

Gross Receipts Worksheet

Complete the appropriate parts below based on the person's organization type. Part 1 is for an Individual or Fiduciary; Part 2 is for a C Corporation (or a person filing federal returns as a C Corporation); and Part 3 is for a Partnership or S Corporation (or a person filing a federal return as a Partnership or an S Corporation). Parts 4 and 5 apply to all filers, independent of their organization type.

Gross receipts is not necessarily derived entirely from the federal return, however, this worksheet will calculate gross receipts as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce gross receipts not identified by specific lines on this worksheet, and report that amount on the most appropriate line. The Michigan Department of Treasury may adjust the figure resulting from this worksheet to account properly for such uncommon situations. Complete and attach this worksheet to your return. Unitary Business Groups (UBGs) must complete and attach a worksheet for each member.

Gross receipts, before applying the statutory exceptions, consists solely of positive amounts derived from transactions or events. Therefore, if any of the federal return items utilized in Part 1, Part 2 or Part 3 is a net result of both negative and positive transactions, it must be recalculated for use here by counting only the positive elements represented in that net figure.

INFORMATION DIRECTLY FROM SPECIFIC FEDERAL RETURNS

PART 1: INDIVIDUALS AND FIDUCIARIES

1. U.S. Form 1040, Schedule C or C-EZ gross receipts (net of returns)	1.	00
2. U.S. Form 1040, Schedule C, other income	2.	00
3. U.S. Form 1040, Schedule D, short- and long-term sales price*	3.	00
4. U.S. Form 1040, Schedule E		
a. Part I, total rents received	4a.	00
b. Total royalties received	4b.	00
5. U.S. Form 4797, gross sales price,* business assets	5.	00
6. Gross Receipts from Federal Return for Individuals and Fiduciaries. Add lines 1 through 5. Carry amount to line 19	6.	00

PART 2: C CORPORATIONS

7. U.S. Form 1120, balance of gross receipts or sales less returns and allowances	7.	00
8. U.S. Form 1120, sum of dividends, interest, gross rents and gross royalties.....	8.	00
9. U.S. Form 1120, other income.....	9.	00
10. U.S. Form 1120, Schedule D, short- and long-term sales price*	10.	00
11. U.S. Form 4797, gross sales price*	11.	00
12. Gross Receipts from Federal Return for C Corporations. Add lines 7 through 11. Carry amount to line 19	12.	00

PART 3: PARTNERSHIPS AND S CORPORATIONS

13. U.S. Form 1065, or U.S. Form 1120S		
a. Gross receipts (net of returns)	13a.	00
b. Other income/receipts	13b.	00
14. U.S. Form 8825, gross income from real estate rentals	14.	00
15. U.S. Form 1065, or 1120S, Schedule D, short- and long-term sales price*	15.	00
16. U.S. Form 1065, or 1120S, Schedule K		
a. Gross other rental income	16a.	00
b. Interest, dividend, royalty income	16b.	00
c. Other income	16c.	00
17. U.S. Form 4797, gross sales price*, business assets	17.	00
18. Gross Receipts from Federal Return for Partnerships and S Corporations. Add lines 13 through 17. Carry amount to line 19	18.	00

* See the definition of Gross Receipts under MCL § 208.1111.

ADJUSTMENTS TO FEDERAL GROSS RECEIPTS

19. Gross Receipts as recorded on line 6, 12 or 18 19.

PART 4: ADDITIONS TO GROSS RECEIPTS

To the extent EXCLUDED or DEDUCTED in arriving at the number used in line 19, include the following:

20. Proceeds from the sale of assets used in a business activity	20.	<input type="text"/>	<input type="text"/>
21. Dividend and interest income	21.	<input type="text"/>	<input type="text"/>
22. Receipts from gratuities stipulated on a bill	22.	<input type="text"/>	<input type="text"/>
23. Receipts from gross commissions earned.....	23.	<input type="text"/>	<input type="text"/>
24. Receipts from client reimbursed expenses not obtained in an agency capacity	24.	<input type="text"/>	<input type="text"/>
25. Gross proceeds from intercompany sales	25.	<input type="text"/>	<input type="text"/>
26. Rents	26.	<input type="text"/>	<input type="text"/>
27. Royalties.....	27.	<input type="text"/>	<input type="text"/>
28. Sales of scrap and other similar items.....	28.	<input type="text"/>	<input type="text"/>
29. Other receipts not included in previous lines.....	29.	<input type="text"/>	<input type="text"/>
30. Add lines 20 through 29.....	30.	<input type="text"/>	<input type="text"/>
31. SUBTOTAL Add line 19 and line 30.....	31.	<input type="text"/>	<input type="text"/>

