

2021 MICHIGAN Corporate Income Tax (CIT) Tribal Agreement Apportionment

Issued under authority of Public Act 38 of 2011.

This form is only available to signatory tribes with implemented agreements and their qualifying members.

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|---------|---|
| 1. Name | 2. Federal Employer Identification Number (FEIN) or TR Number |
|---------|---|

PART 1: APPORTIONMENT PERCENTAGE FOR TRIBES (CIT), TRIBAL MEMBERS (CIT) OR TRIBAL ENTITIES (CIT) OWNERSHIP PORTION FOR CORPORATE INCOME TAX BASE

Sales Factor

| | | | |
|--|----|--|----|
| 3. Michigan sales of the corporation outside the Expanded Tribal Agreement Area (ETAA). If no sales, enter zero..... | 3. | | 00 |
| 4. Proportionate Michigan sales from unitary Flow-Through Entities (FTEs) outside the ETAA | 4. | | 00 |
| 5. Michigan sales outside the ETAA. Add lines 3 and 4 | 5. | | 00 |
| 6. Total sales of the corporation..... | 6. | | 00 |
| 7. Proportionate total sales from unitary FTEs | 7. | | 00 |
| 8. Total sales. Add lines 6 and 7..... | 8. | | 00 |
| 9. Apportionment Percentage. Divide line 5 by line 8..... | 9. | | % |

PART 2: APPORTIONMENT PERCENTAGE FOR NON TRIBES (CIT), NON TRIBAL MEMBERS (CIT) OR NON TRIBAL ENTITIES (CIT) OWNERSHIP PORTION FOR CORPORATE INCOME TAX BASE

Sales Factor

| | | | |
|--|-----|--|----|
| 10. Michigan sales of the corporation. If no Michigan sales, enter zero..... | 10. | | 00 |
| 11. Proportionate Michigan sales from unitary FTEs..... | 11. | | 00 |
| 12. Michigan sales. Add lines 10 and 11 | 12. | | 00 |
| 13. Total sales of the corporation..... | 13. | | 00 |
| 14. Proportionate total sales from unitary FTEs | 14. | | 00 |
| 15. Total sales. Add lines 13 and 14..... | 15. | | 00 |
| 16. Apportionment Percentage. Divide line 12 by line 15..... | 16. | | % |

PART 3: CORPORATE INCOME TAX APPORTIONED TAX BASE

| | | | |
|---|-----|--|----|
| 17. Corporate Income Tax Base. Enter the amount from Form 4891, line 33. | 17. | | 00 |
| 18. Enter the percentage from Form 5028, line 4. | 18. | | % |
| 19. Multiply line 17 by line 18. | 19. | | 00 |
| 20. Enter the percentage from Form 5028, line 5. | 20. | | % |
| 21. Multiply line 17 by line 20. | 21. | | 00 |
| 22. Apportioned Tax Base attributable to Tribes (CIT), Tribal Members (CIT), or Tribal Entities (CIT). Multiply line 19 by line 9. | 22. | | 00 |
| 23. Apportioned Tax Base attributable to non Tribes (CIT), non Tribal Members (CIT), or non Tribal Entities (CIT). Multiply line 21 by line 16. | 23. | | 00 |
| 24. Apportioned Corporate Income Tax Base. Add line 22 and line 23. Enter here and on Form 4891, line 34. | 24. | | 00 |

PART 4: APPORTIONMENT PERCENTAGE FOR TRIBES (CIT), TRIBAL MEMBERS (CIT) OR TRIBAL ENTITIES (CIT) FOR NON-UNITARY FLOW-THROUGH ENTITY INCOME

| | | | |
|--|-----|--|----|
| 25. Michigan sales of the FTE outside the Expanded Tribal Agreement Area (ETAA). If no sales, enter zero. | 25. | | 00 |
| 26. Total Sales of the FTE. | 26. | | 00 |
| 27. Apportionment Percentage. Divide line 25 by line 26. | 27. | | % |

PART 5: APPORTIONMENT PERCENTAGE FOR NON-TRIBES (CIT), NON-TRIBAL MEMBERS (CIT) OR NON-TRIBAL ENTITIES (CIT) FOR NON-UNITARY FLOW-THROUGH ENTITY INCOME

| | | | |
|---|-----|--|----|
| 28. Michigan sales of the FTE. If no sales, enter zero. | 28. | | 00 |
| 29. Total Sales of the FTE. | 29. | | 00 |
| 30. Apportionment Percentage. Divide line 28 by line 29. | 30. | | % |

PART 6: NON-UNITARY FLOW-THROUGH ENTITY DISTRIBUTIVE INCOME AFTER APPORTIONMENT

| | | | |
|---|-----|--|----|
| 31. Flow-Through Entity income from Column C of the applicable line of Form 4898. | 31. | | 00 |
| 32. Enter percentage from Form 5028, line 4. | 32. | | 00 |
| 33. Multiply line 31 by line 32. | 33. | | 00 |
| 34. Enter percentage from Form 5028, line 5. | 34. | | 00 |
| 35. Multiply line 31 by line 34. | 35. | | 00 |
| 36. Apportioned FTE distributive income attributable to Tribes (CIT), Tribal Member (CIT) or Tribal Entity (CIT). Multiply line 33 by line 27. | 36. | | 00 |
| 37. Apportioned FTE distributive income attributable to Non-Tribes (CIT), Non-Tribal Member (CIT) or Non-Tribal Entity (CIT). Multiply line 35 by line 30. | 37. | | 00 |
| 38. Apportioned FTE distributive income. Add lines 36 and 37. Enter here and in Column E of appropriate line of Form 4898. | 38. | | 00 |

Instructions for Form 5027

Corporate Income Tax (CIT) Tribal Agreement Apportionment

Purpose

To determine the apportioned tax bases for entities owned in whole or in part by tribes with State / Tribal tax agreements (and their members) who have business activity within the Expanded Tribal Agreement Area (ETAA), as defined in the agreement.

