

# 2023 MICHIGAN Business Tax Refundable Credits

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
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**PERSONAL PROPERTY TAX CREDIT.** If not claiming this credit, skip to line 8.

1. Property taxes paid on eligible industrial personal property in the current MBT tax year (see instructions) .....	1.		00
2. Multiply line 1 by 35% (0.35) .....	2.		00
3. Property taxes paid on eligible telephone personal property in the current MBT tax year (see instructions) .....	3.		00
4. Multiply line 3 by 13.5% (0.135) .....	4.		00
5. Property taxes paid on eligible natural gas pipeline property in the current MBT tax year (see instructions) .....	5.		00
6. Multiply line 5 by 10% (0.10) .....	6.		00
7. <b>Personal Property Tax Credit.</b> Add lines 2, 4 and 6.....	7.		00

**WORKER'S DISABILITY SUPPLEMENTAL BENEFIT (WDSB) CREDIT.** If not claiming this credit, skip to line 9.

8. <b>WDSB Credit</b> allowed by the Workers' Compensation Agency .....	8.		00
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**NEXT ENERGY PAYROLL CREDIT.**

Available only to businesses located within an alternative energy renaissance zone. If not claiming this credit, skip to line 12.

9. Enter alternative energy renaissance zone property information below:

Street Address	
City	Parcel Number

10. Total payroll of research, development or manufacturing employees who work primarily within the zone .....	10.		00
11. <b>Next Energy Payroll Credit.</b> Multiply line 10 by 4.25% (0.0425) .....	11.		00

**MEGA EMPLOYMENT TAX CREDIT.** If not claiming this credit, skip to line 15.

12. Credit amount from <i>MEDC Annual Tax Credit Certificate</i> (attach) .....	12.		00
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**CREDIT NO LONGER AVAILABLE.**

13. This credit is no longer available. Leave this line blank and skip to line 15 .....	13.	XXXXXXXXXX	00
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**CREDIT NO LONGER AVAILABLE.**

14. This credit is no longer available. Leave this line blank and skip to line 15 .....	14.	XXXXXXXXXX	00
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**FARMLAND PRESERVATION CREDIT.** If not claiming this credit, skip to line 16.

15. Credit amount from Form 4594, line 29.....	15.		00
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**MEGA FEDERAL CONTRACT CREDIT.** If not claiming this credit, skip to line 17.

16. Credit amount from Form 4584, line 35a.....	16.		00
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**MEGA PHOTOVOLTAIC TECHNOLOGY CREDIT.** If not claiming this credit, skip to line 18.

17. Credit amount from <i>Certificate</i> provided by MEDC (attach) or assigned credit amount.....	17.		00
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**FILM PRODUCTION CREDIT.** If not claiming this credit, skip to line 20.

18. Credit amount from <i>Post-Production Certificate of Completion</i> provided by Michigan Film Office (attach) or assigned credit amount (see instructions).....	18.		00
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**CREDIT NO LONGER AVAILABLE.**

19. This credit is no longer available. Leave this line blank and skip to line 20 .....	19.	XXXXXXXXXX	00
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**ANCHOR COMPANY PAYROLL CREDIT.** If not claiming this credit, skip to line 21.

20. Credit amount from Form 4584, line 70a.....	20.		00
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**ANCHOR COMPANY TAXABLE VALUE CREDIT.** If not claiming this credit, skip to line 22.

21. Credit amount from Form 4584, line 78a.....	21.		00
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**MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS.**

If not claiming this credit, skip to line 23.

22. Credit amount from Form 4584, line 86a.....	22.		00
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**TOTAL REFUNDABLE CREDITS**

23. Add lines 7, 8, 11, 12, 15, 16, 17, 18, 20, 21 and 22. Enter total here and carry to Form 4567, line 64; or Form 4590, line 37.....	23.		00
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# Instructions for Form 4574

## Michigan Business Tax (MBT) Refundable Credits

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### Purpose

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To allow standard taxpayers to claim certain credits. Unless otherwise specified, if the amount of the credit exceeds the tax liability of the taxpayer for the tax year, that excess is refunded.

**NOTE:** This form may also be used by financial institutions to claim a limited number of credits:

- Michigan Economic Growth Authority (MEGA) Employment Tax Credit.
- Assigned MEGA Photovoltaic Technology Credit.
- Assigned Film Production Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

**NOTE:** Refunds of the Brownfield Redevelopment Credit and Historic Preservation Credit are no longer available on Form 4574. Taxpayers may apply for an accelerated payment of the qualified credits by filing the *Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4889).