PART 5: EXCLUSIONS FROM GROSS RECEIPTS

To the extent INCLUDED in arriving at line 31, enter the following receipts:

32. Proceeds from sales by a principal collected by the taxpayer in an agency capacity and delivered to the principal....	32.	<input type="text"/>	<input type="text"/>
33. Amounts received on behalf of a principal that are received and expended by the taxpayer in an agency capacity for the following:			
a. Performance of service by third party for the benefit of the principal for service required by law to be performed by a licensed person	33a.	<input type="text"/>	<input type="text"/>
b. Performance of service by a third party for the benefit of the principal that the taxpayer has not undertaken a contractual duty to perform.....	33b.	<input type="text"/>	<input type="text"/>
c. Payment of principal and interest under a mortgage loan or land contract, lease or rental payments, or taxes, utilities, or insurance premiums relating to real or personal property owned or leased by the principal.....	33c.	<input type="text"/>	<input type="text"/>
d. Capital asset that is or will become eligible for depreciation, amortization, or accelerated cost recovery by the principal for federal income tax purposes, or real property owned or leased by the principal.....	33d.	<input type="text"/>	<input type="text"/>
e. Property not described above that is purchased by taxpayer on behalf of the principal, where taxpayer does not take title to or use in the course of performing its contractual business activities	33e.	<input type="text"/>	<input type="text"/>
f. Fees, taxes, assessments, levies, fines, penalties, or other payments established by law that are paid to a governmental entity and that are the legal obligation of the principal	33f.	<input type="text"/>	<input type="text"/>
34. Amounts excluded from gross income of a foreign corporation engaged in the international operation of aircraft under IRC § 883(a).....	34.	<input type="text"/>	<input type="text"/>
35. Amounts received by advertising agency used to acquire advertising media time, space, production, or talent on behalf of another person.....	35.	<input type="text"/>	<input type="text"/>
36. Amounts received by a newspaper to acquire advertising space not owned by that newspaper in another newspaper on behalf of another person, excluding any consideration received by taxpayer for acquiring that advertising space.....	36.	<input type="text"/>	<input type="text"/>
37. Amounts received by taxpayer that manages real property owned by a third party that are deposited into a separate account kept in the name of that third party and that are not reimbursements to the taxpayer and are not indirect payments for management services that the taxpayer provides to that third party.....	37.	<input type="text"/>	<input type="text"/>
38. For taxpayers that during tax year do NOT both buy and sell any receivables, proceeds from the taxpayer's transfer of an account receivable, if the sale that generated that receivable was included in Gross Receipts for Federal Income Tax purposes	38.	<input type="text"/>	<input type="text"/>
39. Proceeds from original issue of stock or equity instruments or equity issued by a regulated investment company as defined in IRC § 851	39.	<input type="text"/>	<input type="text"/>
40. Proceeds from the original issue of debt instruments.....	40.	<input type="text"/>	<input type="text"/>
41. Refunds from returned merchandise.....	41.	<input type="text"/>	<input type="text"/>
42. Cash and in-kind discounts	42.	<input type="text"/>	<input type="text"/>

PART 5: EXCLUSIONS FROM GROSS RECEIPTS — CONTINUED

43. Trade discounts	43.	[]	00
44. Federal, state, or local tax refunds	44.	[]	00
45. Security deposits	45.	[]	00
46. Payment of the principal portion of loans	46.	[]	00
47. Value of property received in a like-kind exchange	47.	[]	00

48. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that are capital assets and IRC § 1231(b) land:			
a. Amount from such dispositions of capital assets as defined in IRC § 1221(a) or land used in a trade or business as defined in IRC § 1231(b).....	48a.	[]	00
b. Combined gains from each disposition in this category that produced a gain that is included in that taxpayer's federal taxable income. (Do not net against dispositions that produced loss.).....	48b.	[]	00
c. Amount excluded from Gross Receipts. Subtract line 48b from line 48a	48c.	[]	00

49. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that is a hedging transaction ^(a) :			
a. Amount from such dispositions of property used in a hedging transaction	49a.	[]	00
b. Amount of overall net gain from hedging transactions entered into during the tax year.....	49b.	[]	00
c. Amount excluded from Gross Receipts. Subtract line 49b from line 49a	49c.	[]	00

