Instructions for Form 4947
Schedule of Certificated Credits

Purpose

To allow qualified taxpayers that elect to file Michigan Business Tax (MBT) for tax years ending after 2011 to identify their certificated credits and recapture of certain tax credits. These amounts will be used in calculating the pro forma Corporate Income Tax (CIT) liability on the *Schedule of CIT Liability for a MBT Filer* (Form 4946), which is a required element in calculating MBT liability for tax years ending after 2011.

NOTE: Only a limited number of credits and recaptures listed on this form apply to financial institutions or insurance companies. Credits and recaptures applicable to financial institutions are identified in the instructions of the forms from which figures on this form originate. A credit or recapture should not be reported on Form 4947 if it is not reported on one of the following forms:

- *Nonrefundable Credits Summary* (Form 4568)
- *Credits for Compensation, Investment, and Research and Development* (Form 4570)
- *Miscellaneous Nonrefundable Credits* (Form 4573)
- *Refundable Credits* (Form 4574)
- *Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax* (Form 4585)
- *Schedule of Recapture of Certain Business Tax Credits* (Form 4587)
- *Renaissance Zone Credit Schedule* (Form 4595).

NOTE for Insurance Companies: Insurance Companies calculate certificated credits separately on the *Miscellaneous Credits for Insurance Companies* (Form 4596) and the *Schedule of Corporate Income Tax Liability for a Michigan Business Tax Insurance Filer* (Form 4974).

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 *MBT Annual Return* (Form 4567) for standard taxpayers, *MBT Annual Return for Financial Institutions* (Form 4590), or *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588).

UBGs: Complete one form for the group. Enter designated member's name and account number. To the extent that credits are calculated on a pro-forma, member level basis on the 4568, 4595, or 4574, enter the total credit amount for the group on this form.

PART 1: Certificated Nonrefundable Credits

If not taking any credits in Part 1, skip to Part 2.

Line 2: Not all Renaissance Zone credits are certificated credits to be reported on this form. See special instructions on the *MBT Renaissance Zone Credit Schedule* (Form 4595) to determine which Renaissance Zone credits are certificated. A certificated Renaissance Zone credit will be identified by the checkbox on line 2 of Form 4595. Only a credit of that type may be reported on this line. Enter credit amount from Form 4595, line 25b, for which certificated status is properly claimed on Form 4595, line 2.

If a taxpayer has activity in more than one certificated Renaissance Zone, a separate Form 4595 will be filed for each Zone. In that case, report here the combined total of credits claimed on all Forms 4595, line 25b, for which certificated status is properly claimed on Form 4595, line 2.

DO NOT use the Renaissance Zone credit amount from Form 4573 or Form 4596 to complete this form.

Line 3: An Historic Preservation Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Historic Preservation Credit that is properly classified as nonrefundable. If a refundable historic preservation credit was claimed as an accelerated credit on the *Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4889), that credit amount is not reported on this form. Standard taxpayers and financial institutions use the Historic Preservation Credit Net of Recapture amount as reported on Form 4568, line 22.

Line 4: A MEGA Federal Contracts Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Federal Contracts Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 5: A Brownfield Redevelopment Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a Brownfield Redevelopment Credit that is properly classified as nonrefundable. If a refundable Brownfield credit was claimed as an accelerated credit on Form 4889, that credit amount is not reported on this form. Standard taxpayers and financial institutions use the Brownfield Redevelopment Credit amount as reported on Form 4568, line 32

Line 6: Standard taxpayers and financial institutions use the amount from Form 4568, line 35.

Line 7: For tax years ending after December 31, 2014, the MEGA Plug-In Traction Battery Manufacturing Credit is no longer available. However, unused credit carryforward from the immediately preceding tax year may still be claimed, if available.

Line 8: An Anchor Company Payroll Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Payroll Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 9: An Anchor Company Taxable Value Credit may be

classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Taxable Value Credit that is properly classified as nonrefundable, and reported on Form 4568.

Line 10: A MEGA Poly-Silicon Energy Cost Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Poly-Silicon Energy Cost Credit that is properly classified as nonrefundable, and reported on Form 4568.

PART 2: Recapture of Certain Business Tax Credits

If not reporting any recaptures in Part 2, skip to Part 3.

Line 12: See the section "Calculation of MBT ITC Credit Recapture Amount" later in these instructions.

Line 13: UBGs: In a UBG, a separate copy of Form 4585 is filed for each member that has activity reportable on that form. If the return includes multiple copies of Form 4585, report here the combined total of recapture reported on all Forms 4585, line 7.

