

Instructions for Form 4966

Michigan Business Tax Schedule of Flow-Through Withholding

Purpose

The purpose of this form is to report the Flow-Through Withholding payments made by a flow-through entity on behalf of a Michigan Business Tax (MBT) filer.

General Instructions

This form is intended to be used by a taxpayer that is a standard filer, insurance company, financial institution, or Unitary Business Group (UBG) that has an ownership or beneficial interest in a flow-through entity that has remitted Flow-Through Withholding payments to the state of Michigan on behalf of the taxpayer that is filing this form. Reported on this form will be the Flow-Through Withholding payments made by the flow-through entity if that flow-through entity's tax year ended with or within the tax year of the taxpayer filing this form.

A flow-through entity is an entity that, for the applicable tax year, is treated as a subchapter S Corporation under section 1362(a) of the internal revenue code, a general partnership, a trust, a limited partnership, a limited liability partnership, or a limited liability company that is not taxed as a C Corporation for federal income tax purposes.

Column-by-Column Instructions

Name and Account Number: Enter the name and Federal Employer Identification Number (FEIN) of the taxpayer as reported on page 1 of the *Michigan Business Tax Annual Return* (Form 4567), *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588), or *Michigan Business Tax Annual Return for Financial Institutions* (Form 4590).

UBGs: Complete one form for each member of the UBG. Enter the FEIN and name of the Designated Member in the Taxpayer Name and FEIN fields and the member's name and FEIN to whom the schedule applies on the line below.

Columns A and B: Identify each flow-through entity that remitted Flow-Through Withholding payments on behalf of the taxpayer filing this form by name and FEIN.

Column C: UBGs only: Enter an 'X' in this column if the flow-through entity is in a UBG with the member that is completing this form.

Column D: Enter the apportioned distributive share of the flow-through entity's taxable income received by the taxpayer completing this form.

Column E: Enter the total withholding payments paid on behalf of the taxpayer filing this form that apply to the tax year included in this return. Included on this column would be Flow-Through Withholding (FTW) payments made by flow-through entities (FTEs) whose tax years ended within the tax year of the taxpayer filing this form. For example, consider an FTE partnership with a June 30 year end and a taxpayer that has a March 31 year end and is an owner of the FTE. The FTE will make quarterly FTW payments in April 2014 (for its quarter ending March 31) and July 2014 (for its quarter ending June 30), and will file an annual FTW reconciliation return (Form 4918) for its year ending June 30, 2014. Because the FTE's tax year ends within the taxpayer's 2014-15 fiscal year, all the FTW payments for that taxpayer are attributable to the taxpayer's 2014-15 fiscal year, regardless of the dates of the quarterly payments. Any flow-through entity that has withheld on behalf of the taxpayer filing this form should have provided the taxpayer the amount for its records.

The combined amount entered in this column should be entered on line 62 of Form 4567 if this form is filed by a standard taxpayer; line 68 of Part 2B of the *MBT UBG Combined Filing Schedule for Standard Members* (Form 4580) if this form is filled out by a member of a UBG of standard taxpayers; line 50 of Form 4588 if this form is filled out by an insurance company; line 35 of Form 4590 if this form is filled out by a financial institution; or line 35 of the *MBT UBG Combined Filing Schedule for Financial Institutions* (Form 4752) if this form is filled out by a member of UBG of financial institutions.