

Application for Michigan Net Operating Loss Refund MI-1045

Issued under authority of Public Act 281 of 1967. **Type or print in blue or black ink.**

| | | | | | |
|--|-------------|----------------------------|----------------------|------------|--|
| | Year (YYYY) | | Month-Year (MM-YYYY) | | Month-Year (MM-YYYY) |
| For loss year | | or for loss year beginning | | and ending | |
| Filer's First Name | | M.I. | Last Name | | Filer's Full Social Security No. (Example: 123-45-6789) |
| If a Joint Return, Spouse's First Name | | M.I. | Last Name | | _____ |
| Home Address (Number, Street, or P.O. Box) | | | | | Spouse's Full Social Security No. (Example: 123-45-6789) |
| City or Town | | | | | State ZIP Code |

IMPORTANT: Use your U.S. Form 1040 to complete this form. Do not consider net operating losses from other years. **Do not include** income and losses sourced to other states, income and losses from oil and gas production and nonferrous metallic minerals extraction that are subject to Michigan severance tax, or a federal net operating loss deduction (NOLD).

PART 1: COMPUTING THE NET OPERATING LOSS (NOL) (see instructions, page 2).

| | | | | |
|--|------|--|----|----|
| 1. Wages, salaries, tips, etc..... | | | | 00 |
| 2. Interest income..... | | | | 00 |
| 3. Dividends..... | | | | 00 |
| 4. Business income or loss (attach U.S. Schedules C and F)..... | | | | 00 |
| 5. Capital gain or loss (attach U.S. Schedule D)..... | | | | 00 |
| 6. Other gains or losses (attach U.S. Form 4797)..... | | | | 00 |
| 7. Pension, IRA, and annuities included in Adjusted Gross Income (AGI)..... | | | | 00 |
| 8. Net rent or royalty income..... | | | | 00 |
| 9. Income or losses from partnerships, estates, trusts and S corporations (attach U.S. Schedule E)..... | | | | 00 |
| 10. Other (e.g., all state and local refunds, alimony, taxable Social Security, unemployment compensation) Describe:..... | | | | 00 |
| 11. Total Michigan Gross Income. Add lines 1 through 10. | | | | 00 |
| 12. ADJUSTMENTS: Only list adjustments to Michigan-sourced income | | | | |
| a. Payments to a retirement plan as an individual or self-employed person | 12a. | | 00 | |
| b. Deduction for self-employment tax and self-employed health insurance | 12b. | | 00 | |
| c. Educator expenses and/or moving expenses..... | 12c. | | 00 | |
| d. Alimony paid and/or penalty for early withdrawal of savings..... | 12d. | | 00 | |
| e. Domestic production activities deduction (DPAD) sourced to Michigan.. | 12e. | | 00 | |
| f. Other adjustments to income including health savings account deduction | 12f. | | 00 | |
| 13. Total adjustments. Add lines 12a through 12f..... | | | | 00 |
| 14. Michigan AGI. Subtract line 13 from line 11. If greater than zero, you do not have an NOL..... | | | | 00 |
| 15. Nonbusiness deductions: Add lines 12a, 12d and 12f..... | 15. | | 00 | |
| 16. Nonbusiness income included in line 11 | | | | |
| a. Interest income..... | 16a. | | 00 | |
| b. Dividend income..... | 16b. | | 00 | |
| c. Net nonbusiness capital gains (before any allowable exclusion)..... | 16c. | | 00 | |
| d. Pension, IRA, and annuities..... | 16d. | | 00 | |
| e. Alimony received..... | 16e. | | 00 | |
| f. Other income..... | 16f. | | 00 | |
| 17. Total nonbusiness income. Add lines 16a through 16f..... | 17. | | 00 | |
| 18. Excess of nonbusiness deductions over nonbusiness income, subtract line 17 from line 15. If less than zero, enter "0"..... | 18. | | 00 | |
| 19. Excess capital loss deduction (enter as a positive number. See instr.)..... | 19. | | 00 | |
| 20. DPAD sourced to Michigan (enter as a positive number)..... | 20. | | 00 | |
| 21. Add lines 18, 19 and 20..... | 21. | | 00 | |
| 22. Net operating loss. Combine lines 14 and 21. If greater than zero, STOP; you do not have an NOL.. | 22. | | 00 | |

The Michigan NOL may be carried back or forward in the same manner as is allowed by the Internal Revenue Code (IRC), which is typically back two years and forward twenty. See U.S. Form 1045 for exceptions. An election to forego the carryback period must be filed in the same manner as required by the IRC (attach a statement to your return for the NOL year). Any loss in excess of income subject to Michigan tax must be carried forward to the next year.

