line 43: Subtract line 42, column B, from line 42, column A. This amount cannot be less than zero. If line 42, column B, is a negative number, add column A to the negative number in column B. This will increase the retaliatory amount reported.

PAYMENTS, REFUNDABLE CREDITS, AND TAX DUE

Line 46: Enter the total tax paid with the quarterly tax returns.

Line 47: Enter any tentative payment of estimated tax made with a request for more time to file the return.

Line 48: If claiming a credit, enter the amount from Form 4596, line 5.

Amended Returns Only:

Line 50a: Enter payment made with the original return.

Line 50b: Enter overpayment received on the original return.

Line 50c: Add lines 49 and 50a and subtract line 50b from the sum.

Line 52: If penalty and interest are owed for not filing estimated returns or for underestimating tax, complete the *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582) to compute penalty and interest due. If a taxpayer chooses not to file Form 4582, the Department will compute penalty and interest and bill for payment. (Form 4582 is available on the Web at www.michigan.gov/taxes.)

Line 53: See “Computing Penalty and Interest” on page 6.

Line 55: If the amount of the overpayment, less any penalty and interest due on lines 52 and 53 is less than zero, enter the difference (as a positive number) on line 54. If the amount is greater than zero, enter on line 55.

Reminder: Taxpayers must sign and date returns.

Attachments

The following forms and their requested attachments should be attached to this return, as applicable:

- *Michigan Historic Preservation Tax Credit* (Form 3581)
- *MBT Single Business Tax (SBT) Credit Carryforwards* (Form 4569)
- *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582)
- *MBT Election of Refund or Carryforward Credits* (Form 4584)
- *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587)
- *MBT Renaissance Zone Credit Schedule* (Form 4595)
- *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).

2008 MICHIGAN Business Tax Miscellaneous Credits for Insurance Companies

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number
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PART 1: REFUNDABLE CREDITS

Workers' Disability Supplemental Benefit (WDSB) Credit. If not claiming, skip to line 2.

1. WDSB Credit allowed by the Workers' Compensation Agency 1.

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MEGA Employment Tax Credit. If not claiming, skip to line 3.

2. Credit amount from *MEDC Annual Tax Credit Certificate* (attach) 2.

	00
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Brownfield Redevelopment Credit. If not claiming, skip to line 4.

3. Credit amount from Form 4584, line 40a (see instructions) 3.

	00
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Film Production Credit. If not claiming, skip to line 5.

4. Assigned credit amount (see instructions)..... 4.

	00
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5. **TOTAL REFUNDABLE CREDITS.** Add lines 1, 2, 3 and 4. Enter total here and carry to Form 4588, line 48.... 5.

	00
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PART 2: NONREFUNDABLE CREDITS

6. Single Business Tax credit carryforward from Form 4569, line 35. If not claiming, enter zero 6.

	00
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Compensation Credit. If not claiming, subtract line 6 from Form 4588, line 23 and enter on line 14. If less than zero, enter zero.

7. Michigan Compensation 7.

	00
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8. Compensation Credit. Multiply line 7 by 0.296% (0.00296) (For tax years ending in 2009, see instructions.) 8.

	00
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Reduced Compensation Credit

9. Tax before credits from Form 4569, line 34, or if line 6 above is zero, enter amount from Form 4588, line 23 9.

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10. WDSB Credit from line 1 above..... 10.

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11. Subtract line 10 from line 9. If less than zero, enter zero 11.

	00
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12. Multiply line 11 by 65% (0.65)..... 12.

	00
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13. **Allowable Compensation Credit.** Enter lesser of line 8 or line 12..... 13.

	00
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14. Tax after Compensation Credit. Subtract line 13 from line 9. If less than zero, enter zero..... 14.

	00
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Renaissance Zone Credit. If not claiming, carry amount from line 14 to line 16.
If claiming, complete and attach the Renaissance Zone Schedule Form 4595.

15. **Renaissance Zone Credit.** Amount from Form 4595, line 25b 15.

	00
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16. Tax After Renaissance Zone Credit. Subtract line 15 from line 14. If less than zero, enter zero 16.

	00
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FEIN or TR Number

Historic Preservation Credit. If not claiming, carry amount from line 16 to line 23.