PART 1: Apportionment Percentage for Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) Ownership Portion for Corporate Income Tax Base

The Michigan tax bases attributable to signatory tribes and their members are based only on the business activity conducted outside the ETAA. This activity is measured by sales. The sales factor determines the portion of activity that is taxable.

Percentages should be carried out four digits to the right of the decimal point. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266 percent becomes 0.241542.

Complete this form using amounts for the taxpayer's business activity only. Do not include amounts from, or interest in, a partnership, S Corporation, or LLC.

Sales Factor

The sales factor is equal to total sales in Michigan outside the ETAA (line 5), divided by the total sales everywhere (line 8).

Sales means the amounts received by the taxpayer as consideration from the following:

- The transfer of title to, or possession of, property that is stock in trade or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the tax period, or property held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business. For intangible property, the amounts received will be limited to any gain received from the disposition of that property.
- Performance of services which constitute business activities.
- The rental, leasing, licensing, or use of tangible or intangible property, including interest, that constitutes business activity.
- Any combination of business activities described above.
- For taxpayers not engaged in any other business activities, sales include interest, dividends, and other income from investment assets and activities and from trading assets and activities.

Sales of tangible personal property are in this state, or within the ETAA, if the property is shipped or delivered, or, in the case of electricity and gas, the contract requires the property to be shipped or delivered, to any purchaser within this state, or the ETAA, based on the ultimate destination at the point the property comes to rest, regardless of the free on board point or other conditions of the sales.

Tangible personal property means that term as defined in Section 2 of the Use Tax Act, Public Act (PA) 94 of 1937, MCL 205.92.

For more information associated with the assignment of sales, refer to the instructions for "Sourcing of Sales to Michigan" in the general instructions of the *CIT Forms and Instructions for a Standard Taxpayer* (Form 4890). Please note that the instructions will only reference sales within Michigan. The same principles will apply where such instances occur in the ETAA.

In calculating the State sales factor, the numerator only excludes sales that are destined to the Tribe (CIT), Resident Tribal Members (CIT) and sales shipped to destinations outside the state.

PART 2: Apportionment Percentage for Non Tribes (CIT), Non Tribal Members (CIT) or Non Tribal Entities (CIT) Ownership Portion for Corporate Income Tax Base

Entities which are not wholly owned by any combination of Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) must complete Parts 1 and 2 of this form. In Part 2, the sales factor is determined as described in Part 1, except the numerator incorporates all of Michigan (including within the ETAA).

In calculating the State sales factor, the numerator only excludes sales that are destined to the Tribe, its Resident Tribal Members, or sales shipped to destinations outside the State.

PART 3: CIT Apportioned Tax Base

The apportioned tax bases attributable to Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) ownership are computed by applying the apportionment percentage determined in Part 1 to the tax base attributable to the ownership interest held by Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT).

The apportioned tax bases attributable to non Tribes (CIT), non Tribal Members (CIT) or non Tribal Entities (CIT) ownership are computed by applying the apportionment percentage determined in Part 2 to the tax bases attributable to the ownership interest held by non Tribes (CIT), non Tribal Members (CIT) or non Tribal Entities (CIT).

The two apportioned tax bases must be combined into a single apportioned tax base.

Parts 4-6: Apportionment Associated with Non-Unitary Flow-Through Entity Income.

Refer to the corresponding instructions for Parts 1-3. Also see instructions for Form 4898.

NOTE: Parts 4-6 must be completed for each FTE identified on Form 4898.

Line-by-Line Instructions

Lines not listed here are explained on the form.

PART 1: Apportionment Percentage for Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) Ownership Portion.

NOTE: Also see the instructions for Form 4891, line 9.

Line 9, Apportionment Percentage. Use this percentage to

calculate the apportioned tax base in Part 3, line 22.

PART 2: Apportionment Percentage for Non Tribes (CIT), Non Tribal Members (CIT) or Non Tribal Entities (CIT) Ownership Portion

NOTE: Also see the instructions for Form 4891, line 9.

Line 16, Apportionment Percentage. Use this percentage to calculate the apportioned tax bases in Part 3, line 23.

PART 3: CIT Apportioned Tax Bases

Line 18. Enter the total percentage of ownership interest held by Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) from the *CIT Tribal Agreement Ownership Schedule* (Form 5028), line 4.

Line 20. Enter the total percentage of ownership interest held by non Tribes (CIT), non Tribal Members (CIT) or non Tribal Entities (CIT) from Form 5028, line 5.

Part 4: Apportionment Percent for Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) Ownership Portion for Non-Unitary Flow-Through Income Tax Base

Line 27, Apportionment Percentage. Use this percentage to calculate the apportioned tax base in Part 6, line 36.

Part 5: Apportionment Percentage for Tribes (CIT), Tribal Members (CIT) or Tribal Entities (CIT) Ownership Portion for Non-Unitary Flow-Through Income Tax Base.

Line 30: Apportionment Percentage. Use this percentage to calculate the apportioned tax base in Part 6, line 37.