

2015 MICHIGAN Business Tax Charitable Contribution Credits

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
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1. Tax liability prior to this credit from Form 4568, line 9 1. 00

COMMUNITY AND EDUCATION FOUNDATIONS CREDIT

If not claiming the Community or Education Foundations Credit, carry amount from line 1 to line 6.

	Code 1	Code 2	
2. Enter Community and/or Education Foundation Code(s) (see instructions)			
3. Community and Education Foundations donation amount.....			00
4. Multiply line 3 by 50% (0.50)			00
5. Community and Education Foundations Credit. Enter the lesser of line 4, \$5,000, or 5% (0.05) of the tax on Form 4567, line 53. Carry amount to Form 4568, line 10			00
6. Tax After Community and Education Foundations Credit. Subtract line 5 from line 1. If less than zero, enter zero			00

HOMELESS SHELTER/FOOD BANK CREDIT

If not claiming the Homeless Shelter/Food Bank Credit, carry amount from line 6 to line 10.

7. Homeless Shelter/Food Bank cash donation amount	7.	00
8. Multiply line 7 by 50% (0.50)	8.	00
9. Homeless Shelter/Food Bank Credit. Enter the lesser of line 8, \$5,000, or 5% (0.05) of the tax on Form 4567, line 53. Carry amount to Form 4568, line 11	9.	00
10. Tax After Homeless Shelter/Food Bank Credit. Subtract line 9 from line 6. If less than zero, enter zero. (This line must be equal to Form 4568, line 12.)	10.	00

PUBLIC CONTRIBUTION CREDIT

If not claiming the Public Contribution Credit, complete line 11 and carry amount to line 15.

11. Enter tax amount from Form 4568, line 16	11.	00
12. Public Contribution donation amount	12.	00
13. Multiply line 12 by 50% (0.50)	13.	00
14. Public Contribution Credit. Enter the lesser of line 13, \$5,000, or 5% (0.05) of line 11. Carry amount to Form 4568, line 17	14.	00
15. Tax After Public Contribution Credit. Subtract line 14 from line 11. If less than zero, enter zero	15.	00

ARTS AND CULTURE CREDIT

If not claiming the Arts and Culture Credit, carry amount from line 15 to line 20.

16. Arts and Culture donation amount (see instructions)	16.	00
17. Qualified donation amount. Subtract \$50,000 from line 16. If less than zero, enter zero	17.	00
18. Multiply line 17 by 50% (0.50)	18.	00
19. Arts and Culture Credit. Enter the lesser of line 18, \$100,000, or the tax from line 15. Carry amount to Form 4568, line 18	19.	00
20. Tax After Arts and Culture Credit. Subtract line 19 from line 15. If less than zero, enter zero. (This line must be equal to Form 4568, line 19.)	20.	00

Instructions for Form 4572

Michigan Business Tax (MBT) Charitable Contribution Credits

Purpose

To allow standard taxpayers to claim the charitable contribution credits. Credits are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568).

NOTE: Financial institutions and insurance companies are not eligible for these credits.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. If a taxpayer files an MBT return and claims a certificated credit, the taxpayer makes the election to file and pay under the MBT until the certificated credit and any carryforward of that credit are exhausted. A taxpayer making a valid certificated credit election may also claim the credits on this form.

Special Instructions for Unitary Business Groups

Credits are generally earned and calculated on a group basis, unless the relevant statute contains entity-specific provisions. These credits, including the ceilings on these credits, are calculated on a group basis.

Complete one Form 4572 for the group.

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the *MBT Annual Return* (Form 4567).

Credits

COMMUNITY AND EDUCATION FOUNDATIONS CREDIT

A partial credit is allowed when donating to the endowment fund of a certified community foundation or education foundation. A list of certified foundations, if applicable, will be posted as a Revenue Administrative Bulletin found online at www.michigan.gov/treasury under "Reports and Legal Resources." If a valid code is not entered, a credit will not be allowed. If donations were made to more than two foundations, attach a list referencing the additional foundations.

HOMELESS SHELTER/FOOD BANK CREDIT

A partial credit is allowed when making a cash donation to a qualifying shelter for homeless persons, food kitchen, food bank, or other entity whose primary purpose is to provide overnight accommodations, food, or meals to indigent persons. For more information, see Michigan Compiled Law 208.1427, found online at www.legislature.mi.gov. For a donation that qualifies for this credit, a taxpayer that also is subject to the Michigan Income Tax Act (PA 281 of 1967) may choose to claim a credit on the Individual Income Tax return or the MBT

return, but not both.

PUBLIC CONTRIBUTION CREDIT

A partial credit is allowed for Corporations and Partnerships (and Limited Liability Companies federally taxed as such) when donations are made during the taxable year to public broadcast stations located in Michigan, Michigan public libraries, institutions of higher learning located in Michigan or a nonprofit corporation, fund, foundation, trust, or association organized and operated exclusively for the benefit of an institution of higher learning, the Michigan Colleges Foundation, and the Michigan Housing and Community Development Fund. A taxpayer that also is subject to the Michigan Income Tax Act (PA 281 of 1967) may not claim this credit under the MBT.

ARTS AND CULTURE CREDIT

A partial credit is allowed when donations are made to either of the following:

- **Category A:** A municipality or a nonprofit corporation affiliated with a municipality and an art, historical, or zoological institute for the purpose of benefiting the art, historical, or zoological institute, OR
- **Category B:** An institute devoted to the procurement, care, study, and display of objects of lasting interest or value.

To calculate the Arts and Culture Credit, a taxpayer may count aggregate contributions to the charities described in Category A above if those contributions exceed \$50,000, as well as aggregate contributions to charities described in Category B if those contributions exceed \$50,000. A taxpayer is not precluded from taking the credit for donations made to both categories as long as the taxpayer meets the minimum donation separately for each category and does not exceed the overall credit limitation of \$100,000.

Contributions within a category may be aggregated to reach the \$50,000 minimum. However, contributions made to one category may not be aggregated with contributions to the other to reach the \$50,000 minimum.

Line 16: Use the worksheet below to calculate the donation amount.

If aggregate contributions to Category A institutions exceed \$50,000, enter that aggregate amount here	<input type="text"/>
	+
If aggregate contributions to Category B institutions exceed \$50,000, enter that aggregate amount here	<input type="text"/>
	=
TOTAL Arts and Culture donation amount	<input type="text"/>

Include completed Form 4572 as part of the tax return filing.

2015 MICHIGAN Business Tax Miscellaneous Nonrefundable Credits

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
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PART 1 - If not taking any credits in Part 1, skip to Part 2.

NASCAR SPEEDWAY CREDIT.

- | | | |
|--|----|----|
| 1. If eligible for this credit, enter tax from Form 4568, line 12..... | 1. | 00 |
| 2. Eligible capital expenditures..... | 2. | 00 |
| 3. NASCAR Speedway Credit. Enter the lesser of line 1, line 2, or \$1,580,000.
Carry amount to Form 4568, line 13..... | 3. | 00 |

This credit is no longer available. - Skip to line 7.

- | | | |
|--|----|--------------|
| 4. This credit is no longer available. Leave this line blank and skip to line 7..... | 4. | XXXXXXXXXX00 |
| 5. This credit is no longer available. Leave this line blank and skip to line 7..... | 5. | XXXXXXXXXX00 |
| 6. This credit is no longer available. Leave this line blank and skip to line 7..... | 6. | XXXXXXXXXX00 |

START-UP BUSINESS CREDIT

- | | | |
|--|----|----|
| 7. Start-Up Business Credit (attach MEDC Certificate)..... | 7. | 00 |
| 8. Recapture of Start-Up Business Credit..... | 8. | 00 |
| 9. Start-Up Business Credit. Subtract line 8 from line 7. Carry to Form 4568, line 15. If less than zero, enter as a negative number..... | 9. | 00 |

PART 2

- | | | |
|--------------------------------------|-----|----|
| 10. Tax from Form 4568, line 19..... | 10. | 00 |
|--------------------------------------|-----|----|

NEXT ENERGY BUSINESS ACTIVITY CREDIT. If not claiming, carry amount from line 10 to line 13.

- | | | |
|--|-----|----|
| 11. Next Energy Business Activity Credit (attach MEDC Certificate)..... | 11. | 00 |
| 12. Next Energy Business Activity Credit. Enter the lesser of line 10 or 11. Carry amount to Form 4568, line 20.... | 12. | 00 |
| 13. Tax After Next Energy Business Activity Credit. Subtract line 12 from line 10..... | 13. | 00 |

RENAISSANCE ZONE CREDIT. If not claiming, carry amount from line 13 to line 15.

If claiming, complete and include the *Renaissance Zone Credit Schedule*, Form 4595.

- | | | |
|--|-----|----|
| 14. Renaissance Zone Credit. Amount from Form 4595, line 25b. Carry amount to Form 4568, line 21..... | 14. | 00 |
| 15. Tax After Renaissance Zone Credit. Subtract line 14 from line 13. If less than zero, enter zero..... | 15. | 00 |

HISTORIC PRESERVATION CREDIT. If not claiming, carry amount from line 15 to line 18.

- | | | |
|--|------|----|
| 16. Historic Preservation Credit from Form 4584, line 28..... | 16. | 00 |
| 17a. Recapture of Historic Preservation Tax Credit from Form 4584, line 2..... | 17a. | 00 |
| 17b. Historic Preservation Credit Net of Recapture. Subtract line 17a from line 16.
If less than zero, enter as a negative number. Carry to Form 4568, line 22..... | 17b. | 00 |
| 18. Tax After Historic Preservation Credit. Subtract line 16 from line 15 and add line 17a..... | 18. | 00 |

LOW-GRADE HEMATITE CREDIT. If not claiming, carry amount from line 18 to line 23.

- | | | |
|---|-----|----|
| 19. Current Year Credit. Multiply \$1.00 by number of long tons of qualified low-grade hematite used..... | 19. | 00 |
| 20. Unused credit from previous period MBT return..... | 20. | 00 |
| 21. Total Available Credit. Add lines 19 and 20..... | 21. | 00 |
| 22. Low-Grade Hematite Credit. Enter the lesser of line 18 or line 21. Carry amount to Form 4568, line 23..... | 22. | 00 |
| 23. Tax After Low-Grade Hematite Credit. Subtract line 22 from line 18..... | 23. | 00 |
| 24. Credit Carryforward. If line 21 is greater than line 18, enter the difference..... | 24. | 00 |

NEW MOTOR VEHICLE DEALER INVENTORY CREDIT. If not claiming, carry amount from line 23 to line 28.

- | | | |
|---|-----|----|
| 25. Amount paid to acquire new motor vehicle inventory in the tax year..... | 25. | 00 |
| 26. Multiply line 25 by 0.25% (0.0025)..... | 26. | 00 |
| 27. New Motor Vehicle Dealer Inventory Credit. Enter lesser of line 23 or line 26. Carry amount to Form 4568, line 24..... | 27. | 00 |
| 28. Tax After New Motor Vehicle Dealer Inventory Credit. Subtract line 27 from line 23. If less than zero, enter zero..... | 28. | 00 |

FEIN or TR Number: **LARGE FOOD RETAILER CREDIT.** If not claiming, carry amount from line 28 to line 32.

29. Michigan compensation.....	29.		00
30. Multiply line 29 by 1% (0.01)	30.		00
31. Large Food Retailer Credit. Enter lesser of line 28, line 30, or \$8,500,000. Carry amount to Form 4568, line 25	31.		00
32. Tax After Large Food Retailer Credit. Subtract line 31 from line 28. If less than zero, enter zero.....	32.		00

MID-SIZE FOOD RETAILER CREDIT. If not claiming, carry amount from line 32 to line 36.

33. Michigan compensation.....	33.		00
34. Multiply line 33 by 0.125% (0.00125)	34.		00
35. Mid-size Food Retailer Credit. Enter lesser of line 32, line 34, or \$300,000. Carry amount to Form 4568, line 26....	35.		00
36. Tax After Mid-size Food Retailer Credit. Subtract line 35 from line 32. If less than zero, enter zero.....	36.		00

BOTTLE DEPOSIT ADMINISTRATION CREDIT. If not claiming, carry amount from line 36 to line 40.

37. Expenses incurred in compliance with MCL 445.571 - 445.576.....	37.		00
38. Multiply line 37 by 30.5% (0.305)	38.		00
39. Bottle Deposit Administration Credit. Enter the lesser of line 36 or 38. Carry amount to Form 4568, line 27.....	39.		00
40. Tax After Bottle Deposit Administration Credit. Subtract line 39 from line 36. If less than zero, enter zero	40.		00

MEGA FEDERAL CONTRACT CREDIT. If not claiming, carry amount from line 40 to line 42.

41. MEGA Federal Contract Credit from Form 4584, line 37. Carry amount to Form 4568, line 28.....	41.		00
42. Tax After MEGA Federal Contract Credit. Subtract line 41 from line 40. If less than zero, enter zero	42.		00

INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT CREDIT. If not claiming, carry amount from line 42 to line 48.

43. Contribution amount from MSHDA certificate (attach).....	43.		00
44. Current Individual or Family Development Account (IFDA) Credit. Multiply amount on line 43 by 75% (0.75)	44.		00
45. Unused credit from previous period MBT return.....	45.		00
46. Total Available Credit. Add lines 44 and 45	46.		00
47. IFDA Credit. Enter the lesser of line 42 or 46. Carry to Form 4568, line 29	47.		00
48. Tax After IFDA Credit. Subtract line 47 from line 42. If less than zero, enter zero.....	48.		00
49. Credit Carryforward. If line 46 is greater than line 42, enter the difference.....	49.		00

BONUS DEPRECIATION CREDIT UNUSED CARRYFORWARD. If not claiming, carry amount from line 48 to line 52.

50. Unused credit from previous MBT return.....	50.		00
51. Bonus Depreciation Credit. Enter the lesser of line 48 or line 50. Carry to Form 4568, line 30.....	51.		00
52. Tax After Bonus Depreciation Credit. Subtract line 51 from line 48. If less than zero, enter zero	52.		00
53. Credit Carryforward. If line 50 is greater than line 48, enter the difference.....	53.		00

INTERNATIONAL AUTO SHOW CREDIT. If not claiming, carry amount from line 52 to line 55.

54. International Auto Show Credit. Enter the lesser of line 52 or \$250,000. Carry to Form 4568, line 31	54.		00
55. Tax After International Auto Show Credit. Subtract line 54 from line 52	55.		00

BROWNFIELD REDEVELOPMENT CREDIT. If not claiming, carry amount from line 55 to line 57.

56. Brownfield Redevelopment Credit from Form 4584, line 55. Carry amount to Form 4568, line 32	56.		00
57. Tax After Brownfield Redevelopment Credit. Subtract line 56 from line 55. If less than zero, enter zero	57.		00

PRIVATE EQUITY FUND CREDIT. If not claiming, carry amount from line 57 to line 62.

58. Total activity of fund manager conducted in Michigan in the tax year	58.		00
59. Total activity of fund manager conducted everywhere in the tax year.....	59.		00
60. Credit percentage. Divide line 58 by line 59	60.		%
61. Private Equity Fund Credit. Multiply line 57 by line 60. Carry amount to Form 4568, line 33	61.		00
62. Tax After Private Equity Fund Credit. Subtract line 61 from line 57. If less than zero, enter zero	62.		00

FILM JOB TRAINING CREDIT. If not claiming, carry amount from line 62 to line 67.

63. Amount from <i>Qualified Job Training Expenditure Certificate</i> provided by Michigan Film Office (attach)	63.		00
64. Unused credit from previous period MBT return.....	64.		00
65. Total Available Credit. Add lines 63 and 64	65.		00
66. Film Job Training Credit. Enter the lesser of line 62 or line 65. Carry amount to Form 4568, line 34	66.		00
67. Tax After Film Job Training Credit. Subtract line 66 from line 62. If less than zero, enter zero	67.		00
68. Credit Carryforward. If line 65 is greater than line 62, enter the difference.....	68.		00

FEIN or TR Number:

FILM INFRASTRUCTURE CREDIT. If not claiming, carry amount from line 67 to line 73.

69.	Amount from <i>Investment Expenditure Certificate</i> provided by MI Film Office (attach) or assigned credit amount.	69.		00
70.	Unused credit from previous period MBT return.....	70.		00
71.	Total Available Credit. Add lines 69 and 70	71.		00
72.	Film Infrastructure Credit. Enter the lesser of line 67 or line 71. Carry amount to Form 4568, line 35.....	72.		00
73.	Tax After Film Infrastructure Credit. Subtract line 72 from line 67. If less than zero, enter zero.....	73.		00
74.	Credit Carryforward. If line 71 is greater than line 67, enter the difference.....	74.		00

MEGA PLUG-IN TRACTION BATTERY MANUFACTURING CREDIT. If not claiming, carry amount from line 73 to line 76.

75.	MEGA Plug-In Traction Battery Manufacturing Credit from Form 4584, line 64. Carry amount to Form 4568, line 36.....	75.		00
76.	Tax After MEGA Plug-In Traction Battery Manufacturing Credit. Subtract line 75 from line 73. If less than zero, enter zero	76.		00

ANCHOR COMPANY PAYROLL CREDIT. If not claiming, carry amount from line 76 to line 78.

77.	Anchor Company Payroll Credit from Form 4584, line 72. Carry amount to Form 4568, line 37	77.		00
78.	Tax After Anchor Company Payroll Credit. Subtract line 77 from line 76. If less than zero, enter zero	78.		00

ANCHOR COMPANY TAXABLE VALUE CREDIT. If not claiming, carry amount from line 78 to line 80.

79.	Anchor Company Taxable Value Credit from Form 4584, line 80. Carry amount to Form 4568, line 38.....	79.		00
80.	Tax After Anchor Company Taxable Value Credit. Subtract line 79 from line 78. If less than zero, enter zero.....	80.		00

MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS.

If not claiming, carry amount from line 80 to line 82.

81.	MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits from Form 4584, line 88. Carry amount to Form 4568, line 39.....	81.		00
82.	Tax After Miscellaneous MEGA Battery Credit. Subtract line 81 from line 80. If less than zero, enter zero	82.		00

Instructions for Form 4573

Michigan Business Tax (MBT) Miscellaneous Nonrefundable Credits

Purpose

To allow standard taxpayers to claim certain miscellaneous nonrefundable credits. Generally, credits and any carryforwards allowed are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568). Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

NOTE: This form may also be used by financial institutions to claim a limited number of credits:

- Renaissance Zone Credit
- Historic Preservation Credit
- Individual or Family Development Account Credit
- Brownfield Redevelopment Credit
- Assigned Film Infrastructure Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

Fiscal Year Filers: All credits must be calculated using actual numbers from the period included on this return. For more information, see “Supplemental Instructions for Standard Fiscal MBT Filers” in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

Entity-specific provisions are applied on a member-by-member basis and are addressed in the “Line-by-Line Instructions.” In none of these cases does a taxpayer that is a UBG take the organization type of its parent, Designated Member (DM), or any other member of the UBG. A UBG taxpayer will not be attributed an organization type based on the composition of its members.

