

# 2022 MICHIGAN Adjustments of Capital Gains and Losses MI-1040D

Issued under authority of Public Act 281 of 1967, as amended.

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

**Attachment 15**

Filer's First Name	M.I.	Last Name	Filer's Full Social Security No. (Example: 123-45-6789)
_____	_____	_____	_____
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Full Social Security No. (Example: 123-45-6789)
_____	_____	_____	_____

## PART 1: SHORT-TERM CAPITAL GAINS AND LOSSES (ASSETS HELD ONE YEAR OR LESS)

1. Combine short-term totals from MI-8949, line 2 and U.S. Form 1040 Schedule D, line 1a, column h.....

	D Federal Gain (Loss)	E Michigan Gain (Loss)
1.		

2. Short-term gain from U.S. Form 6252, and short-term gain (loss) from U.S. Forms 4684, 6781 and 8824.....

	Federal Gain (Loss) from Column h of U.S. Schedule D	Gain (Loss) from Column D Subject to Michigan Income Tax
2.		

3. Net short-term gain (loss) from partnerships, S corporations and fiduciaries from Schedule K-1(s).....

3.		
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4. Short-term capital loss carryover from 2021.....

4.	( )	( )
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5. Net short-term gain (loss), combine lines 1 through 4.....

5.		
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## PART 2: LONG-TERM CAPITAL GAINS AND LOSSES (ASSETS HELD MORE THAN ONE YEAR)

6. Combine long-term totals from MI-8949, line 4 and U.S. Form 1040 Schedule D, line 8a, column h.....

	D Federal Gain (Loss)	E Michigan Gain (Loss)
6.		

7. 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...

	Federal Gain (Loss) from Column h of U.S. Schedule D	Gain (Loss) from Column D Subject to Michigan Income Tax
7.		

8. Net long-term gain (loss) from partnerships, S corporations and fiduciaries from Schedule K-1(s).....

8.		
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9. Capital gain distributions .....

9.		
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10. Long-term capital loss carryover from 2021 .....

10.	( )	( )
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11. Net long-term gain (loss), combine lines 6 through 10 .....

11.		
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## PART 3: SUMMARY OF SHORT- AND LONG-TERM GAINS AND LOSSES

12. Combine lines 5 and 11 of column D, and enter on line 12, column F. Combine lines 5 and 11 of column E, and enter on line 12, column G. **GAIN.** If line 12 is a gain, carry the gain amount in column F to Schedule 1, line 12, and carry the gain amount in column G to Schedule 1, line 3. Nonresidents and part-year residents, see instructions for Schedule NR, line 8 .....

13. **LOSS.** If line 12 shows a loss, enter in each column the smaller of (a) The loss on line 12; or (b) \$3,000 (if married filing separately, \$1,500). Carry loss amount in column F to Schedule 1, line 5, as a positive amount. Carry loss amount in column G to Schedule 1, line 22, as a positive amount. Nonresidents and part-year residents, see instructions for Schedule NR, line 8.....

	Col. F - Federal	Col. G - Mich.
12.		
13.	( )	( )

Filer's Full Social Security Number

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**PART 4: COMPUTATION OF CAPITAL LOSS CARRYOVERS FROM 2022 TO 2023**

		Col. F - Federal	Col. G - Mich.
14. Enter amount from U.S. Form 1040, line 11 .....	14.		
15. Enter amount from U.S. Form 1040, line 14.....	15.		
16. Taxable income (see instructions) .....	16.		
17. Enter the loss from line 13 as a positive amount.....	17.		
18. Combine lines 16 and 17. If less than zero, enter "0".....	18.		
19. Enter the smaller of line 17 or line 18.....	19.		