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| — | — |
|---|---|

Computation of Federal Modified Taxable Income (FMTI) for Household Income Only

NOTE: Do not complete Part 3 if you are electing to forego your carryback. Effective 2012, FMTI is not used and an NOL is not allowed in determining Total Household Resources.

PART 3: ADJUSTING YOUR NOL FOR HOUSEHOLD INCOME

Step 1. Figure Your FMTI

| | A | B | C |
|--|----|----|----|
| 41. Year to which NOL is being carried | | | |
| 42. Reported AGI for year shown on line 41 without NOLD | 00 | 00 | 00 |
| 43. a. Adjustments to AGI including DPAD (see instructions)..... | 00 | 00 | 00 |
| b. Capital losses, in excess of capital gains (\$3,000 maximum) ... | 00 | 00 | 00 |
| 44. MODIFIED federal AGI. Add lines 42 and 43a or 43b | 00 | 00 | 00 |
| 45. a. Medical (see instructions for limitations)..... | 00 | 00 | 00 |
| b. Taxes | 00 | 00 | 00 |
| c. Contributions..... | 00 | 00 | 00 |
| d. Interest..... | 00 | 00 | 00 |
| e. Casualty loss | 00 | 00 | 00 |
| f. Moving expenses..... | 00 | 00 | 00 |
| g. Miscellaneous (attach U.S. <i>Schedule A</i> ; see instructions) | 00 | 00 | 00 |
| h. Limit on itemized deductions | 00 | 00 | 00 |
| i. If you did not itemize, use the standard deduction | 00 | 00 | 00 |
| 46. Enter the total of of 45a through 45h, or 45i if you did not itemize | 00 | 00 | 00 |
| 47. FMTI. Subtract line 46 from line 44. If less than zero, enter "0" | 00 | 00 | 00 |

Step 2. Figure Your Carryback (If you are not carrying the loss back, go to Step 3.)

| | | | |
|---|----|----|----|
| 48. Unabsorbed NOL. Enter in column A your federal NOL as a positive amount | 00 | 00 | 00 |
| 49. NOL to be carried to next succeeding year through 2011. Subtract line 47 from line 48. Carry the amount on this line to the next column, line 48. If less than zero, enter "0"..... | 00 | 00 | 00 |

Step 3. Figure Your Carryforward

| | | | |
|--|----|----|----|
| 50. Year the federal NOL occurred..... | | | |
| 51. Enter the amount of the original federal NOL as a positive amount | 00 | 00 | 00 |
| 52. Total of all NOLs used for previous years | 00 | 00 | 00 |
| 53. Subtract line 52 from line 51. This is the remaining NOL that can be carried forward to the year on line 41 | 00 | 00 | 00 |
| 54. Subtract line 47 (FMTI) from line 53. This is the remaining NOL to carry forward. If less than zero, enter "0" | 00 | 00 | 00 |

Line-by-Line Instructions for Part 3

Part 3: Adjusting Your NOL for Household Income

Line 41: May be applied to tax years 2011 and prior only.

Line 42: Include NOL carryovers or carrybacks from earlier years.

Line 43a: Add back any domestic production activities deduction (DPAD). Also, adjustments to AGI, such as taxable Social Security benefits and IRA deductions, must be recalculated based on federal modified AGI.

Line 45: Use 45a through 45h if you itemized. If you didn't itemize, use 45i.

45a: Medical adjustments. The amount of medical adjustments allowed varies with federal law from year to year. You must recalculate your medical expense deduction based on modified federal AGI and the federal limitation in effect for the year entered on line 41.

45c: Percentage limitations on charitable contributions are based on modified federal AGI.

45g: Miscellaneous deductions are limited to 2 percent of AGI. This amount cannot exceed 2 percent of modified federal AGI.

45h: If modified AGI exceeds certain amounts, itemized deductions may be limited. See limitations in effect for the year entered on line 41.

Line 47: This is your FMTI. Your Michigan NOLD will be the amount on this line or the amount from line 48 (or line 53 for carryforwards), whichever is smaller. This amount cannot be less than zero.

Line 48: Enter your federal NOL in column A as a positive amount. Each succeeding year will be the excess portion (if any) from line 49 of the preceding column.

Line 49: Subtract line 47 from line 48. If the result is more than zero, this is the excess NOL to be carried forward to the next year. If it is less than zero, the NOLD is limited to the excess on line 48. This is the last year affected by the NOL.

NOTE: Effective January 1, 2012 an NOLD cannot reduce total household resources and is no longer used on Michigan Property Tax Credit and Home Heating Credit claims.

Line 54: If line 47 is less than line 53, subtract line 47 from line 53 and enter here; then use line 47 as your NOLD to recalculate your credit. If line 47 is greater than line 53 enter "0" and use line 53 as your NOLD to recalculate your Michigan credits.