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members should be entered on each corresponding line on the form.

To the extent that a qualified taxpayer earning the Brownfield Redevelopment Credit or Historic Preservation Credit is included within a UBG taxpayer for relevant tax years, the qualified taxpayer’s unused pre-2008 Brownfield Redevelopment Credit and/or Historic Preservation Credit (that is, such credits earned under the Single Business Tax (SBT)) may be applied against the tax liability imposed on the entire UBG taxpayer (of which the qualified taxpayer is a member) for the tax years the carryforward would have been available under SBT. These carryforwards are claimed on the *MBT Single Business Tax Credit Carryforwards* (Form 4569).

Find additional information on calculating credit carryforwards in the “Supplemental Instructions for Standard Members in UBGs” section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

UBGs: Complete one form for the group. Enter the DM’s name and account number.

PART 1

If not taking any credits in Part 1, skip to Part 2.

NASCAR Speedway Credit

For tax years that end before January 1, 2017, an eligible taxpayer may claim a credit against the tax imposed by the MBT Act equal to the amount of capital expenditures in this State on infield renovation, grandstand and infrastructure upgrades, and any other construction and upgrades subject to the following:

- The credit is limited to the lesser of the taxpayer’s tax liability or \$1,580,000.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has met the capital expenditure requirements by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer’s first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

UBGs: If the eligible taxpayer is a member of a UBG, this credit is calculated against the eligible member’s capital expenditures. This credit amount is limited to the lesser of the applicable dollar amount specified above or the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied toward the UBG’s tax liability for that tax year.

An eligible taxpayer must expend at least \$30,000,000 on capital expenditures before January 1, 2011. An eligible taxpayer is any of the following:

- A person who owns and operates a motorsports entertainment complex and has at least two days of sanctioned motorsports events each calendar year which are comparable to NASCAR Nextel Cup events held in 2007 or their successor events.
- A person who is the lessee and operator of a motorsports entertainment complex or the lessee of the land on which a motorsports entertainment complex is located and operates that motorsports entertainment complex.
- A person who operates and maintains a motorsports entertainment complex under an operation and management agreement.

Motorsports entertainment complex and Motorsports event are defined terms in the statute.

Line 2: Enter eligible capital expenditures on infield renovation, grandstand, and infrastructure upgrades, and any other construction and upgrades. If eligible capital expenditures were made by a member of a UBG, enter the lesser of the eligible capital expenditures or the eligible member's pro forma liability.

UBGs: If the eligible taxpayer is a member of a UBG, a pro forma calculation must be performed to determine the tax liability of the eligible taxpayer prior to this credit. Where a pro forma calculation is required, the underlying objective is to determine what the tax liability of the UBG member generating the credit would have been if that member was not included in the UBG. Therefore, the UBG member generating the credit must calculate its pro forma tax liability as if it was a singular, stand alone taxpayer in all aspects. This supporting calculation should be provided in a statement attached to this form. However, this calculation should never be transferred to a Form 4567 or displayed as such.

Line 3: Enter the lesser of line 1, line 2 or \$1,580,000.

Stadium Credit

Lines 4-6: This credit is no longer available. Leave these lines blank.

Start-Up Business Credit

The Start-Up Business Credit provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer's MBT liability for the year. To qualify, a taxpayer must apply to and obtain annual certification from the Michigan Economic Development Corporation (MEDC), and attach that certificate to its MBT return. For an application form or additional information, call the MEDC at (517) 373-9808.

For the tax year for which a Start-Up Business Credit is claimed, compensation, director fees, or distributive shares paid by the taxpayer to any one of the following cannot exceed \$135,000:

- A shareholder of a C Corporation or S Corporation. *Shareholder* means a person who owns outstanding stock in a business or is a member of a business entity (for example, an LLC) that files as a corporation for federal income tax

purposes. All members of a shareholder's family, as defined by Internal Revenue Code (IRC) § 318(a)(1), that receive compensation from the business are considered shareholders.

- An officer of a C Corporation.
- A partner of a Partnership or Limited Liability Partnership.
- A member of a Limited Liability Company (LLC).
- An Individual who is an owner.

Officer means an officer of a corporation other than a subchapter S corporation, including all of the following: (a) The chairperson of the board, (b) The president, vice president, secretary, or treasurer of the corporation or board, (c) Persons performing similar duties and responsibilities to persons described in subdivisions (a) and (b) that include, at a minimum, major decision making.

Corporations (and LLCs federally taxed as such) must report compensation and director fees of shareholders and (if a C Corporation) officers on the *MBT Schedule of Shareholders and Officers* (Form 4577) and include it as part of the return. Partnerships (and LLCs federally taxed as such) must report distributive shares to partners on the *MBT Schedule of Partners* (Form 4578) and include it as part of the return.

A taxpayer that meets the criteria and that is a qualified start-up business that does not have business income for two consecutive tax years may claim a credit against the tax imposed for the second of those two consecutive tax years and each immediately following consecutive tax year in which the taxpayer does not have business income. For the purposes of this credit, business income excludes funds received from small business innovation research grants and small business technology transfer programs established under the Small Business Innovation Development Act of 1982, Public Law 97-219, reauthorized under the Small Business Research and Development Enhancement Act, Public Law 102-564, and subsequently reauthorized under the Small Business Reauthorization Act of 2000, Public Law 106-554.

A Start-Up Business Credit cannot be claimed for more than a total of five tax years including the number of years the taxpayer was eligible to claim the credit under SBT.

UBGs: If the eligible taxpayer is a member of a UBG, this credit is based on the eligible member's business activity only. This credit amount is limited to the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied towards the UBG's tax liability for that tax year.

Line 7: Enter the tax liability from Form 4568, line 12, or the eligible member's pro forma liability if part of a UBG. Attach supporting MEDC Certification Letter.

UBGs: See guidance on pro forma calculations in the UBG note under line 2.

Line 8: Enter any recapture of Start-Up Business Credit.

NOTE: A company claiming the Start-Up Business Credit under either MBT or SBT must pay back a portion of the credit if they have no business activity in Michigan and have business activity outside of Michigan within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100 percent of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67 percent of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33 percent of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

PART 2

Next Energy Business Activity Credit

The Next Energy Business Activity Credit allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

Qualified business activity is research, development, or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle, alternative energy technology, or renewable fuel (as defined in the Michigan Next Energy Authority Act).

Line 11: Attach the certificate issued by MEDC for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

UBGs: If the eligible taxpayer is a member of a UBG, the eligible member's calculated pro forma liability (not the group's liability) must be used to determine the credit amount certified by the MEDC. This supporting pro forma calculation should be provided in a statement attached to this form. See guidance on pro forma calculations in the UBG note under line 2.

For more information, call the MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Renaissance Zone Credit

The Renaissance Zone Credit encourages businesses and individuals to help revitalize a designated Zone.

Line 14: Complete and include the *MBT Renaissance Zone Credit Schedule* (Form 4595) to claim this credit.

NOTE the changed instructions for certain taxpayers for line 24 of Form 4595.

If located in more than one zone, complete and include a separate Form 4595 for each zone. Add line 25b from each Form 4595 and enter the sum on line 14 of Form 4573.

NOTE: Beginning January 1, 2012, certain renaissance zone credits are available as a certificated credit. A certificated renaissance zone credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For more information see Form 4595.

For more information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at <http://www.michiganadvantage.org/>. For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at 517-636-6925.

Historic Preservation Credit

The Historic Preservation Credit provides tax incentives for homeowners, commercial property owners, and businesses to rehabilitate historic resources located in Michigan. Rehabilitation projects must be certified by the State Historic Preservation Office (SHPO).

NOTE: Beginning January 1, 2012, the historic preservation credit is available to the extent that a taxpayer had a Part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. A taxpayer may elect to claim a certificated historic preservation credit in the year in which a credit is available and will be taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. The credit must first be claimed in the year that the certificate of completed rehabilitation of the historic resource was issued.

Line 16: Complete the *MBT Election of Refund or Carryforward of Credits* (Form 4584) to claim this credit and elect a carryforward of any excess credit.

Line 17a: Recapture from Form 4584, Line 2. If the resource is sold or the certification of completed rehabilitation or preapproval letter is revoked less than five years after the historic resource is placed in service, a percentage of the credit may be subject to recapture.

100 percent	If less than 1 year
80 percent	If at least 1 year, but less than 2 years
60 percent	If at least 2 years, but less than 3 years
40 percent	If at least 3 years, but less than 4 years
20 percent	If at least 4 years, but less than 5 years

Questions regarding federal and State certification may be directed to SHPO at (517) 373-1630. For additional information, visit the SHPO Web site at www.michigan.gov/shpo. Information about Federal Historic Preservation Tax Incentives is available at www.nps.gov/hps/tps/tax/index.htm.

Low-Grade Hematite Credit

The Low-Grade Hematite Credit provides a credit equal to one dollar per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process, a process in which low-grade hematite is used as a raw material in the production of pig iron or steel, that is the business activity of the taxpayer. If the credit exceeds the tax liability, the excess may be carried forward for five years.

UBGs: The credit is calculated from the aggregate tonnage of qualified low-grade hematite pellets consumed by all UBG members in an industrial or manufacturing process.

Line 19: *Low-grade hematite* means any hematitic iron formation that is not of sufficient quality in its original mineral state to be mined and shipped for the production of pig iron or steel without first being drilled, blasted, crushed,

and ground very fine to liberate the iron minerals and for which additional beneficiation and agglomeration are required to produce a product of sufficient quality to be used in the production of pig iron or steel. Qualified low-grade hematite must be produced from low-grade hematitic iron ore mined in the United States.

Line 20: UBGs: Enter the carryforward amount from Form 4580, Part 2B, line 51, column C.

Line 24: If line 21 is greater than line 18, enter the difference. This is a credit carryforward to be used on the taxpayer's immediately following MBT return.

New Motor Vehicle Dealer Inventory Credit

A taxpayer that is a new motor vehicle dealer licensed under the Michigan vehicle code, Michigan Compiled Law (MCL) 257.1 to 257.923, may claim a credit against the tax equal to 0.25 percent of the amount paid by the taxpayer to acquire new motor vehicle inventory in Michigan during the tax year.

Line 25: *New motor vehicle inventory* means new motor vehicles or new motor vehicle parts.

Large Food Retailer Credit

An eligible taxpayer may claim a Large Food Retailer Credit equal to 1 percent of the taxpayer's compensation in Michigan, not to exceed \$8,500,000. A taxpayer that claims a Large Food Retailer Credit cannot also claim a Mid-Size Food Retailer Credit.

The taxpayer must meet all of the following criteria:

- Operates at least 17,000,000 square feet of enclosed retail space and 2,000,000 square feet of enclosed warehouse space in Michigan.
- Sells all of the following at retail:
 - Fresh, frozen, or processed food; food products; or consumable necessities.
 - Prescriptions and over-the-counter medications.
 - Health and beauty care products.
 - Cosmetics.
 - Pet products.
 - Carbonated beverages.
 - Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

Line 29: Enter compensation attributable to Michigan.

UBGs: If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

Mid-Size Food Retailer Credit

An eligible taxpayer may claim a Mid-Size Food Retailer Credit equal to 0.125 percent of the taxpayer's compensation in Michigan, not to exceed \$300,000.

The taxpayer must meet all of the following criteria:

- Operates at least 2,500,000 square feet of enclosed retail space and 1,400,000 square feet of enclosed warehouse, headquarters, and transportation services in Michigan.
- Sells all of the following at retail:
 - Fresh, frozen, or processed food; food products; or consumable necessities.
 - Prescriptions and over-the-counter medications.
 - Health and beauty care products.
 - Cosmetics.
 - Pet products.
 - Carbonated beverages.
 - Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

Line 33: Enter compensation attributable to Michigan.

UBGs: If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

Bottle Deposit Administration Credit

An eligible taxpayer may claim a Bottle Deposit Administration Credit equal to 30.5 percent of the taxpayer's expenses incurred during the tax year to comply with MCL 445.571 to 445.576. *Eligible taxpayer* means a distributor or manufacturer who originates a deposit on a beverage container in accordance with MCL 445.571 to 445.576. *Beverage container* and *distributor* mean those terms as defined under MCL 445.571 to 445.576.

UBGs: If the eligible taxpayer is a member of a UBG, enter expenses incurred only by that eligible member. If multiple members of a UBG are eligible taxpayers, combine the expenses of those eligible members.

MEGA Federal Contract Credit

This credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the U.S. Department of Defense, Department of Energy, or Department of Homeland Security resulting in a minimum of 25 new full-time jobs.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 41: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact MEDC at 517-373-9808 or visit the MEDC Web site at michiganadvantage.org/MIAdvantage/Taxes-and-Incentives.

Individual or Family Development Account Credit

A taxpayer or qualified financial institution may claim a credit for 75 percent of certified contributions made to a reserve fund of a fiduciary organization in accordance with the Individual or Family Development Account Program Act, MCL 206.701 to 206.711. A *fiduciary organization* is a 501(c)(3) exempt, charitable organization approved by the Michigan State Housing Development Authority (MSHDA) to manage a reserve fund. A *reserve fund* is a fund established and managed by a fiduciary organization housed at a financial institution.

This credit is nonrefundable but may be carried forward up to ten years. The credit may not exceed \$1 million annually for all taxpayers. The determination of whether the annual limit is reached will be made by MSHDA, which must certify contributions eligible for a credit, in accordance with the Individual or Family Development Account Program Act.

Attach the certificate issued by MSHDA for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

NOTE: For purposes of this credit, *qualified financial institution* is defined by reference to the definition of *financial institution* in the Individual or Family Development Account Program Act, rather than the MBT Act. *Financial institution* for this credit is defined as “a state chartered bank, state chartered savings bank, savings and loan association, credit union, or trust company; or a national banking association or federal savings and loan association or credit union.”

Line 45: UBGs: Standard taxpayers, enter the unused credit amount from Form 4580, Part 2B, line 52, column C. Financial institutions, enter the combined total of carryforward amounts reported on the *UBG Combined Filing Schedule for Financial Institutions* (Form 4752), line 30, by all members of the group.

Bonus Depreciation Credit

For tax years starting after 2010, only unused carryforward of the Bonus Depreciation Credit can be used.

Line 50: Enter the unused credit amount from previous year.

UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 53, column C.

International Auto Show Credit

A taxpayer who owns, operates, or controls an international auto show in Michigan that meets certain criteria may claim a credit. An international auto show must meet all of the following criteria:

- Promote, advertise, or display the design or concept of products that are designed, manufactured, or produced, in whole or in part, in this State and are available for sale to the general public.
- Use more than 100,000 square feet of floor space.
- Be open to the general public for at least seven consecutive days in a calendar year.
- Have attendance exceeding 500,000.
- Have more than 3,000 credentialed journalists, including international journalists, who attend the auto show.

A taxpayer claiming the International Auto Show Credit must maintain in its records proof that the international auto show satisfies all of the above criteria.

Line 54: The credit is equal to the qualified taxpayer's entire MBT liability or \$250,000, whichever is less.

UBGs: If the eligible taxpayer is a member of a UBG, a pro forma tax calculation must be attached showing the individual member's tax liability. This credit is equal to the lesser of the member's entire MBT liability or \$250,000, whichever is less. See guidance on pro forma calculations in the UBG note under line 2.

Brownfield Redevelopment Credit

The Brownfield Redevelopment Credit encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial, public, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted.

NOTE: Beginning January 1, 2012, the Brownfield redevelopment credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. The credit must first be claimed in the year in which the certificate of completion is issued.

A taxpayer claiming a nonrefundable certificated brownfield credit may make the election in the year in which a credit is available and will remain taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished.

Line 56: Complete Form 4584 to claim this credit and elect a carryforward of any excess credit.

The administration of the Brownfield Redevelopment Credit program is assigned to MEGA. For more information on the approval process, contact the MEDC at 517-373-9808.

Private Equity Fund Credit

An eligible taxpayer may claim a Private Equity Fund Credit equal to the eligible taxpayer's tax liability attributable to the activities as an eligible taxpayer for the tax year after claiming any other credits allowed under the MBT Act multiplied by a fraction, the numerator of which is the total activity of the private equity fund manager conducted in Michigan during the tax year and the denominator of which is the total activity of the private equity fund manager conducted everywhere during the tax year.

Eligible taxpayer means a taxpayer that is a private equity fund which serves as a conduit for the investment of private securities not listed on a public exchange by accredited investors or qualified purchasers at any time during which the investment is acquired or subsequently used to claim the credit under this section.

Accredited investor means that term as defined under Section 2 of the Securities Act of 1933, 15 USC 77b.

Qualified purchaser means that term as defined under Section 2 of the Investment Company Act of 1940, 15 United States Code (USC) 80a-2.

Line 58: *Private equity fund manager* means the person or persons responsible for the management of the investments of the eligible taxpayer.

For purposes of this credit, the location of the activity of the private equity fund manager is based on the location of the office from which the fund manager conducts management activity for the eligible taxpayer.

UBGs: If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted in Michigan.

Line 59: If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted everywhere.

Line 61: If the taxpayer engages in both private equity fund activities as well as other activities, the amount on line 70 cannot be used. Instead, the taxpayer must do a pro forma calculation of the tax before this credit based solely on the private equity fund activities.

UBGs: To the extent that a private equity fund is part of a UBG, the Private Equity Fund Credit is equal to the tax liability of the eligible member prior to this credit, multiplied by a fraction which is the Michigan activities of the manager over the activities of the manager everywhere. A pro forma calculation must be performed to determine the tax liability of the eligible UBG member prior to this credit. See guidance on pro forma calculations in the UBG note under line 2.

Film Job Training Credit

An eligible production company may claim a credit of up to 50 percent of qualified job training expenditures in film and digital media for qualified personnel, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by the State Treasurer. If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years.

Line 63: Upon verification that the taxpayer has complied with the agreement terms and the qualified job training expenditures and eligibility are met, the Film Office will issue a *Qualified Job Training Expenditure Certificate* verifying the amount of the credit to be claimed. The certificate must be attached to the return to receive the credit.