PART 3: Certificated Refundable Credits

Line 29: Standard taxpayers and financial institutions use the MEGA Employment Tax Credit amount as reported on Form 4574, line 12.

Line 30: This credit cannot be claimed for a tax period ending in 2016 or later.

Line 32: A MEGA Federal Contracts Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report a MEGA Federal Contracts Credit that is properly classified as refundable, and reported on Form 4574, line 16.

Line 33: Standard taxpayers and financial institutions use the MEGA Photovoltaic Technology Credit amount as reported on Form 4574, line 17.

Line 34: Standard taxpayers and financial institutions use the Film Production Credit amount as reported on Form 4574, line 18.

Line 35: The MEGA Plug-In Traction Battery Manufacturing Credit is no longer available as a newly arising credit. Line 7 of this form will continue to be used to claim an unused credit carryforward from the immediately preceding tax year.

Line 36: An Anchor Company Payroll Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Payroll Credit that is properly classified as refundable, and reported on Form 4574, line 20.

Line 37: An Anchor Company Taxable Value Credit may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer. Use this line only to report an Anchor Company Taxable Value Credit that is properly classified as refundable, and reported on Form 4574, line 21.

Line 38: A MEGA Poly-Silicon Energy Cost Credit and the Miscellaneous MEGA Battery Credits may be classified as refundable or nonrefundable, depending upon an election made by the taxpayer in the year the credit arises. Use this line to report a MEGA Poly-Silicon Energy Cost Credit and/or any Miscellaneous MEGA Battery Credits that are properly classified as refundable and reported on Form 4574, line 22.

Calculation of MBT ITC Credit Recapture Amount

Calculation of MBT ITC Credit Recapture Bases

For each category of asset disposed (or moved out of Michigan) that triggers an MBT ITC credit recapture, enter the information requested below.

In each category of disposed/moved asset, group assets by taxable year in which they were acquired. All events that have varying dates must be listed separately. Multiple dispositions (or transfers) may be combined as one entry, subject to the following: all combined events must satisfy the terms of the table in which they are entered. "Taxable Year in which disposed assets were acquired" must be the same for all events combined on a single line.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report on this line information requested in each column only from the member's single filings, not the group's.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture based upon the entire sale price in the year of the sale. The recapture is reduced by any gain reported in federal taxable income (as defined for MBT purposes) in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years, and must be reported on column C of the appropriate Worksheet based on the type of asset. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

UBGs: The recapture of capital investments for UBGs is calculated on combined assets of standard members of the UBG. Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit or its recapture. Disposing of or transferring an asset outside of the UBG triggers recapture. Also, moving an asset outside of Michigan creates recapture, even if the transfer is to a member of the UBG.

Worksheet 1a — Depreciable Tangible Assets

Enter all dispositions of depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter the taxable year in which the disposed assets were acquired. Enter combined gross sales price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1b — Depreciable Mobile Tangible Assets

Enter all dispositions of depreciable mobile tangible assets that were acquired after 2007 and were sold or otherwise disposed of during the current filing period. Give all information required for each disposition in columns A through F. In column A, enter

Worksheet 1a — Depreciable Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D CIT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	E Apportioned Gain/Loss *Multiply Column C by Column D*	F MBT ITC Recapture (Base 1) *Subtract Column E From Column B*

Worksheet 1b — Depreciable Mobile Tangible Assets

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Adjusted Proceeds *Subtract Column C From Column B*	E CIT Apportionment Percentage from Form 4891, line 9g, or Form 4908, line 9c	F MBT ITC Recapture (Base 2) *Multiply Column D by Column E*

Worksheet 1c — Assets Transferred Outside Michigan

A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B MBT ITC Recapture Combined Adjusted Federal Basis of Disposed Assets by Year of Acquisition (Base 3)

the taxable year in which the disposed assets were acquired. Enter gross sales price (net of costs of sale) in column B, and in column C, enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

For property placed in service after December 31, 2007, gain reflected in federal taxable income (as defined for MBT purposes) is the gain reported federally except that it shall be calculated as if IRC § 168(k) were not in effect.

NOTE: Sales price includes any benefit derived from the sale.

Worksheet 1c — Assets Transferred Outside Michigan

Enter all depreciable tangible assets other than mobile tangible assets acquired after 2007 that were eligible for ITC and were transferred outside Michigan during the filing period. Give all information required for each disposition in column A and column B. In column A, enter the taxable year in which the disposed assets were acquired, and in column B, enter adjusted basis as used for federal purposes. Do not use a recomputed MBT basis for this purpose.

