

Federal Employer Identification Number (FEIN)

PART 4: COMPUTATION OF CAPITAL LOSS LIMITATION

16. If line 15 column A, shows a net loss, enter the smaller of:
 (a) the fiduciary's share of net loss on line 15, column B; or
 (b) \$3,000

D Federal	E Michigan
16.	16.

Note: When determining whether 16a or 16b is smaller, treat both numbers as if they were positive.

Resident estates and trusts complete Part 5. Nonresident estates and trusts carry line 16, Michigan column E to Form MI-1041 Schedule NR, line 26.

If the net loss on line 15, column A, is more than \$3,000, or if the taxable income on U.S. Form 1041, page 1, line 22, is zero or less, complete Part 6 to determine the loss carryover.

PART 5: COMPUTATION OF CAPITAL ADJUSTMENT - FOR RESIDENT ESTATES OR TRUSTS

Gains

17. Enter the fiduciary's share of net gain from line 15, column B, federal column, as a negative number; if a loss, enter "0"
18. Enter the fiduciary's share of net gain from line 15, column B, Michigan column, as a positive number; if a loss, enter "0"

17.	()
18.	

Losses

19. Enter loss from line 16, federal column, as a positive number. If no loss shows, enter "0"
20. Enter loss from line 16, Michigan column, as a negative number. If no loss shows, enter "0"

19.	
20.	

Adjustment

21. Combine lines 17 through 20. Enter the total here and on MI-1041, line 11

21.	
-----	--

PART 6: COMPUTATION OF CAPITAL LOSS CARRYOVERS FROM 2018 TO 2019

Carryover Limit

22. Enter taxable income/loss from 2018 U.S. Form 1041, line 22, or U.S. Form 990-T, line 38.....
23. Enter the loss from line 16 as a positive amount.....
24. Enter the amount from U.S. Form 1041, line 20, or U.S. Form 990-T, line 37.
25. Adjusted taxable income. Combine lines 22, 23 and 24. If less than zero, enter "0"
26. Enter the smaller of line 23 or 25.....

D Federal	E Michigan
22.	
23.	
24.	
25.	
26.	

NOTE: Complete this section only if there is a loss shown on line 5 and line 15, column A.

Short-Term Capital Loss Carryover

27. Enter the loss shown on Part 1, line 5 as a positive amount.....
28. Enter the gain, if any, from line 12. If that line is blank or shows a loss, enter "0"
29. Enter the amount from line 26, above.
30. Add lines 28 and 29.....
31. **Short-term capital loss carryover to 2019.** Subtract line 30 from line 27. If less than zero, enter "0"

27.	
28.	
29.	
30.	
31.	

NOTE: Complete this section only if there is a loss shown on line 12 and line 15, column A.

Long-Term Capital Loss Carryover

32. Enter the loss shown on Part 2, line 12 as a positive amount.....
33. Enter the gain, if any, from line 5. If that line is blank or shows a loss, enter "0"
34. Enter the amount from line 26.
35. Enter the amount, if any, shown on line 27.....
36. Subtract line 35 from line 34. If less than zero, enter "0"
37. Add lines 33 and 36.....
38. **Long-term capital loss carryover to 2019.** Subtract line 37 from line 32. If less than zero, enter "0"

32.	
33.	
34.	
35.	
36.	
37.	
38.	

Instructions for Form MI-1041D

Adjustments of Capital Gains and Losses

When To File

Use this form to adjust Michigan taxable income if the estate or trust has capital gains or losses that are attributable to:

- Gains or losses from certain types of property located outside of Michigan or from business property subject to allocation and/or apportionment.
- Periods before October 1, 1967 (Section 271 adjustment). If U.S. Forms *1041 Schedule D* or *4797* were filed, and an election to adjust under Section 271 of the Michigan Income Tax Act was made, file the equivalent Michigan forms (MI-1041D or MI-4797). All items of gain or loss realized during the tax year must be included.
- Gains or losses from the sale or exchange of U.S. obligations that cannot be taxed by Michigan.

Form MI-1041D must be included with the *Michigan Fiduciary Income Tax Return* (MI-1041).