NOTE: To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed for either an MBT or withholding tax liability.

Line 64: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 55, column C.

Line 68: If line 65 is greater than line 62, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at www.michiganfilmoffice.org.

Film Infrastructure Credit

An eligible taxpayer may claim a credit for investment in a qualified film and digital media infrastructure project of up to 25 percent of the base investment expenditures for the project, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by the State Treasurer. The credit is reduced by the amount of any Brownfield Redevelopment Credit claimed under Section 437 of the MBT Act for the same base investment. If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years.

Upon verification that the taxpayer has complied with the agreement terms and investment expenditures and eligibility are met, the Film Office will issue an *Investment Expenditure Certificate* stating the amount of the credit. The certificate must be attached to the return.

The credit may be assigned in the tax year in which the *Investment Expenditure Certificate* is received but any such assignment is irrevocable. The *MBT Film Credit Assignment* (Form 4589) must be attached to the return on which the credit is claimed.

An assigned credit amount must be claimed against the assignee's MBT liability during the assignee's tax year in which the credit was assigned.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

NOTE: To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed against either an MBT or withholding tax liability.

If the taxpayer originally awarded this credit sells or otherwise disposes of any tangible assets, the cost of which were included in the base investment, that taxpayer must recapture part of the credit in the year of disposition. Credit recapture is reported on Form 4587.

Line 70: UBGs: Standard taxpayers, enter the unused credit amount from Form 4580, Part 2B, line 56, column C. Financial institutions, enter the combined total of carryforward amounts reported on Form 4752, line 32, by all members of the group.

Line 74: If line 71 is greater than line 67, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at www.michiganfilmoffice.org.

MEGA Plug-In Traction Battery Manufacturing Credit

The MEGA Plug-In Traction Battery Manufacturing Credit encourages investment in the development, manufacture, commercialization, and affordability of advanced automotive high-power energy batteries. The credit is available only to a taxpayer that has entered into an agreement with MEGA that provides that the taxpayer will manufacture plug-in traction battery packs in Michigan. The taxpayer must attach the MEGA certificate to the MBT annual return on which the credit is claimed.

For tax years ending after December 31, 2014, this credit is no longer available. However, unused credit from the immediately preceding tax year may still be claimed, if available.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 75: For tax years ending after December 31, 2014, the MEGA Plug-In Traction Battery Manufacturing Credit is no longer available. Complete Form 4584 to claim an unused credit from the immediately preceding tax year.

Anchor Company Payroll Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 77: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at 517-373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Anchor Company Taxable Value Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 79: Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

NOTE: Beginning January 1, 2012, these credits are available as certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Line 81: Complete Form 4584 to claim these credits and elect a refund or carryforward of any excess credit, and to apply unused carryforwards of these credits from the immediately preceding tax year.

The miscellaneous MEGA battery credits on this line include the MEGA Poly-Silicon Energy Cost Credit, MEGA Plug-In Traction Battery Integration Credit, MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and/or MEGA Advanced Lithium Ion Battery Credit.

For tax years ending after December 31, 2014, the MEGA Advanced Battery Engineering Credit is no longer available. Complete Form 4584 to claim an unused MEGA Advanced Battery Engineering Credit from the immediately preceding tax year.

Include completed Form 4573 as part of the tax return filing.

2015 MICHIGAN Business Tax Refundable Credits

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
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PERSONAL PROPERTY TAX CREDIT. If not claiming this credit, skip to line 8.

1. Property taxes paid on eligible industrial personal property in the current MBT tax year (see instructions)	1.	00
2. Multiply line 1 by 35% (0.35)	2.	00
3. Property taxes paid on eligible telephone personal property in the current MBT tax year (see instructions)	3.	00
4. Multiply line 3 by 13.5% (0.135)	4.	00
5. Property taxes paid on eligible natural gas pipeline property in the current MBT tax year (see instructions)	5.	00
6. Multiply line 5 by 10% (0.10)	6.	00
7. Personal Property Tax Credit. Add lines 2, 4 and 6.....	7.	00
WORKER'S DISABILITY SUPPLEMENTAL BENEFIT (WDSB) CREDIT. If not claiming this credit, skip to line 9.		
8. WDSB Credit allowed by the Workers' Compensation Agency	8.	00

NEXT ENERGY PAYROLL CREDIT.

Available only to businesses located within an alternative energy renaissance zone. If not claiming this credit, skip to line 12.

9. Enter alternative energy renaissance zone property information below:		
Street Address		
City	Parcel Number	

10. Total payroll of research, development or manufacturing employees who work primarily within the zone	10.	00
11. Next Energy Payroll Credit. Multiply line 10 by 4.25% (0.0425)	11.	00

MEGA EMPLOYMENT TAX CREDIT. If not claiming this credit, skip to line 14.

12. Credit amount from <i>MEDC Annual Tax Credit Certificate</i> (attach)	12.	00
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CREDIT NO LONGER AVAILABLE.

13. This credit is no longer available. Leave this line blank and skip to line 14	13.	X X X X X X X X 00
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HYBRID TECHNOLOGY RESEARCH AND DEVELOPMENT CREDIT. If not claiming this credit, skip to line 15.

14. Credit amount from <i>MEDC Annual Tax Credit Certificate</i> (attach). Cannot exceed \$2,000,000	14.	00
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FARMLAND PRESERVATION CREDIT. If not claiming this credit, skip to line 16.

15. Credit amount from Form 4594, line 29.....	15.	00
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MEGA FEDERAL CONTRACT CREDIT. If not claiming this credit, skip to line 17.

16. Credit amount from Form 4584, line 35a.....	16.	00
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MEGA PHOTOVOLTAIC TECHNOLOGY CREDIT. If not claiming this credit, skip to line 18.

17. Credit amount from <i>Certificate</i> provided by MEDC (attach) or assigned credit amount.....	17.	00
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FILM PRODUCTION CREDIT. If not claiming this credit, skip to line 19.

18. Credit amount from <i>Post-Production Certificate of Completion</i> provided by Michigan Film Office (attach) or assigned credit amount (see instructions).....	18.	00
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CREDIT NO LONGER AVAILABLE.

19. This credit is no longer available. Leave this line blank and skip to line 20	19.	X X X X X X X X 00
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ANCHOR COMPANY PAYROLL CREDIT. If not claiming this credit, skip to line 21.

20. Credit amount from Form 4584, line 70a.....	20.	00
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ANCHOR COMPANY TAXABLE VALUE CREDIT. If not claiming this credit, skip to line 22.

21. Credit amount from Form 4584, line 78a.....	21.	00
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MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS.

If not claiming this credit, skip to line 23.

22. Credit amount from Form 4584, line 86a.....	22.	00
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TOTAL REFUNDABLE CREDITS

23. Add lines 7, 8, 11, 12, 14, 15, 16, 17, 18, 20, 21 and 22. Enter total here and carry to Form 4567, line 64; or Form 4590, line 37	23.	00
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Instructions for Form 4574

Michigan Business Tax (MBT) Refundable Credits

Purpose

To allow standard taxpayers to claim certain credits. Unless otherwise specified, if the amount of the credit exceeds the tax liability of the taxpayer for the tax year, that excess is refunded.

NOTE: This form may also be used by financial institutions to claim a limited number of credits:

- Michigan Economic Growth Authority (MEGA) Employment Tax Credit.
- Assigned MEGA Photovoltaic Technology Credit.
- Assigned Film Production Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

NOTE: Refunds of the Brownfield Redevelopment Credit and Historic Preservation Credit are no longer available on Form 4574. Taxpayers may apply for an accelerated payment of the qualified credits by filing the *Request for Accelerated Payment for the Brownfield Redevelopment Credit and the Historic Preservation Credit* (Form 4889).

NOTE: Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

Fiscal Year Filers: See “Supplemental Instructions for Standard Fiscal MBT Filers” in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or a group basis, as determined by relevant statutory provisions for the respective credits. Inter-company transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

Entity-specific provisions are applied on a member-by-member basis. In none of these cases does a taxpayer that is a UBG take the organization type of its parent, Designated Member (DM), or any member of the UBG. A UBG taxpayer will not be attributed an organization type based on the composition of its members.

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members should be entered on each corresponding line on this form. Line-by-line instructions indicate credits requiring entity-specific information.

Line-by-Line Instructions

Lines not listed here are explained on the form.

NOTE: Although qualification for certain credits is reviewed and approved by MEGA, in many cases the certificates for such credits are issued by the Michigan Economic Development Corporation (MEDC).

Name and Account Number: Enter name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

UBGs: Complete one form for the group. Enter the DM name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

Personal Property Tax Credit

The Personal Property Tax Credit is available against personal property taxes paid in the tax year on eligible industrial personal property, eligible telephone personal property, and eligible natural gas pipeline property. The Personal Property Tax Credit is available only to the taxpayer who timely files the required statements or reports, to whom an assessment or bill is issued, and who pays the taxes in the tax year. A taxpayer that disagrees with the assessor's classification of property must pursue a change of classification through the property tax appeals process. Treasury will not revise a property classification for purposes of these credits.

Line 1: *Eligible industrial personal property* is property classified as industrial personal property under Section 34c of the General Property Tax Act (Michigan Compiled Law (MCL) 211.34c). Under MCL 211.34c, the assessor is charged with the responsibility of classifying property. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

Line 3: *Eligible telephone personal property* is defined as personal property of a telephone company subject to the tax levied under MCL 207.1 to 207.21. The taxes on this property must have been paid during the tax year included in this return.

Line 4: For eligible telephone personal property levied and paid in the tax year the credit is equal to 13.5 percent of the taxes paid.

Line 5: *Eligible natural gas pipeline property* is defined as natural gas pipelines that are classified as utility personal property under Section 34c of the General Property Tax Act and are subject to regulation under the Natural Gas Act. The taxes must have been levied after December 31, 2007, and the taxes must have been paid during the tax year included in this return.

Line 7: The taxpayer claiming a Personal Property Tax Credit must attach to the MBT return copies of property tax bills that properly identify “eligible” property and provide proof of payment of the tax in the tax year.

UBGs: Add up the property tax bills for all members and enter the total amount on the corresponding line. The requested tax bills and proof of payment for each member claiming the Personal Property Tax Credit should be attached to the group's annual return.

Workers' Disability Supplemental Benefit (WDSB) Credit

The WDSB Credit is available to self-insured taxpayers for the amount authorized by the Department of Licensing and Regulatory Affairs (LARA) during the tax year. The amount of the credit is provided to taxpayers by LARA.

For more information on WDSB credit eligibility, contact LARA, Workers' Compensation Agency at (517) 322-1879 or 1-888-396-5041, or visit the LARA Web site at www.michigan.gov/lara.

Line 8: Attach to the return a copy of the document provided by LARA to substantiate a claim for this credit.

UBGs: Enter total amount authorized for all members on line 8 and attach LARA documentation for each member.

Next Energy Payroll Credit

Next Energy Payroll Credit provides a payroll-based credit to a taxpayer located within an alternative energy Renaissance Zone. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development, or manufacturing and whose regular place of employment is within the Zone, multiplied by the Michigan Individual Income Tax (IIT) rate for that year. (The Michigan Individual Income Tax rate can be found at www.michigan.gov/taxes.) For the 2013 and 2014 tax years, the Michigan IIT rate is 4.25%.

Line 11: Multiply line 10 by the Individual Income Tax rate of 4.25% (0.0425).

UBGs: If any member of a UBG is claiming the Next Energy Payroll Credit, attach a statement identifying the member(s) and providing information requested on the form. Enter the total payroll amount for all eligible members on line 10.

MEGA Employment Tax Credit

The MEGA Employment Tax Credit promotes economic growth and jobs in Michigan. For a period of time not to exceed 20 years, a taxpayer that is an authorized business or an eligible taxpayer may claim a credit equal to the amount certified each year by MEGA.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

MEGA may certify a credit based on an agreement entered into prior to January 1, 2008, under the Single Business Tax (SBT). The number of years for which the credit may be claimed under MBT will be equal to the maximum number of years designated

in the resolution reduced by the number of years for which a credit has been claimed or could have been claimed under SBT.

A taxpayer that claimed a credit under either SBT or MBT that had an agreement with MEGA based on qualified new jobs as defined in the MEGA Act, and that removes 51 percent or more of those qualified new jobs from Michigan within three years after the first year in which the taxpayer claimed a credit, must pay back an amount equal to the total of all credits claimed no later than 12 months after those qualified new jobs are removed from Michigan. Recapture is reported on Form 4587.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 12: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

UBGs: Enter the total amount of MEGA Employment Tax Credits claimed by eligible members and provide the requested MEGA certification for each eligible member.

NASCAR Safety Credit

This credit is not available for tax years after 2011. Leave line 13 blank, and continue to line 14.

Hybrid Technology Research and Development Credit

The Hybrid Technology Research and Development Credit is available for taxpayers who are engaged in research and development of a qualified technology. The credit is equal to 3.9 percent of the compensation as defined in the MBT Act for services performed in a qualified facility and paid to employees at the qualified facility in the tax year. To be eligible for this credit, the taxpayer must have entered into an agreement with MEGA before April 1, 2007, agreeing to meet certain statutory conditions.

This credit cannot be claimed for a tax year ending in 2016 or later.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

A taxpayer claiming this credit may also claim the Research and Development Credit on the *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570). However, a taxpayer may not claim both credits for the same expenditures.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 14: Eligible taxpayers receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. (If the

certificate is not attached, the credit will be disallowed.) The credit amount cannot exceed \$2,000,000.

UBGs: Enter the total amount for this credit claimed by eligible members or \$2,000,000, whichever is less, and provide the requested MEGA certification for each eligible member.

Farmland Preservation Credit

Farmland Preservation Credit gives back to farmland owners a portion of the property taxes paid on farmland. Farmland owners qualify for the credit by agreeing to preserve the land as farmland and not develop for another use.

To qualify for the credit, the taxpayer must meet the following requirements:

- Taxpayer must own farmland,
- Taxpayer must have entered into a Farmland Development Rights Agreement (FDRA) with the Michigan Department of Agriculture (MDA), and
- Taxpayer must complete the *Michigan Farmland Preservation Tax Credit* (Form 4594).

If agreements with MDA were entered into on or after January 1, 1978, the gross receipts qualifications in Part 1 of Form 4594 must be satisfied.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into a farmland preservation agreement by December 31, 2011. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

UBGs: UBG members claiming this credit should total all amounts from Form 4594, line 29, and enter on line 16 each eligible member should submit Form 4594, which would be calculated based upon that member's respective property tax obligation and its respective MBT Business Income Tax base.

MEGA Federal Contract Credit

This credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the United States Department of Defense, Department of Energy or Department of Homeland Security resulting in a minimum of 25 new full-time jobs.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

MEGA Photovoltaic Technology Credit

The MEGA Photovoltaic Technology Credit is available to a qualified taxpayer that enters into an agreement with MEGA to construct and operate a new facility in Michigan which serves to develop and manufacture photovoltaic energy, photovoltaic systems, or other photovoltaic technology. Photovoltaic energy, systems, or technology rely on solar power. The credit is available for 25 percent of the taxpayer's capital investment in the new facility during the tax year.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

The credit generally must be taken in equal installments over a two-year period beginning in the tax year in which the certificate is issued. A taxpayer may make an irrevocable assignment of all or a portion of the credit or may convey the right to the assignment on a form provided by MEGA, which will then issue assignment certificates to the assignee(s).

A taxpayer or assignee that claims a credit and subsequently fails to meet the requirements of the act or any other conditions established by MEGA in the agreement may, as determined by MEGA, have its credit reduced or terminated or have a percentage of the credit previously claimed added back to the tax liability of the taxpayer in the tax year that the taxpayer or assignee fails to comply. Recapture is reported on Form 4587.

A taxpayer certified to take the polycrystalline silicon credit under MCL 208.1432 is disqualified from taking this credit.

Line 17: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Annual Tax Credit Certificate to the return. A taxpayer claiming an assigned MEGA Photovoltaic Technology Credit must attach the assignment certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Film Production Credit

The Michigan Film Office, with the concurrence of the State Treasurer, may enter into an agreement with an eligible production company providing the company with a refundable credit against MBT tax liability or against taxes withheld under Chapter 7 of the Michigan Individual Income Tax Act.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with the Michigan Film Office with the concurrence of the State Treasurer by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

To qualify for the credit, an eligible production company must spend at least \$50,000 in Michigan for the development, preproduction, production, or postproduction costs of a State-certified qualified production and must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent.

A Post-Production Certificate will be issued verifying the amount of the credit to be claimed once the Michigan Film Office is satisfied that expenditure and eligibility requirements are met.

The credit may be assigned in the tax year in which the Post-Production Certificate is issued but such assignment is irrevocable.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at www.michiganfilloffice.org.

Line 18: A taxpayer claiming a Film Production Credit must attach the Post-Production Certificate to the return. A taxpayer claiming an assigned Film Production Credit must attach to the return an *MBT Film Credit Assignment* (Form 4589) approved by Treasury. (If the certificate or approved assignment form is not attached, the credit will be disallowed.)

UBGs: Enter the total amount for this credit claimed by all eligible members and provide the requested post-production certification or Form 4589 for each eligible member.

MEGA Plug-In Traction Battery Manufacturing Credit

Line 19: For tax years ending after December 31, 2014, the MEGA Plug-In Traction Battery Manufacturing Credit is no longer available.

Anchor Company Payroll Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

NOTE: Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Anchor Company Taxable Value Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

Complete Form 4584 to claim this credit and elect a refund or carryforward of the resulting overpayment.

For more information, contact MEDC at 1-888-522-0103 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

Complete Form 4584 to claim the MEGA Poly-Silicon Energy Cost Credit, MEGA Plug-in Traction Battery Integration Credit, MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and/or MEGA Advanced Lithium Ion Battery Credit and elect a refund or carryforward of any excess credit. Carry amount from Form 4584, line 86a and enter it here.

For tax years ending after December 31, 2014, the MEGA Advanced Battery Engineering Credit is no longer available.

Include completed Form 4574 as part of the tax return filing.

2015 MICHIGAN Business Tax Loss Adjustment for the Small Business Alternative Credit

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

INSTRUCTIONS: Use this worksheet to qualify for an otherwise disallowed Small Business Alternative Credit by adjusting current year adjusted business income. This is available only if a taxpayer had a negative adjusted business income in any of the five tax years immediately preceding this tax year and received an MBT Small Business Alternative Credit in the loss year. Partnerships and members of Unitary Business Groups, see instructions. Each Unitary Business Group member with a disqualifier must complete this form.