Calculation of MBT ITC Recapture Rates and Amounts

Complete Worksheet 2 (on the following page), entering each taxable year (End Date) in which the disposed assets that triggered MBT ITC credit recapture were acquired.

NOTE: Lines references on columns below are based on 2010 MBT form 4570. Lines for 2008 and 2009 MBT forms are different, so if copying information from a 2008 or 2009 MBT form, choose the appropriate lines.

Worksheet 2

- Column A: Enter in chronological order, beginning with the earliest, the tax year end date of each acquisition year of disposed assets that triggered MBT ITC recapture from Worksheet 1a through 1c.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired, make a separate line entry for the tax year the member filed outside of the group. Take care to report in this line information requested in each column only from the member's single filings, not the group's.

- Column B: Enter allowable MI compensation and ITC credits amount from Form 4570, line 26 with the corresponding acquisition year in column A.
- Column C: Enter the MI compensation credit amount from Form 4570, line 3 with the corresponding acquisition year in column A.
- Column D: Calculate net ITC credit amount: subtract column C from column B for each taxable year. If difference is less than zero (is negative), enter zero. This is the amount of ITC credit that offsets MBT liability.
- Column F: MBT capital investment amount. Enter total amount of capital investment reported on Form 4570, line 8 for each taxable year listed on column E.
- Column G: ITC rate. Enter 2.32% for taxable years on column E that end with 2008, otherwise enter 2.9%.
- Column H: Calculate gross IC credit amount: multiply column F by column G for each taxable year.
- Column J: MBT recapture of capital investment. Enter total amount of recapture of capital investment reported on form 4570, line 16, for each taxable year listed on column I.
- Column L: Gross MBT ITC credit recapture amount. Multiply column J by column K. This represents the total amount of ITC credit recapture available to be reported in the tax year.
- Column M: MBT ITC credit recapture amount offset by credit. Enter the lesser of columns H and L. This is the amount of available ITC credit recapture that was offset by the total amount of available ITC credit in the year.
- Column O: SBT credit recapture amount. Enter total amount from Form 4570, line 19 for each taxable year listed on column N.
- Column P: SBT ITC credit recapture amount offset by credit. Enter lesser of the amount on column O, and the amount of column H minus column M. This is the amount of SBT ITC credit recapture that was offset by the total amount of available ITC credit in the taxable year.
- Column Q: Total MBT ITC used. Add columns D, M, and P. The total amount of MBT ITC used equals to the amount of credit that offsets MBT ITC credit recapture, SBT ITC credit recapture, and the MBT liability.
- Column R: Extent used rate. Divide amounts on column Q by amounts on column H.
- Column T: MBT recapture base. Enter total amount of recapture capital investment from Worksheet 1a, column F; Worksheet 1b, column F and Worksheet 1c, column B.
- Column U: MBT recapture amount. Multiply amount in column T by rates in column G, and in column R.

Add up figures in each row of column U, and carry that amount to Form 4947, line 12.

Worksheet 2 — Calculation of MBT ITC Recapture Rates and Amounts

NOTE: Lines references on columns below are based on 2010 MBT form 4570. Lines for 2008 and 2009 MBT forms are different, so if copying information from a 2008 or 2009 MBT form, choose the appropriate lines.

A Taxable Year (End Date) in which MBT ITC Disposed Assets were acquired	B Allowable Michigan compensation and ITC credit amount from Form 4570, line 26	C Michigan Compensation Credit Amount from Form 4570, line 3	D ITC that offsets MBT liability Subtract column C from column B (Enter 0 if less than 0)

E Taxable Year (repeat from column A)	F MBT Capital Investment Amount from Form 4570, line 8	G ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	H Gross ITC Credit Amount Multiply column F by column G

I Taxable Year (repeat from column A)	J MBT Recapture of Capital Investment Amount from Form 4570, line 16	K ITC rate (2.32% for tax years ending in 2008, or 2.9% otherwise)	L Gross MBT ITC Recapture Multiply column J by column K	M MBT ITC Recapture Amount Offset by Credit Lesser of column L and H

N Taxable Year (repeat from column A)	O SBT ITC Credit Recapture Amount from Form 4570, line 19	P SBT ITC Recapture Amount Offset by Credit Lesser of column O, and column (H – M)	Q Total MBT ITC Credit Used Add columns D, M, and P	R Extent Credit Used Rate Divide column Q by column H

S Taxable Year (repeat from column A)	T Recapture base. Enter total amount of recapture from Worksheet 1a, column F; Worksheet 1 b, column F; and Worksheet 1c, column B.	U Recapture Amount. Multiply column T by column G and by column R