17. Current Year Credit. Enter amount from Form 3581, line 9.....	17.		00
18. Unused credit from previous period MBT return.....	18.		00
19. Total Available Credit. Add lines 17 and 18	19.		00
20. Recapture of SBT and/or MBT Historic Preservation Credits.....	20.		00
21. Subtract line 20 from line 19. If less than zero, enter as a negative number.....	21.		00
22. Historic Preservation Credit. Enter the lesser of line 21 or line 16	22.		00
23. Tax after Historic Preservation Credit. Subtract line 22 from line 16. If line 22 is negative, add its positive value to line 16.....	23.		00
24. Credit carryforward. If line 21 is greater than line 16, enter the difference.....	24.	<input style="width: 80%; height: 20px;" type="text"/>	00

Brownfield Redevelopment Credit. If not claiming, carry amount from line 23 to line 26.

25. Brownfield Redevelopment Credit from Form 4584, line 42.....	25.		00
26. Tax After Brownfield Redevelopment Credit. Subtract line 25 from line 23. If less than zero, enter zero	26.		00

Film Infrastructure Credit. If not claiming, carry amount from line 26 to line 31.

27. Assigned credit amount.....	27.		00
28. Unused credit from previous period MBT return.....	28.		00
29. Total Available Credit. Add lines 27 and 28	29.		00
30. Film Infrastructure Credit. Enter the lesser of line 26 or 29	30.		00
31. Tax After Film Infrastructure Credit. Subtract line 30 from line 26. If less than zero, enter zero.....	31.		00
32. Credit carryforward. If line 29 is greater than line 26, enter the difference.....	32.	<input style="width: 80%; height: 20px;" type="text"/>	00
33. TOTAL NONREFUNDABLE CREDITS. Add lines 6, 13, 15, 22, 25, and 30. Enter total here and carry amount to Form 4588, line 24	33.	<input style="width: 80%; height: 20px;" type="text"/>	00

Instructions for Form 4596

Michigan Business Tax (MBT) Miscellaneous Credits for Insurance Companies

Purpose

To allow insurance companies to calculate certain miscellaneous credits. There are strict eligibility requirements, so review the descriptions carefully before claiming a credit. Follow the instructions on the form for each credit.

Line-by-Line Instructions

Lines not listed are explained on the form.

PART 1: REFUNDABLE CREDITS

Workers' Disability Supplemental Benefit (WDSB) Credit

The Workers' Disability Supplemental Benefit (WDSB) Credit is available to an insurance company subject to the Workers' Disability Compensation Act of 1969. The credit is equal to the amount paid during that tax year by the insurance company pursuant to Section 352 of the act, as certified by the director of the Workers' Compensation Agency, Department of Energy, Labor and Economic Growth (DELEG), during the tax year. The amount of the credit is provided to taxpayers by DELEG.

For more information on WDSB credit eligibility, contact DELEG, Workers' Compensation Agency at (517) 322-1879 or (888) 396-5041 or visit the DELEG Web site at www.michigan.gov/wca.

Line 1: Attach a copy of the document provided by DELEG to the back of the return packet to substantiate the claim for this credit.

MEGA Employment Tax Credit

The Michigan Economic Growth Authority (MEGA) Employment Tax Credit promotes economic growth and jobs in Michigan. For a period of time not to exceed 20 years, a taxpayer that is an authorized business or an eligible taxpayer may claim a credit equal to the amount certified each year by MEGA as follows:

- For an authorized business for the tax year, an amount not to exceed the payroll and health care benefits of the authorized business attributable to employees who perform qualified new jobs as determined under the MEGA Act, multiplied by the Michigan Individual Income Tax rate for that tax year. (The Michigan Individual Income Tax rate can be found at www.michigan.gov/taxes.)
- For an eligible business as determined under Section 8(5)(a) of the MEGA Act, an amount not to exceed 50 percent of the payroll of the authorized business attributable to employees who perform retained jobs as determined under the MEGA Act, multiplied by the Michigan Individual Income Tax rate for that tax year.
- For an eligible business as determined under Section 8(5)(b) of the MEGA Act, an amount not to exceed the payroll of the authorized business attributable to employees who perform retained jobs as determined under the MEGA Act, multiplied by Michigan Individual Income Tax rate for that tax year.