PART 1: CURRENT YEAR AMOUNTS

Use this section to determine amount of loss adjustment to business income needed to qualify for the Small Business Alternative Credit.

Adjusted Business Income Disqualifier

1. Adjusted Business Income from Form 4571, line 8.....	1.		00
2. Business Income Disqualifier. Enter \$180,000 for individuals, or \$1,440,400 for all other organization types	2.		00
3. Loss adjustment required. Subtract line 2 from line 1. If less than zero, enter zero.....	3.		00

Shareholder Income Disqualifier: \$180,000

4. Enter the amount from Form 4571, line 5.....	4.		00
5. Shareholder Income Disqualifier (See chart in instructions).....	5.		00
6. Enter compensation and director fees from Form 4577, column L, of the shareholder creating the disqualifier or reduction*	6.		00
7. Subtract line 6 from line 5. If less than zero, see instructions	7.		00
8. Divide line 7 by the percent of ownership from Form 4577, column G, for the shareholder on line 6.....	8.		00
9. Loss adjustment required. Subtract line 8 from line 4	9.		00

* **Note:** If compensation exceeds \$180,000 for any C Corporation shareholder or officer, a Small Business Alternative Credit cannot be claimed nor can a loss adjustment be used to reduce compensation from Form 4577, column L.

PART 2: AVAILABLE LOSS

Read instructions before completing Part 2. Use Part 2 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amounts in lines 11 through 16.

Complete line 10 for the five immediately preceding tax years (oldest to the left). Then complete lines 11 through 16, one column at a time beginning with the oldest, but completing only those columns representing periods that reported a loss (either generated or used) AND received a Small Business Alternative Credit.

10. Tax year end date (MM-DD-YYYY)					
11. Adjusted business income.....					
12. Loss used on prior returns.....					
13. Loss available for current return					
14. Loss adjustment required					
15. Remaining loss adjustment required					
16. Loss adjustment carryforward					

Instructions for Form 4575, Michigan Business Tax (MBT) Loss Adjustment for the Small Business Alternative Credit

Purpose

To reduce the adjusted business income (ABI) or shareholder allocated income to qualify for the Small Business Alternative Credit (SBAC) or minimize the reduction percentage required.

If the ABI was less than zero in any of the five years immediately preceding the tax year for which a credit is being claimed, and the taxpayer received an SBAC under MBT for that same year, the taxpayer may adjust for the loss before figuring eligibility for the SBAC. Business income for credit purposes is adjusted by using available loss from prior years on a first-in, first-out basis until those losses are extinguished. A loss adjustment will not affect a reduction to the SBAC based on gross receipts that exceed \$19,000,000. Also, it will not change the amount of compensation in column L for a C Corporation on the *MBT Schedule of Shareholders and Officers* (Form 4577).

NOTE: Use Part 2 to determine the loss available from the five preceding periods. Calendar year taxpayers will use the five years prior to the tax year: 2013, 2012, 2011, 2010 and 2009. **Fiscal year taxpayers** with no short federal tax years will calculate using the fiscal years ending in 2014 and 2013, the short state period beginning January 1, 2012 and ending in 2012, the short state period ending December 31, 2011, and the fiscal year ending in 2011.

NOTE: Although this form is formatted for Corporations, it can be used by other types of entities with minor adjustments. See instructions for further details.

Special Instructions for Unitary Business Groups (UBGs)

The ABI disqualifier must be calculated by the UBG by combining the ABIs of its members. Likewise, to reduce an ABI disqualifier of the UBG, loss adjustment must be calculated on a group level and used against the group's ABI. Loss used at the group level is independent of the loss available at the member level.

Disqualifiers based on shareholder or partner allocated income must be determined on a member by member basis. If any shareholder or partner has allocated income in excess of \$180,000, the loss adjustment must be calculated on a member by member basis for any and all members for which it may apply. Loss used at a member level does not reduce the group's available loss.

NOTE: Members with available loss adjustment must complete a copy of Form 4575 using member data, referred to here as a member copy or member form. The combined UBG member data is displayed on a separate Form 4575 identified as "Group Copy for ABI." Details regarding the forms are addressed further in these instructions.

NOTE: The usage of loss adjustment for one disqualifier does not affect the available loss adjustment for the other disqualifier. This form will accommodate the separate

maintenance of loss adjustment available for the UBG for both the ABI (Group Copy for ABI) and allocated income (separate member copy) disqualifiers. For years in which a member was not part of the UBG, the UBG will use that member's available loss from those separate years on a first-in, first-out basis until those losses are consumed or extinguished.

If one or more members exceed the shareholder income disqualifier, only those members with shareholder income disqualifiers must file a Form 4575, using member-only (pro forma) figures in lines 4 through 16 on each member form.

If the UBG's ABI exceeds the threshold, one Form 4575 must be filed to determine the UBG's business income loss adjustment, which will be calculated on a group basis (the Group Copy for ABI, detailed below). For years in which a member was not part of the UBG, the UBG will use that member's available loss from those separate years on a first-in, first-out basis until those losses are extinguished. These amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI. Supporting 4575 forms must be filed by each member who has a loss available from the separate years that is used against the UBG's ABI disqualifier (member forms). For members who do not exceed the credit's shareholder income threshold, only Part 2, lines 10 through 13, of Form 4575 need to be completed on the member form. For members who also exceed the credit's shareholder income threshold, lines 4 through 16 of the member form must be completed. Member forms must be completed using member-only figures.

Shareholder Income Disqualifier

Any member whose shareholder income creates a partial or complete disqualification, and that has loss available to resolve that disqualification in whole or in part, must file Form 4575. Leave lines 1 through 3 blank. Complete line 4 (using a pro forma figure) and lines 5 through 16, all with data for the reporting member only. For years that the member was part of the UBG, pro forma figures will be entered in lines 11 through 13; however, the member cannot complete these lines for a tax year that it was part of the UBG and the UBG did not receive the SBAC. The member may complete these lines for a tax year that it was **not** a member of the UBG and it received the SBAC, regardless of whether the UBG received the credit in that same year. Lines 14 through 16 on the member's Form 4575 will reflect the usage of loss adjustment to resolve the allocated income disqualifier only. The use of loss adjustment to resolve the ABI disqualifier will be maintained on the Group Copy for ABI.

NOTE: If any member still has a total disqualification on this basis (greater than \$180,000) after completing its own Form 4575 as described above, the UBG is disqualified from the SBAC. Do not proceed with these instructions. However, if each member's shareholder income disqualification is fully resolved or reduced to a partial disqualification by this method, continue below to compute the groupwide ABI loss adjustment required.

Adjusted Business Income Disqualifier

This disqualifier is calculated at the group level. If the UBG has ABI in excess of \$1,440,400, the UBG must complete one

group Form 4575. The groupwide Form 4575 will calculate loss available from the UBG's prior tax years as well as organize the members' available loss that may be used against this disqualifier. These member amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI.

In the Taxpayer Name field at the top of the page, enter the Designated Member's (DM's) name followed by the DM's Federal Employer Identification Number (FEIN) or Michigan Department of Treasury (TR) assigned number. In the Unitary Business Groups Only field, enter "GROUP COPY FOR ABI," and leave FEIN or TR Number field blank. On this group copy of Form 4575, enter groupwide data for lines 1 through 3. Leave lines 4 through 9 blank. Complete lines 10 through 16 following line-specific instructions.

To reduce the UBG's ABI disqualifier, the group will use its available loss from a prior tax period when the UBG received the SBAC, as well as a member's available loss from a tax year when it received the SBAC and was not part of the UBG (member's separate year). However, the group may not use a member's separately calculated available loss for a tax year when the member was part of the UBG to reduce the group's ABI disqualifier.

To reduce the UBG's ABI disqualifier, available loss is used on a first-in, first-out basis until those losses are extinguished. For the purposes of completing Part 2, if a member's separate year does not share a common year end with the UBG, use a separate column for that member. If some members' separate years share a common year end, total the amount of those members' available loss in a single column. Arrange all of the columns in chronological order. If additional columns are needed to accommodate the five preceding periods, create and attach a table comparable to that found in lines 10 through 16. Apply to that custom table the calculations described in the form text and instructions for lines 10 through 16.

Lines 14 through 16 on the Group Copy for ABI will reflect the usage of loss adjustment to resolve the ABI disqualifier and the maintenance of loss adjustment available for future years (within the five year statutory period). Loss adjustment used for the ABI disqualifier is not recorded on the member copy of Form 4575. However, loss adjustment used for the ABI disqualifier from a member's separately filed years should be tracked in the taxpayer's records. Any ABI loss adjustment remaining from a member's separately filed years will be available to that member in the event the member leaves the UBG prior to complete usage of the loss adjustment available by the UBG. See the "Supplemental Instructions for Standard Members in UBGs" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600) for details.

NOTE: If the UBG still has a disqualification on this basis (greater than \$1,426,100) after completing the group's Form 4575 as described above, the UBG is disqualified from the SBAC. Do not proceed with these instructions.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be entered in MM-DD-YYYY format.

Name and Account Number: Enter name and account number as reported on page 1 of the *MBT Annual Return* (Form 4567).

UBGs: Complete one form for each member for whom this schedule applies. Enter the DM's name in the Taxpayer Name field and the member to whom the schedule applies on the line below. For the form that determines the UBG's ABI loss adjustment, enter the DM's name and FEIN in the first identification line, and "GROUP COPY FOR ABI" and no FEIN in the second identification line.

Part 1: Current Year Amounts

Use Part 1 to determine the amount of loss adjustment necessary to qualify for the SBAC.

If the taxpayer is not eligible for the credit because the ABI exceeds \$1,440,400 (\$180,000 for individuals), complete lines 1 through 3.

If the taxpayer is not eligible because a shareholder's allocated income exceeds \$180,000, or a partner's distributive income exceeds \$180,000, complete lines 4 through 9 for the shareholder(s) or partner(s) creating the disqualifier. The loss adjustment required is the largest amount needed to eliminate all allocated income disqualifiers.

Partnerships: Form 4575 is formatted for Corporations. To use it for a Partnership, make these changes:

Enter on line 6 any guaranteed payments made to the partner creating a \$180,000 disqualifier.

On line 8, divide by the percentage of ownership from column C of the *MBT Schedule of Partners* (Form 4578).

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner, shareholder, or owner, based on the federal characterization of the LLC. An LLC taxed as a Partnership for federal purposes must file as a Partnership for MBT. Similarly, an LLC taxed as a C Corporation or S Corporation for federal purposes must file under that same status for MBT.

NOTE: In general, a federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Reduced SBAC: A reduction of the SBAC is required if an Individual, a partner in a Partnership, a shareholder of a Corporation, or an officer of a C Corporation has allocated income after loss adjustment of more than \$160,000. This reduction is based on the Individual/partner/officer/shareholder with the largest allocated income.

Complete lines 4 through 9 for the shareholder or partner creating the need to reduce the SBAC.

Form 4575 should always be calculated initially using \$160,000 on line 5. This calculation will establish taxpayer eligibility without the need to reduce the SBAC. However, if the total loss available for the current year on line 13 does not equal or exceed the loss adjustment required on line 9, the taxpayer may still calculate a lesser loss adjustment to claim a reduced credit.

Try the calculation more than once. Substitute the numbers shown on the chart in the instructions for line 5, in order to

maximize the claimed SBAC. If a negative number is reached on line 7, a greater disqualifier amount is needed from the disqualifier chart here on line 5.

Tax Year Less Than 12 Months: Business income and shareholder disqualifiers must be calculated on an annualized basis. Enter annualized numbers on lines 1, 4, and 6. Part-year shareholders also must annualize compensation and report that figure on line 6.

Annualizing

To annualize, multiply each applicable amount, ABI, or shareholder compensation, by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

UBGs: For UBG members reporting a period of less than 12 months with the group return, annualization is done using the member's number of months in the group's tax year. Sum the annualized member figures (when applicable) to get the group's total annualized figure.

Line 4: UBGs: When calculating the amount of loss adjustment needed to reduce a member's shareholder income disqualifier, the member should calculate a pro forma of the *MBT Common Credits for Small Businesses* (Form 4571) for the purpose of completing this line.

Line 5: Form 4575 should always be calculated initially using \$160,000. This calculation will establish taxpayer eligibility without the need to reduce the SBAC. However, if the total loss available for the current year on line 13 does not equal or exceed the loss adjustment required on line 9, the taxpayer may still calculate a lesser loss adjustment to claim a reduced credit.

Line 5	Eligible % of Credit
\$ 160,000	100% - no reduction
\$164,999	80%
\$169,999	60%
\$174,999	40%
\$180,000	20%

Line 7: If a negative number is reached, some reduction of credit is necessary. Return to line 5 and enter the higher disqualifier amount from the chart. Continue this process until line 7 is greater than or equal to zero. This calculation establishes the maximum allowable SBAC.

Part 2: Available Loss

Use Part 2 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amount.

Complete lines 11 through 16, one column at a time. Complete only columns for years that reported a loss (either generated or used) **and** received an SBAC. If the taxpayer did not report a loss or did not receive an SBAC for a tax year, leave that column, lines 11 through 16, blank.

Line 10: Enter each tax year end date for periods where loss occurred. Begin with the earliest year in the left column.

Line 11: Enter (as a positive number) the negative ABI from Form 4571, line 8, for tax years where an SBAC was received.

UBGs: When completing a member's form, this line is calculated using member specific (pro forma) data. Note, however, the member cannot enter an ABI amount for a tax year that it was part of the UBG and the UBG did not receive the SBAC. The member may, however, enter an ABI amount for a tax year that it was **not** a member of the UBG and it received the SBAC, regardless of whether the UBG received the credit in that same year.

When completing the Group Copy for ABI, enter the sum of the following: 1) UBG's negative ABI for tax years it received the SBAC, plus, 2) a member's negative ABI for a tax year when it received the SBAC and was **not** part of the UBG. These member amounts are calculated initially at the member level but used and maintained for use in future years on the Group Copy for ABI.

Line 12: Enter the amount of loss entered on line 11 that was used as an adjustment in a prior period.

UBGs: When completing the Group Copy for ABI, if a member's negative ABI was included on Line 11 (the member received a credit and was not part of the UBG in the tax year the credit was received), include any loss adjustment used by that member in a prior period to offset an ABI disqualifier. Also enter any groupwide loss used against the UBG's ABI disqualifier in a prior period.

Line 13: Subtract line 12 from line 11 to arrive at loss available on the current return. If less than zero, enter zero; no loss is available.

UBGs: On the Group Copy for ABI, if the group's membership has not changed, that is, no member has joined or left the group since the filing of the prior year's return, the amounts calculated on line 13 should equal the amounts on line 16 of the prior year's corresponding columns. If membership for this year is different, these amounts may not be the same. See the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600 for details.

Line 14: Enter the amount from line 3 or line 9, whichever is larger, in the first column where a loss is available on line 13. In subsequent columns, enter amount from line 15 of the previous applicable column.

UBGs: When completing a member's form for the purpose of reducing the shareholder income disqualifier, enter the amount from line 9.

When completing the Group Copy for ABI, enter the amount from line 3.

Line 15: If line 14 is larger than line 13, subtract line 13 from line 14. Enter here and on line 14 of the next column where a loss is available on line 13.

Line 16: If line 13 is larger than line 14, subtract line 14 from line 13. This amount is available to use in subsequent periods.

NOTE: To benefit from a loss adjustment, the total loss available for the current year, line 13, must equal or exceed the loss adjustment required on line 14.

The function of this form is to demonstrate that a taxpayer that otherwise would have been disqualified from the SBAC due to ABI, or fully or partially disqualified due to an owner's allocated income is, after application of loss adjustment, allowed to claim a full or partial SBAC.

If loss adjustment is successfully applied to cure an ABI disqualifier, there is no calculated figure from this form that feeds to another form. Simply ignore the apparent disqualification on Form 4571, line 8 and proceed with calculating the SBAC on the remainder of Form 4571.

If loss adjustment is successfully applied to fully or partially cure an owner's allocated income disqualifier, this will be demonstrated by the final applicable column of line 15 being blank. In that event, carry the number from line 5 of this form to Form 4571, line 11 and proceed with the calculation there.

Include completed Form 4575 as part of the tax return filing.

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

1. A	B	C	D	E		F		G	
Member Number	Name of shareholder (including corporation, trust, or partnership), officer, or family member receiving compensation from the business (Last, First, Middle)	FEIN or Social Security number of shareholder or officer	Check (X) if an officer	% Stock directly owned		% Stock with attribution (See instructions.)		% Stock from Col. F less any attribution between two active shareholders	
					%		%		%
					%		%		%
					%		%		%
					%		%		%
					%		%		%
					%		%		%
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					%		%		%
					%		%		%
					%		%		%
					%		%		%
Percent of stock (not listed above) owned by shareholders who own less than 10% and receive no compensation:					%				
Total:				100	%				

[illegible]

+ 0000 2015 47 01 27 1

FEIN or TR Number

UBG Member FEIN or TR Number

PART 2: LIST OF FAMILY MEMBERS AND THEIR CORRESPONDING RELATIONSHIP

Using the same Member Number references from Part 1, indicate your attributable family relationship (if any) to each shareholder.
(An attributable family relationship is defined as either a spouse, parent, child or grandchild.)

- If an attributable family relationship exists, designate in columns P through S
- If no attributable family relationship exists, check box in column T.

2. O	P	Q	R	S	T
Member Number	Spouse	Parent	Child	Grandchild	Check (X) if No Attributable Relationship

PART 3: SMALL BUSINESS ALTERNATIVE CREDIT. See instructions for definition of active shareholder.

3. Compensation and director fees of active shareholders. Add amounts in column L for each active shareholder. Enter here and on Form 4571, line 6.....

4. Compensation and director fees of officers. Add amounts in column L for each officer who is not an active shareholder. Enter here and on Form 4571, line 7.....

3.

4.

00

00

Instructions for Form 4577

Michigan Business Tax (MBT) Schedule of Shareholders and Officers

For all Corporations claiming the Small Business Alternative or Start-Up Business Credits

Purpose

To determine eligibility for all Corporations to qualify for the Small Business Alternative Credit. *Corporation* means a taxpayer that is required or has elected to file as a Corporation under the Internal Revenue Code (IRC).

