

2014 MICHIGAN Nonresident and Part-Year Resident Schedule

Issued under authority of Public Act 281 of 1967, as amended.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attach to Form MI-1040. Read all instructions before completing this form.

Attachment 02

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
			— —

4. 2014 RESIDENCY STATUS:

Check all that apply.

a. ☐ Nonresidentb. ☐ Part-Year Resident of Michigan.

Enter dates of Michigan residency in 2014*

*Dates of Michigan residency in 2014 (Enter dates as MM-DD-YYYY, Example: 04-15-2014)

	FILER	SPOUSE
FROM:	— — 2014	— — 2014
TO:	— — 2014	— — 2014

Income Allocation

	A. Total Income	B. Michigan Income	C. Other State(s) Income
5. Wages, salaries, other payments (tips, etc.)	00	00	00
6. Interest and dividends	00	00	00
7. Business and farm income (attach U.S. Schedules C and F)	00	00	00
8. Gains/losses from MI-1040D or U.S. Schedule D, and/or MI-4797 or U.S. Form 4797	00	00	00
9. Income reported on U.S. Schedule E (attach U.S. Schedule E and supporting statements)	00	00	00
10. Pensions, IRA distributions, annuities and Social Security (see Form 4884)	00	00	00
11. Other (see instructions)	00	00	00
12. Total income. Add lines 5 through 11	00	00	00
13. Enter the total adjustments from U.S. Form 1040 or 1040A. Describe:	00	00	00
14. Subtract line 13 from line 12. The amount in column A should equal MI-1040, line 10. Enter amount in column C on Schedule 1, line 13 or, if a negative amount, enter as a positive amount on Schedule 1, line 4.	00	00	00

Exemption Allowance (If one spouse is a full-year resident, and the other is not, see instructions.)

15. Enter amount from MI-1040, line 9e	15.		00
16. Enter Michigan source income from line 14, column B	16.		00
17. Enter total income from line 14, column A	17.		00
18. Divide line 16 by line 17 (if line 16 is greater than line 17, enter 100%)	18.		%
19. If both spouses are part-year or nonresidents, multiply line 15 by the percentage on line 18 and enter here and on MI-1040, line 15. If one spouse is a full-year resident, complete Worksheet 5 and enter here and on MI-1040, line 15	19.		00

Instructions for Schedule NR, *Nonresident and Part-Year Resident Schedule*

Part-year and nonresidents must pay income tax to Michigan on all income earned in Michigan or attributable to Michigan. List each type of income on Schedule NR and determine how much is attributable to Michigan. Each line in column A should equal the amount reported on your federal return to the extent included in the adjusted gross income (AGI). Enter income attributable to Michigan in column B and the rest in column C. The column C total on line 14 is the amount you may subtract from AGI.

The following definitions may help you determine Michigan income (column B): (1) **Allocate**: To assign or distribute to one state. (2) **Apportion**: To divide or share between two or more states. (3) **Attribute**: To assign income by use of allocation and/or apportionment.

Income Allocation

Line 5: Wages, salaries, tips, etc.

Example: You reported \$50,000 in wages on your U.S. Form 1040. Of this, \$30,000 was earned in Michigan. Enter \$50,000 in column A, \$30,000 in column B, and \$20,000 in column C.

- **Column B:** Part-year residents enter salaries and wages received for the period you were a Michigan resident plus any wages earned in Michigan after your residency changed. Nonresidents enter salaries and wages earned in Michigan. Non-qualified stock options earned in Michigan are allocated to Michigan.
- **Column C:** Residents of reciprocal states enter all wages earned in Michigan plus wages earned in another state. See "Reciprocal States" in instructions.

Line 6: Nonbusiness interest and dividend income is attributable to the state of residence when received.

- **Column B:** Enter the total interest and dividend income you received while a Michigan resident.

