

Form 5774 Instructions (2022)

Purpose

This form is a supporting schedule used to report member information for a flow-through entity filing the *Flow-through Entity Tax Annual Return* (Form 5772). All taxpayers **must** complete this schedule and submit with their return.

NOTE: To avoid data loss upon saving and submission, **do not** include punctuation in the names of members when completing necessary return schedules. For example, enter the member name “John W. Doe” as “John W Doe”; Enter the non-electing flow-through entity member name “ABC INC.” as “ABC INC”.

General Instructions

Part 1 of this form should be completed for only direct members of the filer. Part 2 of this form must be completed for direct and/or, if known, indirect members. Use the information reported on the filer’s *Flow-through Entity Tax Annual Return* (Form 5772) to complete this schedule.

Part 1: Corporations, Insurance Companies, and Financial Institutions

Name and FEIN: Identify each direct member of the filer that is a corporation, insurance company, or financial institution, as those terms are defined under Part 2 of the Michigan Income Tax Act (the CIT). Do not include in this column any indirect members of the filer.

Share of Income: Report each member’s share of the total business income tax base of the filer before apportionment. For filers that do not have income from non-electing entities reported on Form 5773, the amounts reported in this column is based on each member’s allocated share of the business income tax base, the amount reported on line 21. For filers that have income from non-electing entities reported on Form 5773, add the amount reported Form 5772, line 21 to the total amount reported in Form 5773, Column H, and then allocate that combined amount to each member.

Michigan Share of Income: Report the Michigan Share of Income by entering each member’s allocated share of the total business income tax base reported on Form 5772, Line 24. The sum of the amounts reported in this column must equal the Tax Base Adjustment reported on Form 5772, Line 25.

Part 2: Individuals, Fiduciaries, and Other Flow-through Entities

If indirect members are known, identify them and their respective shares of income and credits in lieu of listing

the direct member through which the indirect members own the filer.

Name of Business or Individual and FEIN/SSN: Identify each member of the filer that is an individual, fiduciary, or another flow-through entity.

Share of Income: Report the total share of income allocated to members that are individuals, fiduciaries, and other flow-through entities. For filers that do not have income from non-electing entities on Form 5773, this amount is based on each member’s allocable share of the business income tax base, the amount reported on line 21. For filers that have income from non-electing entities reported on Form 5773, add the amount reported Form 5772, line 21 to the total amount reported in Form 5773, Column H, and then allocate that combined amount to each member.

Michigan Share of Income: Report the Michigan Share of Income by entering each member’s allocated share of the income subject to tax reported on Form 5772, Line 26.

Share of Flow-Through Entity Tax Eligible for Credit: Report each member’s share of flow-through entity tax eligible for the credit. The total amount from all members in this column must equal the total tax liability reported on Line 27 of Form 5772. **Do not include on this line credit that will be allocated to any member for flow-through entity taxes paid by another flow-through entity.**

Note: The amount reported on this line may not be equal to the credit that must be reported by the filer to each member for that tax year. For purposes of the flow-through entity tax credit eligible to be claimed by members, **only taxes paid by the 15th day of the third month after the tax year may be claimed for a credit in the member’s tax year. Amounts paid after that date, including amounts paid with the filing of the annual return, will be eligible for a credit, but only in a later tax year of the member.** Flow-through entities must report *to their members* the amount of credit eligible to be claimed in that year based on the amount of tax paid by the 15th day of the third month after the tax year. For more information on the reporting requirements of the filer, see the flow-through entity tax webpage at www.michigan.gov/taxes.