General Instructions

If filing as a Corporation (including Limited Liability Companies federally taxed as such) and claiming a Small Business Alternative Credit, complete this form and include it as part of the annual return to report:

- Shareholder and C Corporation officer qualifications for the Small Business Alternative Credit;
- Compensation and director fees of active shareholders and all C Corporation officers for the computation of the Small Business Alternative Credit.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a shareholder if the LLC is taxed as a corporation for federal purposes.

NOTE: A federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

This form also is required to be completed and included as part of the return whenever a corporation claims a Start-Up Business Credit. To qualify for the Start-Up Business Credit, the compensation, director fees, or distributive shares paid by the taxpayer to a shareholder of a C Corporation or S Corporation, or an officer of a C Corporation, cannot exceed \$135,000.

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the *MBT Annual Return* (Form 4567).

Unitary Business Groups (UBGs): Complete one form for each member that is a corporation (including an entity taxed federally as such). Enter the Designated Member name in the Taxpayer Name field and the member to whom the schedule applies on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

PART 1: SHAREHOLDERS AND OFFICERS

Line 1 (Columns A through N): In column 1A, assign numbers (beginning with 1) to all shareholders and C Corporation officers in order of percentage of stock ownership (percentage in column G), starting with the highest percentage first. (Repeat this numbering in Part 1, line 1H, and Part 2, line 2O. It is essential that this numbering system is followed.) All shareholders' family members, as defined by IRC § 318(a)(1), are considered shareholders and must be listed in Part 1 and

Part 2 if they receive compensation from the business. List all shareholders and C Corporation officers who:

- Are employees of the Corporation;
- Are directors of the Corporation; or
- Own 10 percent or more of the stock of the Corporation, including those by attribution.

Shareholder means a person who owns outstanding stock in a business or is a member of a business entity that files as a corporation for federal income tax purposes. An individual is considered as the owner of the stock owned, directly or indirectly, by or for family members as defined by IRC § 318(a)(1).

An *officer* of a C Corporation includes the chairperson of the board, president, vice president, secretary, and treasurer, or persons performing similar duties.

A *family member*, as defined by IRC § 318(a)(1), includes spouses, parents, children and grandchildren.

NOTE: Rules of attribution in IRC § 318(a)(1) do not differentiate between an adult and a minor child.

Outstanding stock means all stock of record, regardless of class, value, or voting rights, but outstanding stock does not include treasury stock.

If more lines are needed for listing the shareholders and C Corporation officers, include additional copies of this form. Complete the taxpayer name and account number on each copy (and UBG member if applicable), and lines 1 and 2 as necessary. If using more than one copy of the form, continue the sequential number system for the Member Number in columns A, H and O.

NOTE: Rules of attribution in IRC § 318(a)(1) do not differentiate between an adult and a minor child.

Columns B and C: Identify each shareholder (including Corporations, Trusts, or Partnerships) and C Corporation officers by name and Social Security number. Corporations, Trusts, and Partnerships should be identified using the Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number.

NOTE: Column C: An individual or foreign entity that does not have a Social Security number or FEIN may enter in Column C "APPLD FOR" (an abbreviation for "applied for") or "FOREIGNUS" (an abbreviation for "foreign filer").

Column E: Enter the percentage of outstanding stock each shareholder or C Corporation officer owns directly. If a shareholder owned stock for a period less than the Corporation's tax year, multiply that shareholder's percentage of ownership by the number of months owned and divide the result by the number of months in the Corporation's tax year.

Taxpayers must account for 100 percent of the stock. If it is not accounted for, processing of the return may be delayed.

Column F: Enter the percentage of outstanding stock each shareholder owns, including attribution of ownership from family members under IRC § 318(a)(1). If no attribution exists, enter the percentage from column E in column G and leave column F blank.

Column G: When reporting ownership of a person who is an active shareholder, do not include in Column G any stock ownership attributed to this person from another active shareholder. See definition of active shareholders in the Part 3 instructions. For the purposes of determining disqualification for the Small Business Alternative Credit, an active shareholder's share of business income is not attributed to another active shareholder.

EXAMPLE: In this case, the husband and daughter are active shareholders because compensation, director fees, or dividends from the business are greater than \$10,000. The wife and son are not active because compensation, director fees, or dividends from the business are less than \$10,000.

Stock Percentage			
	Column E	Column F	Column G
Husband (active)	40%	100% (all shareholders)	70% (husband/wife/son)
Wife (inactive)	10%	100% (all shareholders)	100% (all shareholders)
Son (inactive)	20%	70% (husband/ wife/son)	70% (husband/wife/son)
Daughter (active)	30%	80% (husband/ wife/daughter)	40% (wife/daughter)

Column I: Enter total dividends received by each shareholder during the tax year from this business (used to determine active shareholders). This includes regular distributions for an S Corporation.

Column J: Enter salaries, wages, and director fees that are attributable to each shareholder or C Corporation officer. Compensation paid by a professional employer organization to the officers of a client (if the client is a C Corporation) and to employees of the professional employer organization who are assigned or leased to and perform services for a client must be included in determining the eligibility of the client for this credit.

NOTE: If a shareholder owned stock for less than the entire tax year of the corporation, or an officer served as an officer less than the entire tax year, report only the salaries, wages and director fees attributable while serving as an officer or shareholder. These amounts must be annualized when determining disqualifiers, but should be reported as actual amounts on this form.

NOTE: All compensation must be included, whether or not the shareholder or C Corporation officer worked in Michigan.

Column K: Enter employee insurance payments and pensions that are attributable to each shareholder or C Corporation officer.

NOTE: If a shareholder owned stock for less than the entire tax year of the corporation, or an officer served as an officer less than the entire tax year, report only the employee insurance payments, and pensions that are attributable while serving as an officer or shareholder. These amounts must be annualized

ATTRIBUTION EXAMPLE:

Larry David Stone	Husband of Betty Stone, Father of Mary Stone, Stepfather of Tammie Rock, Step Grandfather of Kathy Rock
Betty Ann Stone	Daughter of Bob Pebble, Wife of Larry Stone, Mother of Tammie Rock, Stepmother of Mary Stone, Grandmother of Kathy Rock
Mary Elizabeth Stone	Daughter of Larry Stone, Stepdaughter of Betty Stone
Tammie Marie Rock	Daughter of Betty Stone, Stepdaughter of Larry Stone, Spouse of Steve Rock, Mother of Kathy Rock, Granddaughter of Bob Pebble
Steve Carl Rock	Spouse of Tammie Rock, Father of Kathy Rock, Brother of Mike Rock
Kathy Evelyn Rock	Daughter of Tammie and Steve Rock, Granddaughter of Betty Stone, Step Granddaughter of Larry Stone
Mike Joseph Rock	Brother of Steve Rock
Bob Kenneth Pebble	Father of Betty Stone, Grandfather of Tammie Rock
Terry Robert Marble	Friend

Part 1: Shareholders and officers - See instructions

1. A	B
Member Number	Name of shareholder (including corporation, trust, or partnership), officer, or family member receiving compensation from the business (Last, First, Middle)
1	Stone, Larry David
2	Stone, Betty Ann
3	Stone, Mary Elizabeth
4	Rock, Tammie Marie
5	Rock, Steve Carl
6	Rock, Kathy Evelyn
7	Rock, Mike Joseph
8	Pebble, Bob Kenneth
9	Marble, Terry Robert

Part 2: List of family members and their corresponding relationships

2. O	P	Q	R	S	T
Member Number	Spouse	Parent	Child	Grandchild	Check (X) if No Attributable Relationship
1	2		3		
2	1	8	4	6	
3		1			
4	5	2	6		
5	4		6		
6		4-5			
7					X
8			2	4	
9					X

when determining disqualifiers, but should be reported as actual amounts on this form.

NOTE: All employee insurance payments and pensions must be included, whether or not the shareholder of C Corporation officer worked in Michigan.

Column L: If any shareholder or officer of a C Corporation has total compensation and director fees in column L of over \$180,000 after loss adjustment, the C Corporation is not eligible for the Small Business Alternative Credit.

Column M: Multiply the percentage in column G by line 5c on the *MBT Common Credits for Small Businesses* (Form 4571).

UBGs: Multiply the percentage in column G by the sum of the *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580), Part 2A, lines 30 and 34, plus capital loss deducted on the federal returns of all members.

Column N: If any shareholder or officer has total income in column N of over \$180,000 after loss adjustment, the taxpayer is not eligible for the Small Business Alternative Credit. If any shareholder or officer has total income in column N of over \$135,000, the taxpayer is not eligible for the Start-Up Business Credit.

PART 2: LIST OF FAMILY MEMBERS AND THEIR CORRESPONDING RELATIONSHIP TYPE

Columns P through S represent relationships affected by attribution.

For each shareholder listed in Part 1, column A, enter the corresponding number of the shareholder's spouse, parent, child, or grandchild, if any, listed in Part 1, column A.

If more than one number is entered in boxes P through S, separate numbers with a dash. For example, if a family member has three children, each child's member number should appear in the "Child" column with dashes separating them ("2-3-4").

Do not use a dash to imply included numbers (such as "5-8" meaning "5 through 8"), but instead include each member number ("5-6-7-8"). Do not use commas.

EXAMPLE (SEE THE ATTRIBUTION EXAMPLE ON THE PREVIOUS PAGE): Kathy Rock's (6) parents (4 and 5) work for the company. Kathy will list "4-5" in column Q.

NOTE: If the space provided in the line 2 columns is not adequate to list all of the corresponding relationships, attach a separate sheet of paper with the member number from column O, the corresponding relationship, and the number of the member(s) with that relationship.

Column T: Check column T for each shareholder listed only if columns P through S are blank (no attributable relationship exists).

PART 3: Small Business Alternative Credit

Line 3: Add compensation and director fees in column L for each active shareholder and enter the result on line 3 and on Form 4571, line 6.

An active shareholder:

- Is a shareholder of the Corporation, including through attribution, AND
- Owns at least 5 percent of outstanding stock, including through attribution (column E or F = 5 percent or more), AND
- Receives at least \$10,000 in compensation, director fees, and dividends from the business (sum of columns I and L = \$10,000 or more). **Important:** For short-period returns or a part-year shareholder, compensation, director fees, and dividends of each individual must be annualized to meet this requirement.

Annualizing

Multiply each applicable amount by 12 and divide the result by the number of months in the tax year the business operated or the person was a shareholder. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

Line 4: Add the compensation and director fees in column L for each C Corporation officer who is not an active shareholder and enter the result on line 4 and on Form 4571, line 7.

REMINDER: Active shareholders of an S Corporation are included in the line 3 calculation, even if the shareholder is also a C Corporation officer. Because the definition of "officer" for this purpose does not apply to an S Corporation, line 4 will always be blank for an S Corporation.

Include completed Form 4577 as part of the tax return filing.

2015 MICHIGAN Business Tax Schedule of Partners

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

PARTNER IDENTIFICATION

1.	A Name (If partner is an Individual, enter Last, First, and Middle Initial)	B FEIN, TR Number or Social Security Number of Partner	C % Owned	D Share of Business Income*
a			%	00
b			%	00
c			%	00
d			%	00
e			%	00
f			%	00
g			%	00
h			%	00
i			%	00
j			%	00
k			%	00
l			%	00
m			%	00
n			%	00
o			%	00
p			%	00
q			%	00

2. Total of Column C (% Owned). Cannot exceed 100%.....	2.		%
3. Total of Column D (Share of Business Income). Cannot exceed the partnership's business income.	3.		00

*If any partner has a share of business income in column D of over \$180,000 after loss adjustment, the Partnership is not eligible for the Small Business Alternative Credit.

* If any partner has a share of business income in column D of over \$135,000, the Partnership is not eligible for the Start-Up Business Credit.

If more space is needed, submit additional forms 4578. Identify taxpayer and complete Partner Identification on each additional form.
(See instructions.)

Instructions for Form 4578, Michigan Business Tax (MBT) Schedule of Partners

For all Partnerships claiming the Small Business Alternative Credit or Start-Up Business Credit

Purpose

To determine eligibility for the Partnership's Small Business Alternative Credit. *Partnership* means a taxpayer that is required to, or has elected to, file as a Partnership for federal income tax purposes.

This form also is required to be completed and included as part of the return whenever a Partnership claims a Start-Up Business Credit. A partnership cannot qualify for the Start-Up Business Credit if any partner has a distributive share of more than \$135,000.

NOTE: A member of a Limited Liability Company (LLC) is characterized for MBT purposes as a partner if the LLC is taxed as a Partnership for federal purposes.

NOTE: A federally disregarded entity is required to file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the *MBT Annual Return* (Form 4567).

If more lines are needed for listing the partners, include additional copies of this form and complete the name, account number, and line 1 for each copy.

Unitary Business Groups: Complete one form for each member that is a partnership (including an entity taxed federally as such). Enter the Designated Member name in the Taxpayer Name field and the member to whom the schedule applies on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

Line 1: Partner Identification

- **Columns A and B:** Identify each partner (including Corporation, Partnership, and Trust) by name. Identify partners who are individuals by Social Security number. Partners that are Corporations, Partnerships, or Trusts should be identified using a Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number.

NOTE: Column B: An individual or foreign entity that does not have a Social Security number or FEIN may enter in Column B "APPLD FOR" (an abbreviation for "applied for") or "FOREIGNUS" (an abbreviation for "foreign filer").

- **Column C:** Enter the percentage of profits or capital interest of this Partnership owned by each partner. If a partner owned this interest for a period less than the Partnership's tax year, multiply that partner's percentage of ownership by the number of months owned and divide the result by the number of months in this Partnership's tax year.
- **Column D:** Enter each partner's distributive share of income, losses, and deductions from U.S. Form 1065, *Schedule K-1*. Use the *Business Income Worksheet* (Worksheet 4746) in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600) to calculate partnership business income. Attach Worksheet 4746 to the filing. Each partner's distributive share includes guaranteed payments to partners that are made to that partner. If any partner has a share of business income in column D of over \$180,000 after loss adjustment, the Partnership is not eligible for the Small Business Alternative Credit. If any partner has a share of business income in Column D of over \$135,000, the Partnership is not eligible for the Start-Up Business Credit.

IMPORTANT: For short-period returns, each partner's share of business income must be annualized to meet these requirements.

Annualizing

Multiply each applicable amount by 12 and divide the result by the number of months the business operated or the person was a partner. Generally, a business is considered in business for one month if the business operated for more than half the days of the month.

NOTE: If the business was in operation for less than a month it is considered to have been in business for 1 month.

Line 2: If multiple pages of Form 4578 are included for one separately filing taxpayer, or one member of a UBG, bring the total of all line 1C entries to the main Form 4578.

Line 3: If multiple pages of Form 4578 are included for one separately filing taxpayer, or one member of a UBG, bring the total of all line 1D entries to the main Form 4578.

Include completed Form 4578 as part of the tax return filing.

Issued under authority of Public Act 36 of 2007.

IMPORTANT: Read the instructions before completing this form.

Designated Member Name	Federal Employer Identification Number (FEIN) or TR Number
------------------------	--

List the UBG members whose activity is included on the combined return supported by this form, beginning with the Designated Member (DM). Include all UBG members (with or without nexus), except those excluded in Part 3. If more than one page is needed, repeat the DM's name and FEIN or TR Number in the field at the top of the page, but not on line 1.

[illegible]

PART 1B: MEMBER IDENTIFICATION

Complete a separate copy of Part 1B for each member listed in Part 1A.

2. Member Name			5. Organization Type <input type="checkbox"/> Individual <input type="checkbox"/> C Corporation / LLC C Corporation <input type="checkbox"/> Fiduciary <input type="checkbox"/> S Corporation / LLC S Corporation <input type="checkbox"/> Partnership / LLC Partnership		
3. Member FEIN or TR Number					
4. Member Street Address					
City	State	ZIP/Postal Code	10. <input type="checkbox"/> Check if Nexus with Michigan 11. <input type="checkbox"/> Check if Registered for MBT 12. <input type="checkbox"/> Check if New Member		
6. Federal Tax Period Included in Return (MM-DD-YYYY)		Beginning			Ending
7. If part-year member, enter membership dates (MM-DD-YYYY)					
8. NAICS Code	9. If discontinued, effective date				
13. Nature of business activities or operations resulting in a flow of value between members, or integration, dependence or contribution to other members					

PART 2A: MEMBER DATA FOR COMBINED RETURN OF STANDARD TAXPAYERS

Enter data for the member listed in Part 1B. Enter whole dollars only.

14. Michigan sales. (If no Michigan sales enter zero)	14.	00
15. Total sales	15.	00
16. Pro forma apportionment percentage. Divide line 14 by line 15.....	16.	%

Member Modified Gross Receipts

17. Gross receipts	17.	00
18. Inventory acquired during the tax year	18.	00
19. Depreciable assets acquired during the tax year	19.	00
20. Materials and supplies not included in inventory or depreciable property	20.	00
21. Staffing company: Compensation of personnel supplied to customers	21.	00

If the UBG is claiming the Small Business Alternative Credit, skip to line 23.

