

Instructions for Form 4568

Michigan Business Tax (MBT) Nonrefundable Credits Summary

Purpose

The purpose of this form is to determine a taxpayer's tax liability after application of nonrefundable tax credits.

Form 4568 is intended to summarize all applicable nonrefundable credits. Specific eligibility criteria, including varying credit carryforward life spans, apply to each of the nonrefundable credits. For more details about each of the credits, refer to the MBT Act or the instructions for the specific forms referenced on this form.

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.

NOTE: This form may be used by both standard taxpayers and financial institutions. Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they may be eligible. Of the credits listed on this form, financial institutions may only claim the following:

- Single Business Tax (SBT) Credit Carryforwards
- Compensation Credit
- Renaissance Zone Credit
- Historic Preservation Credit
- Individual or Family Development Account Credit
- Brownfield Redevelopment Credit
- Film Infrastructure Credit.

The goal of arranging credits in this fashion is to minimize the need for taxpayers to go through all the available forms before deciding which ones may be applicable to them. Under the present arrangement, taxpayers are able to identify the forms pertaining to them, and efficiently prepare the tax return. Taxpayers should claim all credits for which they are eligible.

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated for the calculation of any 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.

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

Complete one Form 4568 for the group.

Further UBG instructions are provided on the forms where the credits are calculated.

Line-by-Line Instructions

Lines not listed are explained on the form.

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)).

Line 6: Although most of the entries on this form are credits that cause tax liability to decrease, if there is an entry on line 4b, subtracting that negative number will cause tax liability to increase.

The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Line 9: The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Line 16: Although most of the entries on this form are credits that cause tax liability to decrease, if there is a negative entry on line 15, subtracting that negative number will cause tax liability to increase.

Line 19: The total created by the calculations in this line cannot be less than zero. A total of less than zero is only possible through a calculation error or an incorrect line entry.

Include completed Form 4568 as part of the tax return filing.