

2008 MICHIGAN Adjustment of Capital Gains and Losses MI-1040D

Issued under authority of Public Act 281 of 1967.

Attach to Form MI-1040. Round all money items to whole dollars. Type or print in blue or black ink.

Print numbers like this: 0123456789 - NOT like this: 0 1 4 7

Attachment 15

Filer's First Name	M.I.	Last Name	Filer's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; height: 20px; width: 100%; text-align: center;">— —</div>
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; height: 20px; width: 100%; text-align: center;">— —</div>

PART 1: SHORT-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD 1 YEAR OR LESS

A Description of Property (Example, 100 shares of "Z" Co.)	B Date Acquired (MM-DD-YYYY)	C Date Sold (MM-DD-YYYY)	D Federal Gain (Loss) from column f of U.S. <i>Schedule D</i>	E Gain (Loss) from column D subject to Michigan income tax
1.				
2. Enter your short-term totals, if any, from page 2, line 17			2.	
3. Short-term gain from U.S. Form 6252, and short-term gain (loss) from U.S. Forms 4684, 6781 and 8824.....			3.	
4. Net short-term gain (loss) from partnerships, S corporations and fiduciaries from Schedule(s) K-1			4.	
5. Short-term capital loss carryover from 2007.....			5. () ()	
6. Net short-term gain (loss), combine lines 1 through 5.....			6.	

PART 2: LONG-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD MORE THAN 1 YEAR

7.				
8. Enter your long-term totals, if any, from page 2, line 19.....			8.	
9. Gain from U.S. Form 4797; long-term gain from U.S. Forms 2439 and 6252; and long-term gain (loss) from U.S. Forms 4684, 6781 and 8824			9.	
10. Net long-term gain (loss) from partnerships, S corporations and fiduciaries from Schedule(s) K-1			10.	
11. Capital gain distributions			11.	
12. Long-term capital loss carryover from 2007			12. () ()	
13. Combine lines 7 through 12.....			13.	

PART 3: SUMMARY OF SHORT- AND LONG-TERM GAINS AND LOSSES

14. Combine lines 6 and 13 of column D, and enter on line 14, column Y. Combine lines 6 and 13 of column E, and enter on line 14, column Z. **GAIN.** If line 14 is a gain, carry the gain amount in column Y to Michigan Schedule 1, line 10, and carry the gain amount in column Z to Michigan Schedule 1, line 3. Nonresidents and part-year residents, see instructions for Schedule NR, line 8..... 14.
15. **LOSS.** If line 14 shows a loss, enter in each column the smaller of (a) The loss on line 14; or (b) \$3,000 (if married filing separately, \$1,500). Carry the loss amount in column Y to Michigan Schedule 1, line 5. Carry the loss amount in column Z to Michigan Schedule 1, line 20. Nonresidents and part-year residents, see instructions for Schedule NR, line 8 ... 15.

Col. Y - Federal	Col. Z - Mich.

Filer's Social Security Number — —

PART 4: SHORT-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD 1 YEAR OR LESS (continuation of Part 1)

A Description of Property (Example, 100 shares of "Z" Co.)	B Date Acquired (MM-DD-YYYY)	C Date Sold (MM-DD-YYYY)	D Federal Gain (Loss) from column f of U.S. <i>Schedule D</i>	E Gain (Loss) from column D subject to Michigan income tax
16.				
17. Line 16 short-term totals. Add column D (federal), and column E (Michigan). Enter here and on line 2			17.	

PART 5: LONG-TERM CAPITAL GAINS AND LOSSES - ASSETS HELD MORE THAN 1 YEAR (continuation of Part 2)

18.				
19. Line 18 long-term totals. Add column D (federal), and column E (Michigan). Enter here and on line 8			19.	

PART 6: COMPUTATION OF CAPITAL LOSS CARRYOVERS FROM 2008 TO 2009

		Col. Y - Federal	Col. Z - Mich.
20. Enter the amount from U.S. Form 1040, line 41, in both columns. If the amount is a loss, enclose in parentheses.....	20.		
21. Enter the loss from line 15 as a positive amount.....	21.		
22. Combine lines 20 and 21. If zero or less, enter "0".....	22.		
23. Enter the smaller of line 21 or line 22.....	23.		

NOTE: If line 6, columns D and E, or line 13 are losses, go to line 24; otherwise, skip lines 24 through 28.

24. Enter the loss from line 6, columns D and E, as a positive amount	24.		
25. Enter the gain, if any, shown on line 13, columns D and E	25.		
26. Enter the amount shown on line 23.....	26.		
27. Add lines 25 and 26.....	27.		
28. Short-term capital loss carryover to 2009. Subtract line 27 from line 24. If zero or less, enter "0".....	28.		