22. Deduction for contractors in SIC Codes 15, 16 and 17 (see instructions)	22.	00
SIC Code: 		
23. Film rental or royalty payments paid by a theater owner to a film distributor and/or film producer	23.	00

24. Qualified Affordable Housing Project (QAHP) deduction		
a. Gross receipts attributable to residential rentals in Michigan	24a.	00
b. Number of residential rent restricted units in Michigan owned by the QAHP	24b.	
c. Total number of residential rental units in MI owned by the QAHP	24c.	
d. Divide line 24b by line 24c and enter as a percentage	24d.	%
e. Multiply line 24a by line 24d	24e.	00
f. Limited dividends or other distributions made to QAHP owners	24f.	00
g. QAHP Deduction. Subtract line 24f from line 24e	24g.	00

25. Payments made by member licensed under Article 25 or Article 26 of the Occupational Code to independent contractors licensed under Article 25 or Article 26	25.	00
26. Miscellaneous subtractions (see instructions)	26.	00
27. Modified gross receipts. Subtract lines 18 through 23 and 24g through 26 from line 17	27.	00
28. Enrichment prohibition for dealer of personal watercraft or new motor vehicles. Enter amount collected during tax year. If zero, enter zero and skip line 29. If greater than zero, enter number here, then see instructions for how to complete line 29	28.	00
29. Excess enrichment prohibition tax collected (see instructions)	29.	00

Designated Member FEIN or TR Number
 Member FEIN or TR Number

PART 2A: MEMBER DATA FOR COMBINED RETURN OF STANDARD TAXPAYERS (Cont.) — Member Business Income

30. Business income. If negative, enter as negative. (If business activity protected under PL 86-272, complete and attach Form 4581 or Form 4586, as applicable; see instructions.).....	30.		00
31. Interest income and dividends derived from obligations or securities of states other than Michigan	31.		00
32. Taxes on or measured by net income.....	32.		00
33. Tax imposed under MBT.....	33.		00
34. Any carryback or carryover of a federal NOL	34.		00
35. Losses attributable to other flow-through entities taxed under the MBT	35.		00
Account No. 			
36. Royalty, interest, and other expenses paid to a related person not within the UBG (see instructions)	36.		00
37. Miscellaneous additions (see instructions)	37.		00
38. Dividends and royalties received from persons other than U.S. persons and foreign operating entities	38.		00
39. Income attributable to other flow-through entities taxed under the MBT	39.		00
Account No. 			
40. Interest income derived from U.S. obligations.....	40.		00
41. Net earnings from self-employment. If less than zero, enter zero	41.		00
42. Miscellaneous subtractions (see instructions)	42.		00
43. Business Income Tax Base. Add lines 30 through 37 and subtract lines 38 through 42	43.		00
44. Available MBT business loss carryforward from previous period MBT return (see instructions).....	44.		00
45. Qualified Affordable Housing Deduction. Members claiming the seller's deduction only, skip lines 45a through 45h and carry the amount from Form 4579, line 5, to line 45i. Members claiming the QAHP deduction only, complete lines 45a through 45i. If claiming both deductions, see instructions.			
a. Gross rental receipts attributable to residential units in MI.....	45a.		00
b. Rental expenses attributable to residential rental units in Michigan ...	45b.		00
c. Taxable income attributable to residential rental units. Subtract line 45b from line 45a.....	45c.		00
d. No. of residential rent restricted units in MI owned by the QAHP....	45d.		
e. Total residential rental units in Michigan owned by the QAHP	45e.		
f. Divide line 45d by line 45e and enter as a percentage.....	45f.		%
g. Multiply line 45c by line 45f.....	45g.		00
h. Limited dividends, other distributions made to project owners.....	45h.		00
i. Qualified Affordable Housing Deduction. Subtract line 45h from line 45g	45i.		00
46. Unused SBT Historic Preservation Credit carryforward	46.		00
47. Unused SBT "New" Brownfield Credit carryforward	47.		00
48. Unused MBT Basic/Enhanced Historic Preservation Credit carryforward.....	48.		00
49. Unused MBT Special Consideration Historic Preservation Credit carryforward	49.		00
50. Unused MBT Low-Grade Hematite Credit carryforward.....	50.		00
51. Unused MBT MEGA Federal Contract Credit carryforward.....	51.		00
52. Unused MBT Individual or Family Development Account Credit carryforward	52.		00
53. Unused MBT Bonus Depreciation Credit carryforward.....	53.		00
54. Unused MBT Brownfield Redevelopment Credit carryforward	54.		00
55. Unused MBT Film Job Training Credit carryforward.....	55.		00
56. Unused MBT Film Infrastructure Credit carryforward	56.		00
57. Unused MBT MEGA Plug-In Traction Battery Manufacturing Credit carryforward	57.		00
58. Unused MBT Anchor Company Payroll Credit carryforward	58.		00
59. Unused MBT Anchor Company Taxable Value Credit carryforward	59.		00
60. Unused MBT MEGA Poly-Silicon Energy Cost Credit carryforward	60.		00
61. Unused MBT MEGA Plug-In Traction Battery Integration Credit carryforward	61.		00
62. Unused MBT MEGA Advanced Battery Engineering Credit carryforward	62.		00
63. Unused MBT MEGA Battery Manufacturing Facility Credit carryforward	63.		00
64. Unused MBT MEGA Large Scale Battery Credit carryforward	64.		00
65. Unused MBT MEGA Advanced Lithium Ion Battery Credit carryforward.....	65.		00
66. Overpayment credited from prior MBT return.....	66.		00
67. Estimated tax payments	67.		00
68. Flow-Through Withholding payments	68.		00
69. Tax paid with request for extension	69.		00

PART 2B: SUMMARY OF BUSINESS ACTIVITY FOR COMBINED RETURN OF STANDARD TAXPAYERS**NOTE:** Not all lines from Part 2A are carried to Part 2B.

	A Combined Total Before Eliminations	B Eliminations	C Combined Total After Eliminations	D Carry to form, line
14. Michigan sales.....				4567, 11a
15. Total sales				4567, 11b
17. Gross receipts				4567, 12
18. Inventory acquired during the tax year				4567, 13
19. Depreciable assets acquired during the tax year				4567, 14
20. Materials and supplies not included in inventory or depreciable property.....				4567, 15
21. Staffing company: Compensation of personnel supplied to customers.....				4567, 16
22. Deduction for contractors in SIC Codes 15, 16 and 17 (see instructions)				4567, 17
23. Film rental or royalty payments paid by a theater owner to a film distributor and/or film producer				4567, 18
24g. QAHP Deduction				4567, 19g
25. Payments made by taxpayers licensed under Article 25 or Article 26 of the Occupational Code to independent contractors licensed under Article 25 or Article 26.....				4567, 20
26. Miscellaneous subtractions (see instructions).....				4567, 21
27. Modified gross receipts (line 17 minus lines 18 through 26)		X X X X X X X		N/A
28. Enrichment prohibition for dealer of personal watercraft or new motor vehicles. Enter amount collected during tax year.....				N/A
29. Excess enrichment prohibition tax collected.....				See instr.
30. Business income				4567, 28
31. Interest income and dividends derived from obligations or securities of states other than Michigan		X X X X X X X		4567, 29
32. Taxes on or measured by net income.....		X X X X X X X		4567, 30
33. Tax imposed under MBT.....		X X X X X X X		4567, 31
34. Any carryback or carryover of a federal NOL		X X X X X X X		4567, 32
35. Losses attributable to other flow-through entities taxed under the MBT				4567, 33
36. Royalty, interest and other expenses paid to a related person.....		X X X X X X X		4567, 34
37. Miscellaneous additions (see instructions).....				4567, 35
38. Dividends and royalties received from persons other than U.S. persons and foreign operating entities		X X X X X X X		4567, 38
39. Income attributable to other flow-through entities taxed under the MBT				4567, 39
40. Interest income derived from U.S. obligations.....		X X X X X X X		4567, 40
41. Net earnings from self-employment. If less than zero, enter zero		X X X X X X X		4567, 41
42. Miscellaneous subtractions (see instructions).....				4567, 42
43. Business Income Tax Base		X X X X X X X		N/A
44. Available MBT business loss carryforward from previous period MBT return(s)				4567, 46
45i. Qualified Affordable Housing Deduction				4567, 48i

PART 2B: SUMMARY OF BUSINESS ACTIVITY FOR COMBINED RETURN OF STANDARD TAXPAYERS (CONT.)

	A Combined Total Before Eliminations	B Eliminations	C Combined Total After Eliminations	D Carry to form, line
46. Unused SBT Historic Preservation Credit carryforward.....		X X X X X X X		4569, 2
47. Unused SBT "New" Brownfield Credit carryforward...		X X X X X X X		4569, 6
48. Unused MBT Basic/Enhanced Historic Preservation Credit carryforward		X X X X X X X		4584, 4
49. Unused MBT Special Consideration Historic Preservation Credit carryforward.....		X X X X X X X		4584, 7
50. Unused MBT Low-Grade Hematite Credit carryforward.....		X X X X X X X		4573, 20
51. Unused MBT MEGA Federal Contract Credit carryforward.....		X X X X X X X		4584, 30
52. Unused MBT Individual or Family Development Account Credit carryforward		X X X X X X X		4573, 45
53. Unused MBT Bonus Depreciation Credit carryforward.....		X X X X X X X		4573, 50
54. Unused MBT Brownfield Redevelopment Credit carryforward.....		X X X X X X X		4584, 40
55. Unused MBT Film Job Training Credit carryforward...		X X X X X X X		4573, 64
56. Unused MBT Film Infrastructure Credit carryforward..		X X X X X X X		4573, 70
57. Unused MBT MEGA Plug-In Traction Battery Manufacturing Credit carryforward		X X X X X X X		4584, 57
58. Unused MBT Anchor Company Payroll Credit carryforward.....		X X X X X X X		4584, 65
59. Unused MBT Anchor Company Taxable Value Credit carryforward		X X X X X X X		4584, 73
60. Unused MBT MEGA Poly-Silicon Energy Cost Credit carryforward		X X X X X X X		4584, 81a
61. Unused MBT MEGA Plug-In Traction Battery Integration Credit carryforward.....		X X X X X X X		4584, 81b
62. Unused MBT MEGA Advanced Battery Engineering Credit carryforward		X X X X X X X		4584, 81c
63. Unused MBT MEGA Battery Manufacturing Facility Credit carryforward		X X X X X X X		4584, 81d
64. Unused MBT MEGA Large Scale Battery Credit carryforward.....		X X X X X X X		4584, 81e
65. Unused MBT MEGA Advanced Lithium Ion Battery Credit carryforward		X X X X X X X		4584, 81f
66. Overpayment credited from prior MBT return.....		X X X X X X X		4567, 60
67. Estimated tax payments		X X X X X X X		4567, 61
68. Flow-Through Withholding payments		X X X X X X X		4567, 62
69. Tax paid with request for extension		X X X X X X X		4567, 63

Check all that apply to the Unitary Business Group.

70. ☐ Group identified consists of a group of U.S. persons, one of which owns or controls, directly or indirectly, more than 50% of the ownership interests with voting or comparable rights of the others.
71. ☐ Some or all members are included on a consolidated federal income tax return. If checked, attach a copy of federal Form 851.
72. ☐ Each member of the group has business activities or operations resulting in a flow of value between the members or has business activities or operations that are integrated with, dependent upon, or contribute to each other.
73. ☐ All members of the Unitary Business Group are included in this unitary filing.

Instructions for Form 4580

Michigan Business Tax (MBT) Unitary Business Group Combined Filing Schedule for Standard Members

Purpose

The purpose of this form is to:

- Identify all members of a Unitary Business Group (UBG)
- Gather tax return data for each standard member included in the combined return on a separate basis, make appropriate eliminations, and determine combined UBG data for the tax return.

NOTE: This is not the primary return. It is designed to support the *MBT Annual Return* (Form 4567) submitted on behalf of the UBG by the Designated Member (DM).

Refund Only: If combined apportioned or allocated gross receipts of all members (before eliminations) is less than \$350,000 and there is no recapture, and the taxpayer is filing Form 4567 solely to claim a refund of estimates paid, Form 4580 must also be included. The designated member must complete Part 1A, Part 2B (skip lines 18 through 65), Part 3, and Part 4 of Form 4580. For each member listed in Part 1A, complete Part 1B and 2A (skip lines 18 through 65). See Form 4567 for instructions on completing that form.

Tax Years Less Than 12 Months

If the reported tax year is less than 12 months, gross receipts, must be annualized. If annualized gross receipts do not exceed \$350,000, enter zero on this line.

Annualizing

Multiply each applicable amount, total gross receipts, adjusted business income, and shareholder, officer, and partner income by 12 and divide the result by the number of months the business operated. Generally, a business is considered in business for one month if the business operated for more than half the days of the month. If the tax year is less than one month, consider the tax year to be one month for the purposes of the calculation.

General Information About UBGs in MBT

Unitary Business Group means a group of United States persons, other than a foreign operating entity, that satisfies the control test and relationship test.

United States person is defined in Internal Revenue Code (IRC) § 7701(a)(30). A *foreign operating entity* is defined by statute in Michigan Compiled Laws (MCL) 208.1109(5).

Control Test. The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting rights of another person if that person owns or controls:

- More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or
- More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

Relationship Tests. The definition of a Unitary Business Group requires that the group of persons have business activities or operations that either:

- 1) Result in a flow of value between or among persons in the group, or
- 2) Are integrated with, dependent upon, or contribute to each other.

A taxpayer need only meet one of the two alternative tests to satisfy the relationship test.

1) *Flow of value* is established when members of the group demonstrate one or more of functional integration, centralized management, and economies of scale. Examples of functional integration include common programs or systems and shared information or property. Examples of centralized management include common management or directors, shared staff functions, and business decisions made for the UBG rather than separately by each member. Examples of economies of scale include centralized business functions and pooled benefits or insurance. Groups that commonly exhibit a flow of value include vertically or horizontally integrated businesses, conglomerates, parent companies with their wholly owned subsidiaries, and entities in the same general line of business. Flow of value must be more than the mere flow of funds arising out of passive investment.

2) The alternate *contribution/dependency* relationship test asks whether business activities are integrated with, dependent upon, or contributed to each other. Businesses are integrated with, are dependent upon, or contribute to each other under many of the same circumstances that establish flow of value. However, this alternate relationship test is also commonly satisfied when one entity finances the operations of another or when there exist intercompany transactions, including financing.

For more information on the control and relationship tests for UBGs, see Revenue Administrative Bulletin (RAB) 2010-1, MBT—Unitary Business Group Control Test, and RAB 2010-2, MBT—Unitary Business Group Relationship Tests, on the Department of Treasury (Treasury) Web site at www.michigan.gov/treasury/, under “Reports and Legal Resources.”

Filing Procedures for UBGs

By definition, a UBG can include standard taxpayers, insurance companies, and financial institutions. (Note that an entity that would otherwise be standard but is owned by and

unitary with a financial institution is defined by statute to be a financial institution.) In some cases, however, not all members of the UBG will be included on the same return. Standard members (not owned by and unitary with a financial institution in the UBG) file a combined return on Form 4567. Form 4580 must be filed in support of that return.

Form 4580 is used to gather and combine data from each standard member of the UBG to support the group's Form 4567 and related forms. This form must be completed before the group's Form 4567 and related forms are completed. If this UBG also includes financial institutions and/or insurance companies, those members generally will not report tax data on this form, but will be listed as excluded affiliates in Part 3.

Financial institution members will report and combine their data using *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752), which supports the lead financial form, *MBT Annual Return for Financial Institutions* (Form 4590).

Financial institutions include any of the following:

- A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 United States Code (USC) 1467a(a)(1)(F) or a federally chartered Farm Credit System institution.
- Any person, other than a person subject to the tax imposed under Chapter 2A of the MBT Act (Insurance Companies), that is directly or indirectly owned by an entity described above and is a member of the UBG.
- A UBG of entities described in either or both of the preceding two bullets.

Each insurance company member will file separately, using the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588). Because insurance companies always file separately, rather than on a combined return, there is no MBT insurance form that serves a function similar to that of Form 4580 and Form 4752.

Example A: UBG A is composed of the following:

- Four standard members
- Three financial institutions (all with nexus in Michigan)
- Two insurance companies.

All members of UBG A are owned by and unitary with one of the standard members of the UBG. UBG A will need to file Form 4567, supported by Form 4580, containing the four standard members and Form 4590, supported by Form 4752, containing the three financial institutions. In Part 1 of Form 4580 or Form 4752, only the members that are included on that form (either the four standard members, or the three financial institutions) will be listed. Form 4580 with standard members will be prepared under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the group's standard DM. One of the financial institutions will serve as DM for those three members and file Form 4590, supported by Form 4752. On Part 3 of Form 4580, list all financial and insurance members. On Part 3 of Form 4752, list all standard and insurance members. The two insurance companies each will file a stand-alone Form 4588.

Example B: UBG B is composed of the following:

- Four members that would be standard (see below) unless owned by a financial institution
- Three financial institutions (all with nexus in Michigan)
- Two insurance companies.

All members of UBG B are owned by and unitary with one of the financial institutions in the UBG. Due to this ownership by a financial institution, the four members that otherwise would be standard are defined by statute to be financial institutions. (See definition of financial institution earlier in these instructions.) Therefore, this UBG will not file a Form 4580 or Form 4567. Seven members will file a combined return on Form 4590, supported by Form 4752, listing the two insurance members as excluded affiliates on Part 3 of Form 4752. The two insurance companies each will file a stand-alone Form 4588.

To complete this form and prepare a combined return, the UBG must select a DM.

A UBG combined return of standard taxpayers is filed under the name and FEIN or TR number of the DM of the standard taxpayer group. *Designated Member* means a UBG member that has nexus with Michigan and will file the combined MBT return on behalf of the standard members of the group. In a brother-sister controlled group, any member with nexus may be designated to serve as DM. In a parent-subsidiary controlled group or a combined controlled group (an interlocking combination of a parent-subsidiary group and a brother-sister group), the controlling member must serve as DM if it has nexus with Michigan. If it does not have nexus, the controlling member may appoint any member with nexus with Michigan to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a

group member, or no longer has nexus with Michigan, or the controlling member attains Michigan nexus. The filing period of a combined return is based on the tax year of the DM.

If a UBG is comprised of both standard taxpayers and financial institutions, the UBG will have two DMs (one for the standard taxpayer members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms).

Role of the DM: The DM speaks, acts, and files the MBT return on behalf of the group for MBT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group's MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM's name and account number. The DM must be of the same taxpayer type (standard or financial institution) as the members for which it files a combined return.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be entered in MM-DD-YYYY format.

Do not enter data in boxes filled with Xs.

For additional guidance, see the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600.

Part 1A: Unitary Business Group Members

Lines 1A and 1B: Beginning with the DM, list the UBG standard members and their corresponding FEIN or TR number. Use additional Part 1A, Form 4580 pages as needed.

NOTE: A taxpayer that is a UBG must file a combined return using the tax year of the DM. The combined return of the UBG must include each tax year of each member whose tax year ends with or within the tax year of the DM. For example, Taxpayer ABC is a UBG comprised of three standard members: Member A, the DM with a calendar tax year, and Members B and C with fiscal years ending March 31 and September 30, respectively. Taxpayer ABC's tax year is that of its DM. For this group in 2013, that annual return will include Member A's calendar year ending December 31, 2013, the tax year of Member B ending March 31, 2013, and the tax year of Member C ending September 30, 2013.

Part 1B: Member Identification

Include a separate copy of Parts 1B and 2A for each standard member whose business activity is reported on the combined return supported by this form. If a member (other than the DM) has two or more tax periods ending with or within the filing period of the return, use a separate copy of Parts 1B and 2A for each of that member's tax periods.

Line 5: Identify the organization type of this member:

- Individual.
- C Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter C of the IRC).
- Fiduciary (a decedent's estate, and a Trust taxed federally as a Trust under Subchapter J of the IRC. A grantor Trust or "revocable living Trust" established by an Individual

is not taxed as a separate entity, and should be listed as an Individual).