50. Proceeds from a sale, transaction, exchange, involuntary conversion, maturity, redemption, repurchase, recapitalization, or other disposition or reorganization of tangible or intangible property that is investment and trading assets managed as part of the person's treasury function ^(b) :			
a. Amount from such dispositions of property that is investment and trading assets managed as part of the person's treasury function	50a.	[]	00
b. Amount of overall net gain from treasury function incurred during tax year..	50b.	[]	00
c. Amount excluded from Gross Receipts. Subtract line 50b from line 50a	50c.	[]	00

51. Proceeds from an insurance policy, a settlement of a claim or a judgment in a civil action, less any proceeds that are included in federal taxable income (as defined for MBT purposes)	51.	[]	00
---	-----	-----	----

For a sales finance company, as defined in MCL § 492.102 and directly or indirectly owned in whole or in part by a motor vehicle manufacturer as of January 1, 2008, and for a person that is a broker or dealer as defined under 15 USC § 78c(a)(4) or (5), or a member of the UBG of that broker or dealer that buys and sells contracts subject to 7 USC § 1 to 27f for its own account:

52. Amounts realized from the repayment, maturity, sale, or redemption of the principal of a loan, bond, or mutual fund, certificate of deposit, or similar marketable instrument provided such instruments are not held as inventory	52a.	[]	00
52. Principal amount received under a repurchase agreement or other transaction properly characterized as a loan...	52b.	[]	00
53. For a mortgage company ^(c) , proceeds representing the principal balance of loans transferred or sold	53.	[]	00

For a professional employer organization^(d) (PEO), any amount charged that represents the actual cost of wages and salaries, benefits, worker's compensation, payroll taxes, withholding, or other assessments paid to or on behalf of a covered employee by the PEO under a professional employer arrangement.....

54. Any invoiced items used to provide more favorable floor plan assistance to a person subject to the MBT than to a person not subject to the MBT and paid by a manufacturer, distributor, or supplier.....	54.	[]	00
--	-----	-----	----

56. For an individual, estate, or other person organized for estate or gift planning purposes:			
a. Receipts from investment activity, including interest, dividends, royalties, and gains from an investment portfolio or retirement account, if the investment activity is not part of the taxpayer's trade or business.....	56a.	[]	00
b. Receipts from the disposition of tangible or intangible property held for personal use and enjoyment, such as a personal residence or personal assets.....	56b.	[]	00
c. Other amounts received that are NOT from transactions, activities, and sources in the regular course of the taxpayer's trade or business	56c.	[]	00

Receipts derived from investment activity by a person organized exclusively to conduct investment activity and that does not conduct investment activity for any person other than an individual or a person related^(e) to that individual, or by a common trust fund established under MCL § 555.101 to 555.113

57. Interest and dividends derived from obligations or securities of the United States government, this state, or any governmental unit of this state (as defined under MCL § 141.1053).....	57.	[]	00
--	-----	-----	----

FEIN or TR Number	
UBG Member FEIN or TR Number	

PART 5: EXCLUSIONS FROM GROSS RECEIPTS (CONT.)

59. Amounts attributable to an ownership interest in a pass-through entity, regulated investment company, real estate investment trust, or cooperative corporation whose business activities are taxable under the modified gross receipts tax or would be subject to the modified gross receipts tax if the business activities were in this state ^(f)	59.	00
60. For a regulated investment company as that term is defined under IRC § 851, receipts derived from investment activity by that regulated investment company.....	60.	00
61. Only Health Maintenance Organizations (HMOs) holding contract with the State for Medicaid services may complete this line: If applicable per MCL § 208.1111(1) (dd), enter amounts received during the period that is both within the tax year and within October 1, 2012, through September 30, 2013, for Medicaid premium or reimbursement of costs associated with service provided to a Medicaid recipient or beneficiary. The State Budget Director has until January 1, 2013, to certify that necessary rates provide explicit adjustment for MBT obligations, in which case NO deduction will be allowed for any HMO holding contract with the State for Medicaid services ^(g) ..	61.	00
62. For a taxpayer that provides health care management consulting services, amounts received by the taxpayer as fees from its clients that are expended by the taxpayer to reimburse those clients for labor and nonlabor services that are paid by the client and reimbursed to the client pursuant to a services agreement	62.	00
63. Bad Debt amounts deducted for Federal Income Tax that correspond to items included in MGR tax base for current or prior MBT return	63.	00
64. Dividends and royalties received or deemed received from a foreign operating entity or a person other than a U.S. person, including, but not limited to, the amounts determined under IRC § 78, or 951 through 964	64.	00
65. Add lines 32 through 47, 48c, 49c, 50c, and 51 through 64	65.	00