General Information

Page 1 of Form MI-1041D follows the pattern of page 1 of the U.S. Form *1041 Schedule D* and all the information necessary for completing it should be taken from the U.S. Form *1041 Schedule D*.

Rounding Dollar Amounts

Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

Identification

Enter the name of the estate or trust and the Federal Employer Identification Number (FEIN) at the top of the MI-1041D.

Parts 1 and 2

If U.S. Form *8949* Sales and Other Dispositions of Capital Assets was filed, complete Form MI-8949 in the same manner. Transfer the information to MI-1041D, following the instructions on Form MI-1041D. If the U.S. Form *8949* discloses capital assets reported under Sections 1245 and 1250, these assets must be reported on MI-8949. Also, if capital assets are allocated to another state, they are excluded from the portion subject to Michigan income tax. A capital loss carryover from preceding years is entered as a short-term loss on line 4 or as a long-term loss on line 11.

Federal Information

Line 1. Combine the amount from MI-8949, line 2, and the amount from U.S. Form *1041 Schedule D*, line 1a, column h.

For lines 2, 3, 4, 5, 7, 8, 9, 10, 11 and 12 column D, enter the amounts from U.S. Form *1041 Schedule D*, for the corresponding line numbers listed on the top of the next column.

<i>Corresponding lines on MI-1041D and U.S. 1041 Schedule D</i>										
MI-1041D	2	3	4	5	7	8	9	10	11	12
U.S. 1041 Schedule D	4	5	6	7	11	12	13	14	15	16

Line 6. Combine the amount from MI-8949, line 4, and the amount from U.S. Form *1041 Schedule D*, line 8a, column h.

Michigan Gain or Loss

Enter the portion of federal gain and loss subject to Michigan tax in column E on lines 2, 3, 4, 5, 7, 8, 9, 10, 11 and 12.

Section 271. To apportion under Section 271, multiply the gain (loss) in column E 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 Michigan 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 the federal gain in federal column D and zero in Michigan column E. Gains or losses from installment sales made after October 1, 1967, are subject to Michigan tax but may be apportioned under Section 271.

Distributions from employee's pension, stock bonus or profit-sharing trust plans that are considered to be long-term capital gains (under Section 402 of the Internal Revenue Code) and capital gains distributions are not eligible for Section 271 treatment. Enter the total gain in both the federal and state columns.

U.S. Obligations. Gains from the sale or exchange of some U.S. obligations are not subject to tax and losses are not deductible. Enter a zero in the Michigan column for gains or losses realized from the sale of these non-taxable U.S. obligations.

Note: Any interest expense and other expenses incurred in the production of income from U.S. obligations should be entered on MI-1041, line 32. (See MI-1041 instruction booklet for line 32 on page 4.)

Capital gains or losses from the sale or exchange of municipal bonds are taxable for Michigan residents.

Out-of-State Property. Gains from the sale of property located in another state are not subject to Michigan tax, and losses are not deductible. Enter in the Michigan column the gain or loss from the sale or exchange of (1) real property located in Michigan, or (2) tangible personal property located in Michigan at the time of the sale or if the taxpayer was a Michigan resident estate or trust, or (3) intangible personal property sold by a Michigan resident estate or trust.

Part 3: Lines 13, 14, and 15

Column A. Enter the corresponding net short-term or long-term gain (loss) from column D (federal) and column E (Michigan) in the appropriate boxes. Combine lines 13 and 14 and enter the result on line 15.

Column B. Enter the share of short-term and long-term gains and losses retained by the fiduciary. **Follow the instructions on the form for resident and nonresident estates and trusts.**

Column C. Enter the share of short-term and long-term gains (losses) distributed to the beneficiaries. Totals on line 15 should equal the totals on Form MI-1041, Schedule 4, line 44.

Part 6

If the net loss on line 15, column A, is more than \$3,000, or if the taxable income on U.S. Form *1041*, line 22 or U.S. Form *990-T*, Unrelated Business Taxable Income is zero or less, complete this section to determine the capital loss carryover.