- S Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter S of the IRC).
- Partnership (including an LP, LLP, LLC, Trust, or any other entity taxed federally as a Partnership).

NOTE: A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return. This means that a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Line 6: List the member's tax year, for federal income tax purposes, from which business activity is being reported on this copy of Parts 1B and 2A.

Line 7: If the control test and relationship test were not both satisfied for this member's entire federal tax year, enter the beginning and ending dates of the period within this member's federal tax year during which both tests were satisfied. These dates constitute a short tax period for MBT purposes, even if there is no corresponding short federal tax period. This member must prepare a pro forma federal return for the portion of its federal year during which it was a UBG member, and use that pro forma return as the basis for reporting the tax data required by Part 2A.

Line 8: Enter the member's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at www.census.gov/eos/www/naics/. Enter the same NAICS code used when filing U.S. Form 1120S, U.S. Form 1065, *Schedule C* of U.S. Form 1040, or *Schedule K* of U.S. Form 1120.

Line 9: Enter the date, if applicable, on which this member went out of existence. Examples include death of an Individual, dissolution of an entity, and a merger in which this member was not the surviving entity. Include any event in which the FEIN ceases to be used by this entity. If this member continues to exist, **DO NOT** use this line to report that this member has stopped doing business in Michigan.

Line 10: If this member has nexus with Michigan, check this box. Guidance in determining nexus can be found in RAB 2007-6 and 2008-4, available online at www.michigan.gov/taxes. (See the "Reference Library" link at left edge of page.)

Line 12: This line does not apply to the first MBT return filed by this UBG. For subsequent tax periods, check this box if this member was not included in the UBG's preceding MBT return.

Line 13: Enter a concise description of the activities or operations of this member that result in a flow of value between this member and others in the UBG, or integration, dependence, or contribution to other members. This is not limited to transactions that are recognized for tax or accounting purposes. It may include sharing of assets, employees, data, business opportunities, or other resources. (See RAB 2010-2.)

Part 2A: Member Data for Combined Return of Standard Taxpayers

A member that does not file a separate federal return (e.g., a member that is a member of a federal consolidated group) must prepare a pro forma federal return or equivalent schedule and use it as the basis for preparing its portion of the MBT return.

Line 14: *Sale* or *Sales* means amounts received by a member as consideration from the following:

- 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 member if on hand at the close of the tax period, or property held by the member 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.
- Rental, leasing, licensing, or use of tangible or intangible property, including interest, that constitutes business activity.
- Any combination of business activities described above.
- For a member 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.

If a member's business activity is confined solely to Michigan and the member does not establish nexus in another state, all sales are allocated to Michigan. *State* is defined to include a foreign country. A member is treated as if subject to tax in another state if, in that state, the member is subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, a Corporation stock tax, or a tax of the type imposed under the MBT Act, or that state has jurisdiction to subject the member to one or more of such taxes regardless of whether the tax is imposed. A member will be treated as subject to a tax in another state for these purposes if the member has due process and commerce clause nexus with that state.

If this member has no Michigan sales, enter zero.

Complete this line using amounts for the member's business activity only. Do not include amounts from an interest owned by the member in a Partnership or S Corporation (or LLC taxed federally as such).

If this member is subject to tax in another state, as described above, use the "Sourcing of Sales to Michigan" information in the Form 4567 instructions to determine Michigan sales. If sales reported are adjusted by a deduction for qualified sales to a qualified customer, as determined by the Michigan Economic Growth Authority (MEGA), attach the Anchor District Tax Credit Certificate or Anchor Jobs Tax Credit Certificate from the Michigan Economic Development Corporation (MEDC) as support.

For transportation services that source sales based on revenue miles, include on Line 14 a sales amount calculated by multiplying total sales of the transportation service by the ratio of Michigan revenue miles over revenue miles

everywhere as provided in the "Sourcing of Sales to Michigan" section of the Form 4600 General Instructions, for that type of transportation service. *Revenue mile* means the transportation for a consideration of one net ton in weight or one passenger the distance of one mile.

NOTE: Only transportation services are sourced using revenue miles. To the extent the UBG has business activities or revenue streams not from transportation services, those receipts should be sourced accordingly.

Line 17: *Gross receipts* means the entire amount received by the member, as determined by using the member's method of accounting for federal income tax purposes, from any activity, whether in intrastate, interstate, or foreign commerce, carried out for direct or indirect gain, benefit, or advantage to the member or to others, with certain exceptions. Receipts include, but are not limited to:

- Some or all receipts (sales proceeds) from the sale of assets used in a business activity.
- Sale of products.
- Services performed.
- Gratuities stipulated on a bill.
- Dividend and interest income.
- Gross commissions earned.
- Rents.
- Royalties.
- Sales of scrap and other similar items.
- Client reimbursed expenses not obtained in an agency capacity.
- Gross proceeds from sales between affiliated companies, including members of a UBG.

Use Worksheet 4700 in Form 4600 to calculate gross receipts. Attach the worksheet to the return. Gross receipts are not necessarily derived from the federal return, however, the 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 Worksheet 4700, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from the worksheet to account properly for such uncommon situations.

A member should compute its gross receipts using the same accounting method used in the computation of its taxable income for federal income tax purposes.

Public Act (PA) 282 of 2014 modified the definition of gross receipts. For 2014 forms, this change is represented by the insertion of new line 64b of Worksheet 4700.

Producers of Agricultural Goods: The total gross receipts from all business activity must be reported on line 17, including the gross receipts from agricultural activity of a person whose primary activity is the production of agricultural goods. A subtraction is allowed on line 26 for the gross receipts that have been included on this line that are from the agricultural activity of a person whose primary activity is the production of agricultural goods.

Producers of Oil and Gas: The total gross receipts from all business activity must be reported on line 17, including the gross receipts from the production of oil and gas even if this activity is subject to the Severance Tax on Oil or Gas, 1929 PA 48. A subtraction is allowed on line 26 for the gross receipts that have been included on this line that are from the production of oil and gas that are subject to the Severance Tax on Oil or Gas.

Line 18: Enter inventory acquired during the tax year, including freight, shipping, delivery, or engineering charges included in the original contract price for that inventory.

Inventory means the stock of goods, including electricity and natural gas, held for resale in the ordinary course of a retail or wholesale business, and finished goods, goods in process of a manufacturer, and raw materials purchased from another person. Inventory includes shipping and engineering charges so long as such charges are included in the original contract price for the associated inventory. Inventory also includes floor plan interest for new motor vehicle dealers licensed under the Michigan vehicle code and any pre-paid sales tax required to be paid on the inventory at the time of purchase.

For purposes of this deduction, *floor plan interest* means interest paid that finances any part of the person's purchase of new motor vehicle inventory from a manufacturer, distributor, or supplier. However, amounts attributable to any invoiced items used to provide more favorable floor plan assistance to a person subject to the tax imposed under the MBT Act than to a person not subject to this tax is considered interest paid by a manufacturer, distributor, or supplier, and is not considered floor plan interest.

For a person that is a securities trader, broker, or dealer, or a person included in the UBG of that securities trader, broker, or dealer that buys and sells for its own account, inventory includes contracts that are subject to the Commodity Exchange Act, 7 USC 1 to 27f, the cost of securities as defined under IRC § 475(c)(2) and for a securities trader the cost of commodities as defined under IRC § 475(e)(2) and for a broker or dealer the cost of commodities as defined under IRC § 475(e)(2)(b), (c), and (d), excluding interest expense other than interest expense related to repurchase agreements. As used in this provision:

- *Broker* and *dealer* mean those terms as defined under section 78c(a)(4) and (a)(5) of the Securities Exchange Act of 1934, 15 USC 78c.
- *Securities trader* means a person that engages in the trade or business of purchasing and selling investments and trading assets.

Inventory does not include either of the following:

- Personal property under lease or principally intended for lease rather than sale.
- Property allowed a deduction or allowance for depreciation or depletion under the IRC.

Line 19: Enter assets, including the costs of fabrication and installation, acquired during the tax year of a type that are, or under the IRC will become, eligible for depreciation, amortization, or accelerated capital cost recovery for federal income tax purposes.

Line 20: To the extent not included in inventory or depreciable property, enter the value of materials and supplies, including repair parts and fuel.

Materials and supplies means tangible personal property acquired during the tax year to be used or consumed in, and directly connected to, the production or management of inventory or the operation or maintenance of depreciable assets. Materials and supplies includes repair parts and fuel.

For example, a physician's or dentist's purchase of sterilizing solution during the tax year that is used to sterilize examination equipment, such as an X-ray machine, may be considered materials and supplies under MCL 208.1113(6)(c).

Line 21: A staffing company may deduct compensation (including wages, benefits, and all payroll taxes) paid to personnel supplied to its clients. *Staffing company* means a taxpayer whose business activities are included in Industry Group 736 under the Standard Industrial Classification (SIC) Code as compiled by the United States Department of Labor.

Payments to a staffing company by a client do not constitute purchases from other firms.

Line 22: For taxpayers that fall under SIC major groups 15 (Building Construction General Contractors and Operative Builders), 16 (Heavy Construction Other Than Building Construction Contractors), and 17 (Construction Special Trade Contractors) who does not claim the Small Business Alternative Credit (SBAC) under MCL 208.1417 for the tax year, the following payments are considered "purchases from other firms:"

- Payments to subcontractors for a construction project, under a contract specific to that project, and
- To the extent not deducted as "inventory" and "materials and supplies," payments for materials deducted as purchases in determining the cost of goods sold for the purpose of calculating total income on the taxpayer's federal income tax return.

NOTE: This subtraction is only available to a member of the UBG if the group does not claim the SBAC for the tax year. However, for purposes of the SIC code requirement, it is sufficient that the UBG member that made the payments listed above be included in SIC codes 15, 16, or 17.

Persons included in SIC codes 15, 16, and 17 include general contractors (of residential buildings including single-family homes; industrial, commercial, and institutional buildings; bridges, roads, and infrastructure; etc.), operative builders, and trade contractors (such as electricians, plumbers, painters, masons, etc.). See http://www.osha.gov/pls/imis/sic_manual.html for a more complete list.

A *subcontractor* is an Individual or entity that enters into a contract and assumes some or all of the obligations of a person included in SIC codes 15, 16, and 17 as set forth in the primary contract specific to a project. Thus, payments to an independent contractor for general labor services not specific to a particular construction contract do not constitute purchases from other firms. However, payments made to a subcontractor for services and materials provided under a contract specific to a particular construction project (such as the construction of commercial

property at 2400 Main Street) do constitute purchases from other firms. There is no requirement that the subcontractors to whom such payments are made be licensed.

The taxpayer bears the burden to prove it is entitled to a deduction in computing its tax liability. It is contemplated that good business practice would include documentation such as a written contract that would support a deduction from gross receipts for payments to subcontractors as purchases from other firms. The supporting information for payments to a subcontractor could be incorporated into the contract for the specific project or memorialized in a separate contract with a subcontractor specifying the project to which the costs pertain.

Line 24: On lines 24a through 24g, calculate a deduction from gross receipts for a member that is a limited dividend housing association that owns and operates a Qualified Affordable Housing Project (QAHP).

Public Act (PA) 168 of 2008 provides for a deduction from the modified gross receipts and apportioned business income tax bases for a QAHP. (A deduction from the apportioned business income tax base also is available. See below.)

Qualified Affordable Housing Project means a person that is organized, qualified, and operated as a limited dividend housing association that has a limitation on the amount of dividends or other distributions that may be distributed to its owners in any given year and has received funding, subsidies, grants, operating support, or construction or permanent funding through one or more public sources.

A *limited dividend housing association* is organized and qualified pursuant to Chapter 7 of the State Housing Development Authority Act (MCL 125.1491 et seq).

If these criteria are satisfied, a QAHP may deduct from its modified gross receipts, its gross receipts attributable to the residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that QAHP and the denominator of which is the number of all residential rental units in Michigan owned by the project. This deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Amounts received by the management, construction, or development company for completion and operation of the project and rental units do not constitute gross receipts for purposes of the deduction.

MCL 208.1201(8) governs the termination of this deduction.

Line 24a: Gross receipts attributable to residential rentals in Michigan do not include amounts received by the management, construction, or development company for completion and operation of the project and those rental units.

Line 24b: *Rent restricted unit* means any residential rental unit that has a rental rate restricted in accordance with IRC § 42(g)(1) as if it was a qualified low-income housing project, or that receives rental assistance from Housing and Urban Development (HUD) section 8 subsidies, HUD housing assistance program subsidies, U.S. Department of Agriculture

rural housing programs, or from any of the programs described in MCL 208.1203(8)(b).

Line 24c: This includes rent restricted and unrestricted residential rental units owned by the QAHP in Michigan.

Line 25: If the member is licensed under Article 25 (Real Estate Brokers and Salespersons) or Article 26 (Real Estate Appraisers) of the Occupational Code [MCL 339.2501 to 339.2518 and 339.2601 to 339.2637], enter payments made to independent contractors licensed under Articles 25 or 26.

Line 26: For a person classified under the 2002 North American Industrial Classification System (NAICS) Number 484, as compiled by the United States Office of Management and Budget, that does not qualify the SBAC under Section 417, enter the payment, made on or after July 12, 2011, to subcontractors to transport freight by motor vehicle under a contract specific to that freight to be transported by motor vehicle.

Attach a letter to explain the activity that qualifies for this subtraction and the date of the payment. Include the NAICS code.

Enter on this line the gross receipts included on line 17, which result from the agricultural activity of a person whose primary activity (i.e., more than 50 percent of gross receipts) is the production of agricultural goods.

Enter on this line the gross receipts included on line 17 which result from the production of oil and gas if that production of oil and gas is subject to the Severance Tax on Oil or Gas, 1929 PA 48.

Line 28: Enter amount of the MBT Modified Gross Receipts (MGR) Tax collected in the tax year.

MCL 208.1203(5) permits new motor vehicle dealers licensed under the Michigan Vehicle Code, PA 300 of 1949, MCL 257.1 to 257.923, and dealers of new or used personal watercraft to collect the MGR Tax in addition to the sales price. The statute states that the “amount remitted to the Department for the [Modified Gross Receipts Tax] ... shall not be less than the stated and collected amount.” Therefore, the entire amount of the MGR Taxes stated and collected by new motor vehicle dealers and new or used personal watercraft dealers must be remitted to Treasury. There should be no instance in which a dealer collects amounts of the MGR Tax from customers in excess of the amount of MGR taxes remitted to Treasury. Eligible taxpayers that elect to separately collect the MGR Tax from customers in addition to sales price may include the collected tax as part of their estimated payments.

NOTE: Only new motor vehicle dealers and dealers of new or used personal watercraft are permitted to separately itemize and collect a tax imposed under the MBT Act from customers in addition to sales price, and that authority is limited to only the MGR Tax imposed and levied under MCL 208.1203. The statute does not authorize separate itemizing and collection of the Business Income Tax or surcharge by any person.

Line 29: A member that is a dealer of personal watercraft or new motor vehicles that collected MGR Tax from customers by separate statement on the invoice during the tax year, as entered in line 28, should complete the following worksheet to determine excess MGR Tax collected.

**WORKSHEET –
EXCESS MGR TAX COLLECTED**

A. Pro forma apportionment percentage from Form 4580, Part 2A, line 16a.....		%
B. Modified gross receipts from Form 4580, Part 2A, line 27. If MGR is less than zero, enter zero.....		00
C. Apportioned MGR tax base. Multiply line B by line A.....		00
D. Pro forma MGR Tax before credits. Multiply line C by 0.8% (0.008)		00
E. Enrichment prohibition, amount from Form 4580, Part 2A, line 28		00
F. Excess MGR Tax collected. If line D is less than line E, enter the difference. Otherwise, enter zero. Carry amount to Form 4580, Part 2A, line 29		00

Line 30: *Business income* means that part of federal taxable income derived from business activity. For MBT purposes, *federal taxable income* means taxable income as defined in IRC § 63, except that federal taxable income shall be calculated as if section 168(k) [as applied to qualified property placed in service after December 31, 2007] and IRC § 199 were not in effect. For a Partnership or S Corporation (or LLC federally taxed as such), business income includes payments and items of income and expense that are attributable to business activity of the Partnership or S Corporation and separately reported to the partners or shareholders.

Use the *Business Income Worksheet* (Worksheet 4746) in Form 4600 to calculate business income. Attach Worksheet 4746 to the return. The worksheet will calculate business income as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce business income not identified by specific lines on the worksheet, and report that amount on the most appropriate line. Treasury may adjust the figure resulting from Worksheet 4746 to account properly for such uncommon situations.

For an organization that is a mutual or cooperative electric company exempt under IRC § 501(c)(12), business income equals the organization's excess or deficiency of revenues over expenses as reported to the federal government by those organizations exempt from the federal income tax under the IRC, less capital credits paid to members of that organization, less income attributed to equity in another organization's net income, and less income resulting from a charge approved by a state or federal regulatory agency that is restricted for a specified purpose and refundable if it is not used for the specified purpose.

For a tax-exempt person, *business income* means only that part of federal taxable income (as defined for MBT purposes) derived from unrelated business activity.

For an Individual or an estate, or for a Partnership or Trust organized exclusively for estate or gift planning purposes, business income is that part of federal taxable income (as defined for MBT purposes) derived from transactions,

activities, and sources in the regular course of the member's trade or business, including the following:

- All income from tangible and intangible property if the acquisition, rental, management, or disposition of the property constitutes integral parts of the member's regular trade or business operations.
- Gains or losses incurred in the member's trade or business from stock and securities of any foreign or domestic corporation, and dividend and interest income.
- Income derived from isolated sales, leases, assignment, licenses, divisions, or other infrequently occurring dispositions, transfers, or transactions involving property if the property is or was used in the member's trade or business operation.
- Income derived from the sale of a business.

NOTE: Personal investment income, gains from the sale of property held for personal use and enjoyment, or other assets not used in a trade or business, and any other income not specifically derived from a trade or business that is earned, received, or otherwise acquired by an Individual, an estate, or a Trust or Partnership organized or established exclusively for estate or gift planning purposes, are not included in the Business Income Tax base. This exclusion only applies to the specific types of persons identified above. Investment income and any other types of income earned or received by all other types of persons not specifically referenced must be included in the business income of the member.