To the extent INCLUDED in arriving at line 31, and to the extent NOT deducted as purchases from other firms on the MBT Annual Return, Form 4567, lines 13, 14 or 15, (or, for UBG standard members, the MBT UBG Combined Filing Schedule for Standard Members, Form 4580, lines 18, 19 or 20) enter:

66. Sales or use taxes collected from or reimbursed by a consumer or other taxes collected from or reimbursed by a purchaser and remitted to a local, state, or federal tax authority.....	66.	00
67. In the case of receipts from the sale of motor fuel by a person with a motor fuel tax license or a retail dealer, the amount equal to federal and state excise taxes paid by any person on such motor fuel under IRC § 4081 or applicable state law ...	67.	00
68. In the case of receipts from the sale of beer, wine, or intoxicating liquor by a person holding a license to sell, distribute, or produce those products, the amount equal to federal and state excise taxes paid by any person on or for such products under IRC Subtitle E or applicable state law	68.	00
69. In the case of receipts from the sale of communication, video, internet access and related services and equipment, any government imposed tax, fee, or other imposition in the nature of a tax or fee required by law, and authorized to be charged on a customer's bill or invoice, but not including net income taxes, net worth taxes, property taxes, or the MBT	69.	00
70. In the case of receipts from the sale of electricity, natural gas, or other energy source, any government imposed tax, fee, or other imposition in the nature of a tax or fee required by law, and authorized to be charged on a customer's bill or invoice, but not including net income taxes, net worth taxes, property taxes, or the MBT.....	70.	00
71. Any deposit required under the following:		
a. 1976 IL 1, MCL § 445.571 to 445.576	71a.	00
b. R 436.1629 of the Michigan administrative code.....	71b.	00
c. R 436.1723a of the Michigan administrative code.....	71c.	00
d. Any substantially similar beverage container deposit law of another state	71d.	00
72. Excise tax collected from or reimbursed by a consumer and remitted pursuant to MCL § 207.371 to 207.383 ...	72.	00
73. In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer, or seller, the amount equal to the federal and state excise taxes paid by any person on or for such products under IRC Subtitle E or applicable state law	73.	00
74. SUBTOTAL Add lines 66 through 73.....	74.	00

GROSS RECEIPTS FOR MBT PURPOSES

75. Subtract lines 65 and 74, from line 31. Carry this amount to Form 4567, line 12. Standard members of a UBG will carry this amount to Form 4580, Part 2A, line 17	75.	00
--	-----	----

Additional instructions

a) For purposes of this provision, a hedging transaction is one entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily to manage (i) risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. Transfer of title of real or tangible personal property is not a hedging transaction. "Hedging transaction" means that term as defined under IRC § 1221 regardless of whether the transaction was identified by the taxpayer as a hedge for federal income tax purposes, provided, however, that transactions not identified as a hedge for federal income tax purposes shall be identifiable to the department by the taxpayer as a hedge in its books and records.

b) For purposes of this provision, a person principally engaged in the trade or business of purchasing and selling investment and trading assets is not performing a treasury function. "Treasury function" means the pooling and management of investment and trading assets for the purpose of satisfying cash flow or liquidity needs of the taxpayer's trade or business.

c) "Mortgage company" means a person that is licensed under MCL § 445.1651 to 445.1684, or MCL § 493.51 to 493.81, and has greater than 90 percent of its revenues, in the ordinary course of business, from the origination, sale, or servicing of residential mortgage loans.

d) Professional employer organization is not the same thing as a staffing company, and it means an organization that provides the management and administration of the human resources of another entity by contractually assuming substantial employer rights and responsibilities through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

- Maintaining a right of direction and control of employees' work, although this responsibility may be shared with the other entity.
- Paying wages and employment taxes of the employees out of its own accounts.
- Reporting, collecting, and depositing state and federal employment taxes for the employees.
- Retaining a right to hire and fire employees.

e) For purposes of this provision, a person is related to an individual if that person is a spouse, brother or sister, whether of the whole or half blood or by adoption, ancestor, lineal descendent of that individual or related person, or a trust benefiting that individual or one or more persons related to that individual.

f) For this provision, the following definitions apply: Cooperative Corporation means those organizations described under subchapter T of the IRC; Pass-through entity means a partnership, subchapter S Corporation, or other person, other than an individual, that is not classified for Federal Income Tax purposes as an association taxed as a corporation; Real estate investment trust means the term defined under IRC § 856; and Regulated investment company means the term defined under IRC § 851.

g) A taxpayer with a federal fiscal year ending in 2012 can only claim amounts received between January 1, 2012, and the last day of the taxpayer's federal fiscal year.