- For an authorized business as determined under Section 8(9) of the MEGA Act, an amount up to, but not to exceed 100 percent of, the sum of the payroll and health care benefits of the authorized business attributable to employees who perform retained jobs multiplied by a fraction, the numerator of which is the amount of new capital investment made at the facility and the denominator of which is the product of the number of retained jobs multiplied by \$100,000, and then multiplied by the Michigan Individual Income Tax rate for that tax year.

- For an authorized business as determined under Section 8(11) of the MEGA Act, an amount not to exceed 100 percent of the sum of the payroll and health care benefits of the authorized business attributable to employees who perform new full-time jobs and retained jobs as determined under the MEGA Act, multiplied by the Michigan Individual Income Tax rate for that tax year.

- For an authorized business that is a qualified high-technology business, for a period not to exceed seven years, as follows:
 - An amount not to exceed 200 percent of the sum of the payroll and health care benefits of the qualified high-technology business attributable to employees who perform qualified new jobs for the first three years of the credit, multiplied by the Michigan Individual Income Tax rate and,
 - An amount not to exceed 100 percent of the sum of the payroll and health care benefits of the qualified high-technology business attributable to employees who perform qualified new jobs for the remaining tax years, multiplied by the Michigan Individual Income Tax rate for that tax year.

Tax rate means the rate imposed under Section 51 of the Income Tax Act of 1967, Public Act (PA) 281 of 1967, MCL 206.51, for the tax year for which the credit is being computed begins.

NOTE: MEGA may certify a credit based on an agreement entered into prior to January 1, 2008, under the Single Business Tax (SBT). The number of years for which the credit may be claimed will be equal to the maximum number of years designated in the resolution reduced by the number of years for which a credit has been claimed or could have been claimed under SBT.

NOTE: A taxpayer that claimed a credit under either SBT or MBT that had an agreement with MEGA based on qualified new jobs as defined in the MEGA Act, and that removes 51 percent or more of those qualified new jobs from Michigan within three years after the first year in which the taxpayer claimed a credit must pay an amount equal to the total of all credits claimed no later than 12 months after those qualified new jobs are removed from Michigan. Recapture is reported on the *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587).

For more information, call the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit the MEDC Web site at michiganadvantage.org/MIAdvantage/Taxes-and-Incentives.

Line 2: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Brownfield Redevelopment Credit

The Brownfield Redevelopment Credit encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial, public, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted.

Prior to April 8, 2008, the credit amount and any unused carryforward of the credit that exceeded the tax liability for the tax year was not refunded but could be carried forward to offset tax liability in subsequent tax years for ten years or until used up, whichever occurs first. Beginning on and after April 8, 2008, if this credit for the tax year exceeds the qualified taxpayer's tax liability for that tax year, the qualified taxpayer can elect to have the excess refunded at the rate of 85 percent of the excess for the tax year and forgo the remaining 15 percent of the credit and any carryforward.

Complete the *MBT Election of Refund or Carryforward of Credits* (Form 4584) to claim this credit and elect a refund or carryforward of the resulting overpayment.

The administration of the Brownfield Redevelopment Credit program is assigned to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at michiganadvantage.org/MIAdvantage/Taxes-and-Incentives.

Line 3: A taxpayer claiming a refundable Brownfield Redevelopment Credit on line 3 should complete Form 4596 in the following order:

- 1) Skip lines 3 and 5. Complete lines 4 and 6 through 24.
- 2) After calculating line 24, complete Form 4584 to calculate the refundable Brownfield Redevelopment Credit amount.
- 3) On Form 4596, line 3, enter the credit amount from Form 4584, line 40a.
- 4) Complete line 5 and remaining lines 25 through 33, as applicable.

Film Production Credit

This credit is available to an insurance company as an assignee only.

The Michigan Film Office, with the concurrence of the State Treasurer, may enter into an agreement with an eligible production company providing the company with a refundable credit against MBT tax liability or against taxes withheld under Chapter 7 of the Michigan Individual Income Tax Act.

The credit is equal to:

- 42 percent of direct production expenditures for a State-certified qualified production in a core community in Michigan,

- 40 percent of direct production expenditures for a State-certified qualified production in part of Michigan other than a core community, and
- 30 percent for qualified personnel expenditures.

A Post-Production Certificate will be issued verifying the amount of the credit to be claimed once the Film Office is satisfied that company expenditures and eligibility are adequately met.

The credit may be assigned in the tax year in which the Post-Production Certificate is received but such assignment is irrevocable.