NOTE: If line 13, columns D or E, or line 15 are losses, go to line 29; otherwise, skip lines 29 through 35.

29. Enter the loss from line 13, columns D and E, as a positive amount	29.		
30. Enter the gain, if any, from line 6, columns D and E.....	30.		
31. Enter the amount from line 23	31.		
32. Enter the amount, if any, from line 24.....	32.		
33. Subtract line 32 from line 31. If zero or less, enter "0".....	33.		
34. Add lines 30 and 33.....	34.		
35. Long-term capital loss carryover to 2009. Subtract line 34 from line 29. If zero or less, enter "0".....	35.		

Instructions for Completing Form MI-1040D

When to File

Use this form to adjust your Michigan taxable income if you have capital gains or losses attributable to:

- Periods before October 1, 1967 (Section 271 adjustment). If you file U.S. Form *1040D* or *4797* and you elect to adjust under Section 271 of the Michigan Income Tax Act, you must file the equivalent Michigan forms (MI-1040D or MI-4797). You must include all items of gain or loss realized during the tax year.
- Gains or losses from the sale or exchange of U.S. obligations that cannot be taxed by Michigan.
- Gains or losses from sale of certain types of properties located in other states and/or subject to the allocation and apportionment provisions.

Form MI-1040D must be attached to your Michigan income tax return (MI-1040).

General Information

Michigan Form MI-1040D follows the U.S. Form *1040D* and all the information necessary for completing it should be taken from your U.S. Form *1040D*.

Form MI-1040D computations must be carried to Michigan Schedule 1. **Both** forms (MI-1040D and Michigan Schedule 1) must be attached to your Form MI-1040.

Rounding Off

Show money items as whole dollar amounts. Round down amounts less than 50 cents. Round up amounts of 50 through 99 cents.

Identification

Be sure to enter your name(s) and Social Security number(s) at the top of the form.

Parts 1 and 2

Federal Information

Complete columns A, B, C, and D from corresponding columns a, b, c and f on your U.S. *Schedule D*. If you need more space for items listed on line 1, continue on page 2, Part 4. Line 8 continues on page 2, Part 5.

Michigan Gain or Loss

Enter the portion of federal gain and loss subject to Michigan income tax in column E.

Section 271. To apportion under Section 271, multiply the gain or loss in column E by the number of months the property was held after September 30, 1967. Divide the result by the total number of months held. Enter the result in column E. For the purpose of this computation, the first month is excluded if acquisition took place after the 15th, and the last month is excluded if disposal took place on or before the 15th.

Gain from installment sales made before October 1, 1967, must show the federal gain in column D and zero in column E. Gains

from installment sales made after October 1, 1967, are subject to Michigan tax but may be apportioned under Section 271.

Distributions from employee's pension, bonus or profit-sharing trust plans that are considered to be long-term capital gains (under Section 402 of the Internal Revenue Code) and capital gains distributions are not eligible for Section 271 treatment.

Sale of Property. Enter the total gain in the federal column. Enter in the Michigan column the gain or loss from the sale or exchange of:

- Real property located in Michigan, or
- Tangible personal property located in Michigan at the time of the sale or owned by a Michigan resident and not subject to tax in the state where the property is located, or
- Intangible personal property sold by a Michigan resident, or
- Business property apportioned to Michigan on Form MI-1040H.

U.S. Obligations. Gains from the sale of some U.S. obligations are not subject to tax and losses are not deductible. Enter a zero in the Michigan column for gains or losses realized from the sale of these non-taxable U.S. obligations.

Note: Any interest expense and other expenses incurred in the production of income from U.S. obligations should be offset against dividend and interest income from U.S. obligations on the MI-1040 return. See the instructions for Michigan Schedule 1, line 8, in the MI-1040 instruction booklet.

Out-of-State Property. Gains from the sale of property located in another state are not subject to tax and losses are not deductible.

Part 3

Follow the instructions on Form MI-1040D to exclude portions of capital gains or losses that cannot be taxed by Michigan.

Note: When figuring which negative number is smaller, treat both numbers as if they were positive and enter the number as a positive number on line 15 and on Michigan Schedule 1.

Part 4

Part 4 is a continuation of short-term capital gains and losses listed on line 1. Attach additional sheets if more space is needed. Enter on line 2, totals from line 17 and any additional sheets.

Part 5

Part 5 is a continuation of long-term capital gains and losses listed on line 8. Attach additional sheets if more space is needed. Enter on line 9, totals from line 19 and any additional sheets.

Part 6

Part 6 is similar to the *Capital Loss Carryover Worksheet* from the U.S. Form *1040D* instructions. Follow the instructions on the MI-1040D. Enter federal figures in column Y and Michigan figures in column Z. On line 20, column Z, enter the same figure you entered in column Y.