Line 7: Enter income from U.S. *Schedules C and F*. Allocate business or farm income, including interest and dividends, to the state where the business operates no matter where it is registered. If the business activity is in Michigan and in another state, use a *Schedule of Apportionment* (Form MI-1040H) to apportion this income. If you have income from more than one business, the income from each must be allocated and apportioned separately. Do this on a separate schedule, then enter the totals in columns B and C. Attach all schedules to your return and identify the state where the business or farm is located.

- **Column B:** Enter the business or farm income earned in Michigan.

Line 8: If you are allocating your income, complete an *Adjustments of Capital Gains and Losses* (Form MI-1040D) and/or *Adjustments of Gains and Losses From Sales of Business Property* (Form MI-4797) to allocate gains/losses. Enter in column B the amount allocated to Michigan from MI-1040D, column G, line 12 (gains), or line 13 (losses). MI-4797 filers, include in column B the amount allocated to Michigan from column E, line 18b(2). If you are not allocating your income, enter in column 8A and 8B the gains/losses from the U.S. *Schedule D* or U.S. Form 4797.

Line 9: Enter income from U.S. *Schedule E*. Allocate to Michigan net rents and royalties from real and tangible personal property located in Michigan. Allocate income or loss to the state where the business, estate, or trust operates, no matter where it is registered. If the business activity is in Michigan and in another state, use Form MI-1040H to apportion this income. Describe the business or property that is the source of the U.S. *Schedule E* income or loss and list the state where the income originates.

- **Column B:** Enter the share of U.S. *Schedule E* income attributable to Michigan.

Line 10: Pensions, annuities, IRA distributions, and Social Security benefits are allocated to the state you were a resident of when you received it. Income reported on Form 1099-R (e.g., deferred compensation) is allocated to the state where you were a resident when you received it.

- **Column B:** Enter pensions, annuities, and IRA distributions received as a Michigan resident here and on Form 4884. See Form 4884 and instructions.

Line 11: Enter other income subject to federal income tax, such as alimony, prizes, unemployment, state and local tax refunds, gambling winnings, or jury duty fees and identify the source. Except as noted below, this income is allocated to the state where you lived when you received it.

- **Column B:** Enter "other income" received while a Michigan resident. **Nonresidents must include Michigan lottery winnings won after December 31, 1996, and winnings won from casinos or licensed horse tracks located in Michigan.**

- **Column C:** Allocate a federal net operating loss (NOL) deduction entirely to Column C. If a Michigan NOL deduction is allowed, it will be taken on Schedule 1, line 21.

Line 13: Enter your total adjustments to income from U.S. Form 1040 or 1040A. Allocate or apportion these items in the following ways:

- Contributions to IRAs, SEP, SIMPLE, and qualified plans are apportioned by the ratio of Michigan wages or self-employment income to total wages or self-employment income.
- Moving expenses are allocated to the state of destination. If you moved into Michigan, enter these expenses in column B. If you moved out of Michigan, enter these expenses in column C.
- The deduction for self-employment tax is apportioned by the ratio of self-employment earned in Michigan to total self-employment income.
- The deduction for self-employed health insurance and penalty for early withdrawal are allocated to the state where you lived when it was paid.

Describe these adjustments on the line given or attach a detailed schedule.

- **Column B:** Enter the amount of these adjustments allocated or apportioned to Michigan.

Line 14: Subtract line 13 from line 12 and enter totals in each column. The amount in column A should equal MI-1040, line 10. If the column C total is more than zero, enter it on Schedule 1, line 13. If the column C total is less than zero, enter it as a positive amount on Schedule 1, line 4. Out-of-state losses cannot reduce Michigan taxable income.

Exemption Allowance

Use lines 15 through 19 to figure the prorated amount allowed for personal and dependent exemptions. **NOTE:** If one spouse was a full-year Michigan resident and the other a part-year or nonresident, and you are filing a joint return, complete the Worksheet 5. Do not complete lines 15 through 18.

NOTE: Part-year residents of a renaissance zone must use Schedule NR to determine their subtraction. Enter total income in column A, income received as a nonresident of the zone in column B, and income received as a resident of the zone in column C. Enter the total from line 14, column C on Schedule 1, line 15. Full-year Michigan residents should not prorate their exemption allowance.