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

**Fiscal Year Filers:** See “Supplemental Instructions for Standard Fiscal MBT Filers” in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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### Special Instructions for Unitary Business Groups

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Credits are earned and calculated on either an entity-specific or a group basis, as determined by relevant statutory provisions for the respective credits. Inter-company transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

Entity-specific provisions are applied on a member-by-member basis. In none of these cases does a taxpayer that is a UBG take the organization type of its parent, Designated Member (DM), or any member of the UBG. A UBG taxpayer will not be attributed an organization type based on the composition of its members.

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members should be entered on each corresponding line on this form. Line-by-line instructions indicate credits requiring entity-specific information.

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### Line-by-Line Instructions

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*Lines not listed here are explained on the form.*

**NOTE:** Although qualification for certain credits is reviewed and approved by MEGA, in many cases the certificates for such credits are issued by the Michigan Economic Development Corporation (MEDC).

**Name and Account Number:** Enter name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

**UBGs:** Complete one form for the group. Enter the DM name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

### Personal Property Tax Credit

The Personal Property Tax Credit is available against personal property taxes paid in the tax year on eligible industrial personal property, eligible telephone personal property, and eligible natural gas pipeline property. The Personal Property Tax Credit is available only to the taxpayer who timely files the required statements or reports, to whom an assessment or bill is issued, and who pays the taxes in the tax year. A taxpayer that disagrees with the assessor’s classification of property must pursue a change of classification through the property tax appeals process. Treasury will not revise a property classification for purposes of these credits.

**Line 1:** *Eligible industrial personal property* is property classified as industrial personal property under Section 34c of the General Property Tax Act (Michigan Compiled Law (MCL) 211.34c). Under MCL 211.34c, the assessor is charged with the responsibility of classifying property. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

**Line 3:** *Eligible telephone personal property* is defined as personal property of a telephone company subject to the tax levied under MCL 207.1 to 207.21. The taxes on this property must have been paid during the tax year included in this return.

**Line 4:** For eligible telephone personal property levied and paid in the tax year the credit is equal to 13.5 percent of the taxes paid.

**Line 5:** *Eligible natural gas pipeline property* is defined as natural gas pipelines that are classified as utility personal property under Section 34c of the General Property Tax Act and are subject to regulation under the Natural Gas Act. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

**Line 7:** The taxpayer claiming a Personal Property Tax Credit must attach to the MBT return copies of property tax bills that properly identify “eligible” property and provide proof of payment of the tax in the tax year.

**UBGs:** Add up the property tax bills for all members and enter the total amount on the corresponding line. The requested tax bills and proof of payment for each member claiming the Personal Property Tax Credit should be attached to the group's annual return.

#### **Workers' Disability Supplemental Benefit (WDSB) Credit**

The WDSB Credit is available to self-insured taxpayers for the amount authorized by the Department of Licensing and Regulatory Affairs (LARA) during the tax year. The amount of the credit is provided to taxpayers by LARA.

For more information on WDSB credit eligibility, contact LARA, Workers' Compensation Agency at (517) 322-1879 or 1-888-396-5041, or visit the LARA website at [www.michigan.gov/lara](http://www.michigan.gov/lara).

**Line 8:** Attach to the return a copy of the document provided by LARA to substantiate a claim for this credit.

**UBGs:** Enter total amount authorized for all members on line 8 and attach LARA documentation for each member.

#### **Next Energy Payroll Credit**

Next Energy Payroll Credit provides a payroll-based credit to a taxpayer located within an alternative energy Renaissance Zone. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development, or manufacturing and whose regular place of employment is within the Zone, multiplied by the Michigan Individual Income Tax (IIT) rate for that year. (The Michigan Individual Income Tax rate can be found at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).)

**Line 11:** Multiply line 10 by the Individual Income Tax rate of 4.25% (0.0425).

**UBGs:** If any member of a UBG is claiming the Next Energy Payroll Credit, attach a statement identifying the member(s) and providing information requested on the form. Enter the total payroll amount for all eligible members on line 10.

#### **MEGA Employment Tax Credit**

The 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.

**NOTE:** Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

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 under MBT 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.

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 back 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 Form 4587.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC website at <http://www.michiganadvantage.org/>.

**Line 12:** 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.)

**UBGs:** Enter the total amount of MEGA Employment Tax Credits claimed by eligible members and provide the requested MEGA certification for each eligible member.

#### **NASCAR Safety Credit**

This credit is not available for tax years after 2011. Leave line 13 blank, and continue to line 14.