**NOTE:** If line 5 and line 13 are losses, go to line 20; otherwise, skip lines 20 through 24.

20. Enter the loss from line 5, columns D and E, as a positive amount .....	20.		
21. Enter the gain, if any, shown on line 11, columns D and E.....	21.		
22. Enter the amount shown on line 19.....	22.		
23. Add lines 21 and 22.....	23.		
24. <b>Short-term capital loss carryover to 2023.</b> Subtract line 23 from line 20. If less than zero, enter "0".....	24.		

**NOTE:** If line 11 and line 13 are losses, go to line 25; otherwise, skip lines 25 through 31.

25. Enter the loss from line 11, columns D and E, as a positive amount.....	25.		
26. Enter the gain, if any, from line 5, columns D and E.....	26.		
27. Enter the amount from line 19.....	27.		
28. Enter the amount, if any, from line 20.....	28.		
29. Subtract line 28 from line 27. If less than zero, enter "0".....	29.		
30. Add lines 26 and 29.....	30.		
31. <b>Long-term capital loss carryover to 2023.</b> Subtract line 30 from line 25. If less than zero, enter "0".....	31.		

# Instructions for Completing Form MI-1040D

## When to File

**NOTE:** Only use this form to adjust your Michigan taxable income if you have capital gains or losses attributable to one of the following:

- Gains or losses from the sale of certain types of properties located in other states and/or subject to Michigan's allocation provisions. Gains or losses subject to Michigan's apportionment provisions, refer to the MI-1040H.
- Periods before October 1, 1967 (Section 271 adjustment). If you file U.S. Form *1040 Schedule D* or *Form 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; or
- Gains or losses from the sale or exchange of U.S. obligations that cannot be taxed by Michigan.

## General Information

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

Form MI-1040D computations must be carried to Schedule 1 or Schedule NR as applicable. These forms must be included with your Form MI-1040.

Nonresidents and part-year residents, that are allocating capital gains or losses, see instructions for Schedule NR, line 8.

Michigan business income (loss) includes the distributive share of income (loss) from a flow-through entity, including net short-term and long-term capital gain (loss). Michigan business income subject to apportionment is to be reported on the MI-1040H or included on Form MI-461 (if applicable), do not use this form to apportion those gains or losses.

## Rounding Dollar Amounts

Show money items as whole dollar amounts. Round down amounts less than 50 cents. Round up amounts of 50 through 99 cents. Do not enter cents.

## Identification

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

## Parts 1 and 2

*Lines not listed are explained on the form.*

## Federal Information

**Line 1.** The amount entered on this line includes a combined total from both the MI-8949, line 2 and U.S. Form *1040 Schedule D*, line 1a, column h.

For lines 2, 3, 4, 7, 8, 9 and 10, column D, enter the amounts from U.S. Form *1040 Schedule D*, for the corresponding line numbers listed below:

Corresponding lines on MI-1040D and U.S. Schedule D							
MI-1040D	2	3	4	7	8	9	10
U.S. Schedule D	4	5	6	11	12	13	14

**Line 6.** The amount entered on this line includes a combined total from both the MI-8949, line 4 and U.S. Form *1040 Schedule D*, line 8a, column h.

## Michigan Information

Enter the portion of federal gain and loss subject to Michigan income tax on lines 2, 3, 4, 7, 8, 9 and 10, column E.

## Section 271 of the Michigan Income Tax Act

To apportion under Section 271, multiply the gain or loss in column D 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.

Gains from installment sales made before October 1, 1967, must show 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.

Gains or losses from the sale of property before October 1, 1967 that have a federal excess business loss limitation must make the adjustment on this form.

## 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. Enter the number on line 13 as a positive amount on Schedule 1.

## Part 4

Part 4 is similar to the Capital Loss Carryover Worksheet from the U.S. *Schedule D* instructions. Follow the instructions on the MI-1040D. Enter federal figures in column F and Michigan figures in column G.

**Line 16:** In column F enter the result of subtracting line 15 from line 14. In column G enter the result of subtracting MI-1040, line 13 from MI-1040, line 12. If either amount is a loss, enter as a negative.