For more information, contact the Michigan Film Office at (800) 477-3456 or visit the Web site at www.michigan.gov/filmoffice.

Line 4: To claim this credit, attach a copy of the *MBT Film Credit Assignment* (Form 4589) to the return.

PART 2: NONREFUNDABLE CREDITS

SBT Credit Carryforward

With the exception of the Historic Preservation Credit and the Brownfield Redevelopment Credit, any unused SBT credit carryforward can be applied to MBT tax years ending in 2008 and 2009. Any unused SBT credit carryforward remaining after 2009 is lost. This carryforward provision applies to any unused SBT credit even if the SBT credit was not retained under MBT.

The Historic Preservation Credit and Brownfield Redevelopment Credit carryforwards from SBT may be claimed against MBT tax liability for the remaining years the carryforward would have been available under the SBT Act.

Line 6: Enter SBT credit carryforward from line 35 of the *MBT Single Business Tax Credit Carryforwards* (Form 4569). If not claiming, enter zero.

Compensation Credit

An insurance company may claim a credit equal to a percentage of compensation in Michigan, not to exceed 65 percent of the insurance company's tax liability for the tax year after claiming the other credits allowed under Chapter 2A of the MBT Act.

Line 7: Compensation payments made in the tax year on behalf of or for the benefit of employees, officers, or directors is defined in Michigan Compiled Law (MCL) 208.1107(2). Generally, under this definition, *compensation* includes, but is not limited to, payments that are subject to or specifically exempt or excepted from withholding under Internal Revenue Code (IRC) 3401 through 3406.

Compensation also includes fringe benefits and any earnings that are net earnings from self-employment, as defined under IRC 402, of the taxpayer or partner or LLC member of the taxpayer. Wages, salaries, fees, bonuses, commissions, and other payments made in the tax year on behalf of or for the benefit of employees, officers, or directors as well as self-employment earnings must be reported on a cash basis.

Compensation includes expenses such as payroll taxes (exclusive of payments for state and federal unemployment compensation and federal insurance contributions) and all other fringe benefits made for the benefit of employees. Payments

made to a pension plan, retirement or profit sharing plan, employee insurance plans, and payments under health and welfare benefit plans as well as the administration fees paid for the administration of the health and welfare benefit plan are compensation. Compensation also includes certain payments made by licensed taxpayers that are statutorily identified. These compensation payments are calculated on a cash or accrual basis consistent with the taxpayer's method of accounting for Federal Income Taxes. The statute provides for certain exclusions from compensation including employee discounts on merchandise and services purchased as well as payments made to independent contractors.

Expense incurred for the benefit of the taxpayer rather than for the benefit of employees of the taxpayer is not compensation. Noncompensation expenses might include payments reported on a Form 1099 to an employee for the rental of a building or for interest income.

This credit is calculated against the taxpayer's Michigan compensation.

Line 8: For tax years ending in 2009, multiply line 7 by 0.37 percent (0.0037).

Renaissance Zone Credit

The Renaissance Zone Credit encourages businesses and individuals to move into a designated Zone to help revitalize the area by providing a credit for businesses located and conducting business activity within the Zone.

Line 15: Complete and attach the *MBT Renaissance Zone Credit Schedule* (Form 4595) to claim this credit.

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

Historic Preservation Credit

The Historic Preservation Credit provides tax incentives for homeowners, commercial property owners, and businesses to rehabilitate historic resources located in Michigan. Rehabilitation projects must be certified by the State Historic Preservation Office (SHPO), Michigan Historical Center.

The credit must be claimed in the year that the certification of completed rehabilitation of the historic resource was issued. For projects for which a preapproval letter was issued prior to January 1, 2009, the certification of completed rehabilitation must have been issued within five years after the rehabilitation plan was certified by the Michigan Historical Center.

For projects for which a preapproval letter was issued after December 31, 2008, only those expenditures that are paid or incurred during the time periods prescribed for the credit under IRC 47(a)(2) and any related U.S. Treasury regulations will be considered qualified expenditures.

Preapproval letter means a letter issued by the director of the Department of History, Arts, and Libraries or his or her designee that indicates the date that the complete Historic Preservation Certification Application, Part 2, Description

of Rehabilitation, was received and the amount of the credit allocated to the project based on the estimated rehabilitation cost included in the application.