#### **Farmland Preservation Credit**

Farmland Preservation Credit gives back to farmland owners a portion of the property taxes paid on farmland. Farmland owners qualify for the credit by agreeing to preserve the land as farmland and not develop for another use.

To qualify for the credit, the taxpayer must meet the following requirements:

- Taxpayer must own farmland,
- Taxpayer must have entered into a Farmland Development Rights Agreement (FDRA) with the Michigan Department of Agriculture (MDA), and
- Taxpayer must complete the *Michigan Farmland Preservation Tax Credit* (Form 4594).

If agreements with MDA were entered into on or after January 1, 1978, the gross receipts qualifications in Part 1 of Form 4594 must be satisfied.

**NOTE:** Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into a farmland preservation agreement by December 31, 2011. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

**UBGs:** UBG members claiming this credit should total all amounts from Form 4594, line 29, and enter on line 16 each eligible member should submit Form 4594, which would be calculated based upon that member's respective property tax obligation and its respective MBT Business Income Tax base.

#### **MEGA Federal Contract Credit**

This credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal

procurement contract from the United States Department of Defense, Department of Energy or Department of Homeland Security resulting in a minimum of 25 new full-time jobs.

**NOTE:** Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC website at <http://www.michiganadvantage.org/>.

### **MEGA Photovoltaic Technology Credit**

The MEGA Photovoltaic Technology Credit is available to a qualified taxpayer that enters into an agreement with MEGA to construct and operate a new facility in Michigan which serves to develop and manufacture photovoltaic energy, photovoltaic systems, or other photovoltaic technology. Photovoltaic energy, systems, or technology rely on solar power. The credit is available for 25 percent of the taxpayer's capital investment in the new facility during the tax year.

**NOTE:** Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The credit generally must be taken in equal installments over a two-year period beginning in the tax year in which the certificate is issued. A taxpayer may make an irrevocable assignment of all or a portion of the credit or may convey the right to the assignment on a form provided by MEGA, which will then issue assignment certificates to the assignee(s).

A taxpayer or assignee that claims a credit and subsequently fails to meet the requirements of the act or any other conditions established by MEGA in the agreement may, as determined by MEGA, have its credit reduced or terminated or have a percentage of the credit previously claimed added back to the tax liability of the taxpayer in the tax year that the taxpayer or assignee fails to comply. Recapture is reported on Form 4587.

A taxpayer certified to take the polycrystalline silicon credit under MCL 208.1432 is disqualified from taking this credit.

**Line 17:** 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. A taxpayer claiming an assigned MEGA Photovoltaic Technology Credit

must attach the assignment certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

### **Film Production Credit**

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.

**NOTE:** Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

To qualify for the credit, an eligible production company must spend at least \$50,000 in Michigan for the development, preproduction, production, or postproduction costs of a State-certified qualified production and must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent.

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

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

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the website at [www.michiganfilmoffice.org](http://www.michiganfilmoffice.org).

**Line 18:** A taxpayer claiming a Film Production Credit must attach the Post-Production Certificate to the return. A taxpayer claiming an assigned Film Production Credit must attach to the return an *MBT Film Credit Assignment* (Form 4589) approved by Treasury. (If the certificate or approved assignment form is not attached, the credit will be disallowed.)

**UBGs:** Enter the total amount for this credit claimed by all eligible members and provide the requested post-production certification or Form 4589 for each eligible member.

### **MEGA Plug-In Traction Battery Manufacturing Credit**

**Line 19:** For tax years ending after December 31, 2014, the MEGA Plug-In Traction Battery Manufacturing Credit is no longer available.

### **Anchor Company Payroll Credit**

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

**NOTE:** Beginning January 1, 2012, this credit is available as

a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been full claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC website at <http://www.michiganadvantage.org/>.

#### **Anchor Company Taxable Value Credit**

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC website at <http://www.michiganadvantage.org/>.

#### **MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits**

Complete Form 4584 to claim the MEGA Poly- Silicon Energy Cost Credit, MEGA Plug-in Traction Battery Integration Credit, MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and/or MEGA Advanced Lithium Ion Battery Credit and elect a refund or carryforward of any excess credit. Carry amount from Form 4584, line 86a and enter it here.

**The following credits are no longer available for tax years ending after the associated date. Complete Form 4584 to claim an used credit from the immediately preceding tax year, if available.**

- MEGA Advanced Battery Engineering Credit — December 31, 2014.
- MEGA Advanced Lithium Ion Battery Credit — December 31, 2016.
- MEGA Large Scale Battery Credit -- December 31, 2017.

***Include completed Form 4574 as part of the tax return filing.***