A qualified taxpayer that has a rehabilitation plan certified before January 1, 2008, under SBT for the rehabilitation of an historic resource for which a certification of completed rehabilitation has been issued after the end of the taxpayer's last tax year under SBT may also claim a credit.

The credit is equal to 25 percent of qualified expenditures. For taxpayers eligible for the federal credit under IRC 47(a)(2), the Michigan credit is 25 percent of the qualified expenditures less the amount of the federal credit claimed.

Qualified expenditures are capital expenditures that would qualify under IRC 47(a)(2) except that the expenditures were made for a nonqualifying historic resource under the IRC. A taxpayer with qualified expenditures eligible for the federal credit must claim and receive the federal credit to qualify for the Michigan credit.

If a qualified taxpayer is a Partnership, LLC, or S Corporation, the qualified taxpayer may assign all or any portion of a credit to its partners, members, or shareholders, based on the partner's, member's, or shareholder's proportionate share of ownership or based on an alternative method approved by the Department. A credit assignment is irrevocable and must be made in the tax year in which a Certificate of Completed Rehabilitation is issued. A credit amount assigned may be claimed against the partner's, member's, or shareholder's tax liability under the MBT Act or under the Income Tax Act of 1967.

If the credit exceeds the taxpayer's tax liability, the balance of the credit may be carried forward up to ten years. An unused carryforward of a credit generated under SBT may be claimed against the tax imposed by MBT for the years the carryforward would have been available under SBT (maximum ten years). This carryforward is claimed on Form 4569.

Michigan Historic Preservation Tax Credit (Form 3581) must be attached as well as all attachments to Form 3581. Complete and attach the *Michigan Historic Preservation Tax Credit Assignment* (Form 3614) if the credit is being assigned.

Questions regarding federal and state certification may be directed to the SHPO at (517) 373-1630. For additional information, visit the SHPO Web site at www.michigan.gov/shpo. Information about Federal Historic Preservation Tax Incentives is available at www2.cr.nps.gov.

Line 20: RECAPTURE. If the resource is sold or the certification of completed rehabilitation is revoked less than five years after the credit is claimed under either SBT or MBT, a percentage of the credit will be subject to recapture. If the credit has been assigned, the recapture is the responsibility of the assignor. The following percentages apply to the years subsequent to the year in which the credit was claimed.

100 percent	If less than 1 year
80 percent	If at least 1 year, but less than 2 years
60 percent	If at least 2 years, but less than 3 years
40 percent	If at least 3 years, but less than 4 years
20 percent	If at least 4 years, but less than 5 years

Line 24: If line 21 is greater than line 16, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

Brownfield Redevelopment Credit

The Brownfield Redevelopment Credit encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial, public, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted.

Line 25: Complete the *MBT Election of Refund or Carryforward of Credits* (Form 4584) to claim this credit and elect a refund or carryforward of the resulting overpayment.

The administration of the Brownfield Redevelopment Credit program is assigned to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

Film Infrastructure Credit

This credit is available to an insurance company as an assignee only.

An eligible taxpayer may claim a credit for investment in a qualified film and digital media infrastructure project equal to 25 percent of the base investment expenditures for the project, provided the taxpayer enters into an agreement with the Michigan Film Office by September 30, 2015. If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years.

No claim for a credit may be filed until at least 25 percent of the base investment in the project has been expended. Once the Film Office finds the taxpayer has complied with the agreement terms and is satisfied that investment expenditures and eligibility are adequately met, the Film Office will issue a Investment Expenditure Certificate stating the amount of the credit.

The credit may be assigned in the tax year in which the Investment Expenditure Certificate is received but such assignment is irrevocable. To claim this credit, attach a copy of Form 4589 to the return.

For more information, contact the Michigan Film Office at (800) 477-3456 or visit the Web site at www.michigan.gov/filmoffice.

Line 32: If line 29 is greater than line 26, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

Attach this schedule to the return.

Revenue Administrative Bulletins

- 2008-5** Interest Rate
- 2008-4** Michigan Business Tax Nexus Standards
- 2007-6** Michigan Business Tax - "Actively Solicits" Defined
- 2005-3** Penalty Provisions
- 1996-4** Credit or Refund of Overpayment of Taxes or Credits in Excess of Tax Due and Applicable Interest
- 1994-1** Challenge of Assessment, Decision or Order Limited by Statute
- 1989-38** Officer Liability

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

File with confidence. E-file.

⚡ **It's Accurate.** E-filed returns have much less chance of error compared to paper returns. The computer program checks for math errors before the return is accepted, and new explanations pinpoint the location of any errors in the return.

⚡ **It's Fast.** E-filed returns are processed much faster than paper returns. Paper-filed returns take considerably longer to process.

⚡ **It's Convenient.** Prepare and submit your Michigan Business Tax (MBT) return electronically using software approved by the Michigan Department of Treasury, and receive electronic proof from both the Internal Revenue Service (IRS) and State of Michigan that your returns were accepted.

⚡ **It's Secure.** Only preparers and their clients see the returns. Confidential information is protected by Secure Socket Layer (SSL) 128-bit encryption.



www.MIfastfile.org

E-file Software Companies

The following companies have indicated their commitment to develop software for MBT e-file. They may need to be contacted to determine when their software will be available. Additional company contact information is available on Treasury's Web site at www.michigan.gov/taxes.

1040 Works

www.1040works.com

CCH Small Firms Services - ATX

www.atxinc.com

CCH Small Firms Services - TaxWise

www.taxwise.com

CCH, a Wolters Kluwer Business

www.CCHGroup.com

CORPTAX, LLC

www.corptax.com

Data Technology Group

www.taxdimensions.com

Drake Enterprises

www.drakesoftware.com

Express Tax

www.expresstaxservice.com

Greatland

www.greattaxpro.com

Lacerte

www.lacertesoftware.com

Lamson Tech

www.lamsontech.com

Pro Series

www.proseries.com

Rhodes Computer Services

www.taxslayerpro.com

Tax Technologies, Inc.

www.taxtechnologies.com

TAX\$IMPLE, INC.

www.taxsimple.us

Taxsation Inc.

www.taxsation.com

TaxVision

www.ntslinks.net

TaxWorks, Inc.

www.taxworks.com

Thomson Reuters Tax & Accounting

www.es.thomsonreuters.com

www.Onesource.ThomsonReuters.com

www.cs.thomsonreuters.com

Vertex, Inc.

www.vertexinc.com

Treasury and the State of Michigan do not endorse or warrant these companies or their products or services. The decision to use or not to use any of these products and services will not result in any special treatment from Treasury.

Unclaimed Property Reporting for Businesses

Michigan's Uniform Unclaimed Property Act (Public Act (PA) 29 of 1995) requires holders of unclaimed property to report and remit property belonging to owners who cannot be located or for whom there is no known address. Every business that has uncashed checks (payroll, vendor, dividends, etc.) must file a report and turn the funds over to the Michigan Department of Treasury, Unclaimed Property Division. Unclaimed property could also include cash, deposits, interest, stocks,* or contents from safe deposit boxes.

Section 31 (2) of PA 29 gives the State Treasurer the authority to conduct unclaimed property examinations to determine compliance with the act.

WHO MUST REPORT

Every Individual, Partnership, or Corporation who has unclaimed property belonging to someone whose last known address is in Michigan must report. If the owner's last known address is in another state or country and the holder does not report under the provisions of that state or country, then report those interests to Michigan.

DORMANCY PERIODS

Generally, property in your custody that belongs to someone else and has gone unclaimed for five years must be reported. However, dormancy periods will vary based on the type of property. Visit Treasury's Web site at www.michigan.gov/unclaimedproperty for more detailed information about dormancy periods.

*A 2004 law change reduced the dormancy period for reporting stock and dividends from seven to three years.

REPORTING DUE DATE

Holder reports are due by November 1 each year and must contain all items considered unclaimed as of June 30. Enclose payment with the report to cover the amount reported. If you have unclaimed property and fail to pay or deliver it timely to the State of Michigan, you may be liable for interest at the current monthly rate of one percentage point above the adjusted prime rate on the value of the property. Civil penalties may also apply for not filing.

CLAIMING FUNDS

To check if funds are being held for you, your family, or your business entity, visit Treasury's Web site at www.michigan.gov/unclaimedproperty.

FOR MORE INFORMATION



Visit www.michigan.gov/unclaimedproperty



Call the Unclaimed Property Division at 517-636-5320



Write to: Unclaimed Property Division
Michigan Department of Treasury
P.O. Box 30756
Lansing, MI 48909