IMPORTANT: If business activity is protected under Public Law (PL) 86-272 for any member of the UBG, then the member must claim protection by filing the *MBT Tax Schedule of Business Activity Protected Under Public Law 86-272* (Form 4586) (if member is the DM) or the *MBT Schedule of Business Activity for Non-Designated Members of a Unitary Business Group Protected Under Public Law 86-272* (Form 4581) (if member is not the DM) and reporting its individual activity. Unless all members of the UBG have PL 86-272 protection, a member claiming protection must complete lines 30 through 45i. If all members of the UBG are claiming PL 86-272 protection, leave lines 30 through 45i blank.

So long as one member of a UBG has nexus with Michigan and exceeds the protections of PL 86-272, all members of the UBG, including members protected under PL 86-272, must be included when calculating the UBG's Business Income Tax base and apportionment formula. (In other words, PL 86-272 will only remove business income from the apportionable Business Income Tax base when all members of the UBG are protected under PL 86-272.) The inclusion of the business income of members that fall under PL 86-272 in the tax base of the UBG and the subsequent apportionment of such income does not constitute taxation upon those PL 86-272 members. Rather, this method is required for properly determining the Michigan income of the UBG.

Line 31: Enter any interest income and dividends from bonds and similar obligations or securities of states other than Michigan and their political subdivisions in the same amount that was excluded from federal taxable income (as defined for MBT purposes). Include only the income derived from

business activity. Reduce this addition by any expenses related to the foregoing income that were disallowed on the federal return by IRC § 265 or 291.

Line 32: Enter all taxes on, or measured by, net income including city and state taxes, foreign income tax, and Federal Environmental Tax claimed as a deduction on the federal return.

Line 33: Enter the Michigan Business Tax, including surcharge, claimed as a deduction on this member's federal return (or this member's allocable share, if claimed on a federal consolidated return).

Line 34: Enter any net operating loss carryover or carryback that was deducted in arriving at this member's federal taxable income (as defined for MBT purposes) reported on line 30. If the member reporting on this copy of Part 2A is a member of a federal consolidated group, or for any other reason did not file a separate federal return for the period reported here, the federal net operating loss (NOL) carryover or carryback entered here must be based on a pro forma federal return for the member reporting on this copy of Part 2A. Enter this amount as a positive number.

Line 35: Enter any losses included in federal taxable income (as defined for MBT purposes) that are attributable to other entities that have made a valid election to file and have filed under the MBT. If this member owns an interest in only one such entity, list that entity's FEIN or TR number in the field on this form. If this member owns interests in more than one such entity, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this loss add-back that is attributable to each entity. In any case, the amount on line 35 should be the total of all losses, not just the loss of the one entity identified on the form. This addition includes a loss attributable to this member's ownership interest in another member of the UBG, to the extent that loss was included in this member's federal taxable income (as defined for MBT purposes).

Line 36: Enter any royalty, interest, or other expense paid to a person related to the member by ownership or control for the use of an intangible asset if the person is not included in the member's UBG. Royalty, interest, or other expense described here is not required to be included if the taxpayer can demonstrate that the transaction has a nontax business purpose other than avoidance of MBT, is conducted with arm's-length pricing and rates and terms as applied in accordance with IRC § 482 and 1274(d), and satisfies one of the following:

- Is a pass-through of another transaction between a third party and the related person with comparable rates and terms.
- Results in double taxation. For purposes of this subparagraph, double taxation exists if the transaction is subject to tax in another jurisdiction.
- Is unreasonable as determined by Treasury, and the taxpayer agrees that the addition would be unreasonable based on the taxpayer's facts and circumstances.
- The related person (recipient of the transaction) is organized under the laws of a foreign nation which has in force a comprehensive income tax treaty with the United States.

Line 37: There currently are no additions that are recorded on this line. Leave this line blank.

Line 38: To the extent included in federal taxable income (as defined for MBT purposes), enter any dividends and royalties received from persons other than United States persons and foreign operating entities, including, but not limited to, amounts determined under IRC § 78 or IRC § 951 to 964.

Line 39: Enter any income included in federal taxable income (as defined for MBT purposes) that is attributable to other entities that have made a valid election to file and have filed under the MBT. If this member owns an interest in only one such entity, list that entity's FEIN or TR number in the field on the form. If this member owns interests in more than one such entity, enter on the form the FEIN or TR number of one of the entities and attach a list of the account numbers of all. On the list include a breakdown of the amount of this income subtraction that is attributable to each entity. In any case, the amount on line 39 should be the total of all income, not just the income of the one entity identified on the form. This subtraction includes income attributable to this member's ownership interest in another member of the UBG, to the extent that income was included in this member's federal taxable income (as defined for MBT purposes).

Line 40: To the extent included in federal taxable income (as defined for MBT purposes), deduct interest income derived from United States obligations.

Line 41: To the extent included in federal taxable income (as defined for MBT purposes), deduct any earnings that are net earnings from self-employment as defined under IRC § 1402 of the UBG member reporting here. The amount deducted shall be the amount properly reported on a schedule K-1-form 1065 as self-employment earnings for federal income tax purposes for the tax year.

Line 42: There are two items that qualify for entry on this line. If both types apply, enter the combined total as a single amount.

A) For tax years that begin after December 31, 2009, to the extent included in federal taxable income, deduct the amount of a charitable contribution made to the Advance Tuition Payment fund created under section 9 of the Michigan Education Trust Act, PA 316 of 1986, MCL 390.1429. This is deductible only to the extent that contribution was **NOT** federally deductible.

B) On a fiscal 2014-15 tax return, enter the Book-Tax deduction to the extent available. The deduction is only available to a taxpayer that reported a Book-Tax amount on Form 4593 with an original 2008 MBT annual return. This deduction is not available on a return for a tax year ending in 2014.

The Book-Tax deduction is calculated as follows:

1) Total of amount reported on Column C of Form 4593 with the original 2008 MBT annual return. (For **UBGs**, compute the sum of the amounts reported by all current members of the group who filed Form 4593.)

2) Calculate the amount needed to offset the net deferred tax liability of the taxpayer which results from the imposition of the business income tax, at a rate of 4.95%, and the modified gross receipts tax, at a rate of 0.8%, calculated for the first fiscal period ending after July 12, 2007.

3) Take the lesser of the result of (1) or (2).

4) For a fiscal 2014-15 tax return, report on this line 4% of the result of step (3). The remaining 96% of the amount from step (3) will be deductible in future years.

A taxpayer claiming the Book-Tax deduction must maintain records and work papers necessary to support the calculation and journal entry identified for the same length of time that the deduction is available, and to support a potential audit of the taxpayer's business by the Michigan Department of Treasury.

Line 44: Enter any unused MBT business loss carryforward that was reported on the MBT return for the immediately preceding tax period on the appropriate group member copy of this form as explained in the bulleted section below. Only MBT business losses that were incurred after December 31, 2007 may be entered on this line.

Business loss means a negative business income tax base after allocation or apportionment. The business loss will be carried forward to the year immediately succeeding the loss year as an offset to the allocated or apportioned Business Income Tax base, then successively to the next nine taxable years following the loss year or until the loss is consumed, whichever occurs first, but for not more than ten taxable years after the loss year.

A taxpayer that acquires the assets of another corporation in a transaction described under section 381(a)(1) or (2) of the Internal Revenue Code (IRC) may deduct any MBT business loss carryforward (hereinafter, loss carryforward) attributable to that other corporation. Losses acquired via IRC sec. 381 (a) (1) or (2) are reported on this line by the member identified in the bulleted section below.

On the DM's copy of this form: Enter loss carryforward from the group's immediately preceding Form 4567, less any part of that carryforward subsequently taken by departing members (see below), plus any loss acquired by the group via IRC § 381 (as defined above). Include a list of all loss corporations whose losses were acquired in this manner by this UBG during the filing period. Provide name and FEIN of acquiring member, name and FEIN of loss corporation, and loss amount for each loss corporation.

On a non-DM member's copy of this form: Only a member that joined the group in the current tax year may report a loss carryforward on its copy of this form. Report the loss carryforward that the member brings into the group. If the incoming member was part of another UBG in the tax year immediately prior to the current year, the loss carryforward that it brings into the current year group refers to the incoming member's share of its former group's total loss carryforward reported on the former group's immediately preceding Form 4567. If the incoming member was not part of a UBG in the tax year immediately prior to the current year, the loss carryforward that it brings into the current year's group refers

to the amount reported on the immediately preceding Form 4567 filed by that member on a stand alone basis.

When a new, incoming member created a MBT business loss carryforward from a MBT tax period prior to joining the current tax year UBG, the carryforward on that member's account will be used by the current year group until it is fully consumed (or that member leaves the group). This will be based upon accurate reporting of the incoming member's loss carryforward on its copy of the current year group's Form 4580, as explained in the bulleted section above. When a member that generated a carryforward in a prior period leaves the group, that member will take with it an amount equal to the group's remaining carryforward from that period multiplied by the amount that member contributed and divided by the total amount contributed by all group members for the carryforward in that same period.

If these instructions are not followed carefully, loss carryforward available for use by the group in the current filing period will be miscalculated. It is important to review a carryforward for the possibility that some or all of it has expired, or that some or all of it was withdrawn from the group by a departing member.

Loss carryforward consumed on a return always is the oldest available on that return, regardless of whether the oldest loss was generated by the group, brought by an incoming member, or acquired by a member of the group via IRC § 381. Loss carryforward of a UBG, including loss carryforward brought by an incoming member and loss carryforward acquired by the group or its members via IRC § 381, ages according to the tax years of the group, rather than tax years of any particular member.

NOTE: MBT business loss carryforward is not the same as a federal net operating loss carryforward or carryback, an SBT loss carryforward, or a CIT loss carryforward.

Line 45: If taking the QAHP deduction only, complete lines 45a through 45i in Part 2A: Member Data for Combined Return of Standard Taxpayers. If taking the seller's deduction only, skip lines 45a through 45h and carry the amount from Form 4579, line 5, to line 45i. If taking both deductions, complete the QAHP deduction calculation on lines 45a through 45h, and add to the total at line 45i the amount from Form 4579, line 5.

PA 168 of 2008 provides for a deduction from the apportioned Business Income Tax base to a QAHP and a seller of residential rental units to a QAHP. *Qualified Affordable Housing Project* is defined under instructions for line 24.

The QAHP may deduct from its apportioned Business Income Tax base an amount equal to the product of the taxable income attributable to residential rental units in Michigan it owns multiplied by a fraction, the numerator of which is the number of rent restricted units in Michigan owned by that QAHP and the denominator of which is the number of all residential rental units in Michigan owned by the project. MCL 208.1201(8) governs the termination of this deduction.

The seller's deduction is described in the instructions to line 45i.

Lines 45a through 45c: In general, taxable income attributable to residential rental units is gross rental receipts attributable to residential rental units in Michigan less rental expenses attributable to residential rental units in Michigan, including, but not limited to, repairs, interest, insurance, maintenance, utilities, and depreciation.

Specifically, Partnerships may use a Rental Real Estate Income and Expenses of a Partnership or an S Corporation (U.S. Form 8825) to determine its taxable income attributable to residential rental units in Michigan. To the extent that the QAHP is taxed as something other than a Partnership or S Corporation, the QAHP may use the Supplemental Income and Loss (U.S. Form 1040, Schedule E) or the relevant portions of the U.S. Corporation Income Tax Return (U.S. Form 1120), as appropriate. If the QAHP is a Corporation, the expenses permitted should be limited to those also listed on the Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition (U.S. Form 8823) and U.S. Form 1040, Schedule E. Rental receipts and expenses must be calculated without regard to any gain or loss resulting from the disposition of rental property. Also, since Partnerships are subject to tax as a person under MBT, flow-through amounts from other Partnerships are not considered.

Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, are not deductible rental expenses. Any passive activity loss limitations applicable to the QAHP's federal return also apply for purposes of MCL 208.1201(7).

Line 45d: *Rent restricted unit* means a residential rental unit's rental income is restricted in accordance with IRC § 42(g)(1) as if it was a qualified low-income housing project, or receives rental assistance in the form of HUD section 8 subsidies or HUD housing assistance program subsidies, or rental assistance from the U.S. Department of Agriculture rural housing programs, or from any of the other programs described in MCL 208.1203(8)(b).

Line 45e: This includes rent restricted and unrestricted residential rental units owned by the QAHP in Michigan.

Line 45h: The QAHP's deduction is reduced by the amount of limited dividends or other distributions made to the owners of the project. Income received by the management, construction, or development company for completion and operation of the project and rental units does not constitute taxable income attributable to residential rental units.

Line 45i: The seller may take a deduction from its apportioned Business Income Tax base equal to the gain from the sale of the residential rental units to the QAHP, as calculated on the *MBT Qualified Affordable Housing Seller's Deduction* (Form 4579). Enter the amount from Form 4579, line 5. All MBT forms, including Form 4579, are available online at www.michigan.gov/mbt.

When the seller claims a deduction for the year of sale, the State will place a lien on the property equal to the amount of the seller's deduction. If the buyer fails to qualify as a QAHP or fails to operate any of the residential rental units as rent restricted units in accordance with the operation agreement

within 15 years after the date of purchase, the lien placed on the property for the amount of the seller's deduction becomes payable to the State. The lien is payable through a "recapture" to be added to the tax liability of the buyer in the year the recapture event occurs. The recapture is calculated on *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587), and is reduced proportionally for the number of years the buyer qualified for the deduction.

Lines 46 through 65: These lines are for reporting each member's credit carryforwards remaining from a previous year. If the group created a credit carryforward in a preceding tax period, Treasury will have maintained that carryforward on the DM's account. Enter unused credit carryforwards of this type on the DM's copy of Part 2A.

If a member created a credit carryforward prior to joining the UBG, Treasury will maintain that carryforward on that member's account, subject to use by the group, until it is fully consumed or that member leaves the group. Enter unused credit carryforwards of this type on the copy of Part 2A filed for the member that brought the carryforward to the group.

Available credit carryforwards, regardless of whether they arose within the group or outside of it, are applied against the UBG's tax liability on the basis of age (oldest first). Credit carryforward of a UBG, including credit carryforward brought by an incoming member, ages according to the tax years of the group, rather than tax years of any particular member.

If two members each created a carryforward of the same credit and the same age, and together they exceed the amount allowable in this filing period, those members' respective credit carryforwards are used in proportion to the amount they contributed to the group. If a member that generated a carryforward in a prior period leaves the group, that member will take with it an amount equal to the group's remaining carryforward from that period multiplied by the amount that member contributed relative to the total amount contributed by all group members for the same credit in that same period.

NOTE: It is important to review a carryforward for the possibility that some or all of it has expired, or that some or all of it was withdrawn from the group by a departing member.

Each of these lines for a tax credit carryforward is the amount of the identified item that may be claimed in this filing period.

See the "Supplemental Instructions for Standard Members in UBGs" section in Form 4600 for information on the effects of members leaving or joining a UBG on credit carryforwards.

Line 66: Enter overpayment credited from the prior MBT or Corporate Income Tax (CIT) return. When membership of a UBG changes from one filing period to the next, carryforward of an overpayment from the prior return remains with the DM's account. As with business loss carryforwards, in general this line should be used only on the DM's copy of Part 2A (credit forward from the group's prior return) or that of a new member (credit forward from the new member's final return as a separate filer).

Line 67: All MBT estimated payments for a UBG should be made by the DM. Enter estimates paid by the DM on this line of

the DM's copy of Part 2A. If any other member paid estimates attributable to the group return supported by this form, enter those estimates on that member's copy of Part 2A. Include all payments made by that member for any portion of its federal filing period that is included on the group return. For example, if a non-DM member has a 12-month fiscal year beginning April 1, 2010, and is a member of a calendar year UBG throughout that period, its business activity from April 1, 2010, through March 31, 2011, will be reported on the group's December 31, 2011, return. If that member pays MBT quarterly estimates, it will make two estimates during 2010, before the DM's filing period begins. Because those estimates are attributable to activity that will be reported on the group's December 31, 2011, return, they should be included on the paying member's copy of Part 2A for the December 31, 2011, group return.

Line 68: As an MBT taxpayer, flow-through entities are not required to withhold on your behalf under the Flow-Through Withholding (FTW) requirements. However, in the event a flow-through entity does withhold on this member's distributive share of the FTE's income, enter the total withholding payments made on this member's behalf by that FTE. Include all withholding payments made on returns that apply to the tax year included in this return. Include all withholding payments made on returns that apply to this member's tax year included in this UBG return. Included on this line would be FTW payments made by FTEs whose tax years ended within the member's tax year that is included in this UBG return. For example, consider a partnership with a June 30 year end, a UBG with a September 30 year end, and a UBG member that has a March 31 year and is a partner in the partnership. The partnership 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 partnership's year ends within the partner's 2014-15 fiscal year, all the FTW payments for that partner are attributable to the partner's 2014-15 fiscal year, regardless of the dates of the quarterly payments. Because the partner's (the UBG member's) 2014-15 fiscal year ends within the DM's (and UBG's) October 2014-September 2015 fiscal year, these FTW payments will be reported on this UBG member's Form 4897 for the UBG's October 2014-September 2015 MBT return.

If an amount is entered on this line, complete the MBT Schedule of Flow-Through Withholding (Form 4966) to account for the Flow-Through Withholding payments received. The amount entered on this line must equal the sum of the combined amount from Form 4966, column E.

Line 69: Only the DM may request a filing extension for a UBG. If any other member submits an extension request, it will not create a valid extension for the UBG, but any payment included with such a request can be credited to the UBG by entering that payment on this line in that member's copy of Part 2A.

Part 2B: Summary of Business Activity for Combined Return of Standard Taxpayers

Part 2B supports, line by line, the combination of all members' entries for each corresponding line in Part 2A, and elimination of intercompany transaction data where appropriate. In general, see instructions for corresponding line numbers in Part 2A. Guidance specific to the combination and elimination process is provided below.

NOTE: Elimination, where required, applies to transactions between any members of the UBG. For example, if the UBG includes standard taxpayers (not owned by and unitary with a financial institution in the UBG), an insurance company, and two financial institutions, transactions between a standard taxpayer member and an insurance or financial member are eliminated whenever elimination is required, despite the fact that the insurance and financial members are not reported on the combined return filed by standard taxpayer members.

However, there is no elimination with an otherwise related entity if the related entity is excluded from the UBG. For example, consider a group with a U.S. parent, a U.S. subsidiary, and a foreign operating entity subsidiary that would otherwise be a UBG, but the foreign operating entity is excluded from the UBG by definition. The U.S. parent filing a UBG return may not eliminate intercompany transactions between itself and the foreign operating entity.

If a transaction between two members of a UBG is reported on the group's current return by one member but reported on the preceding or succeeding group return by the other member (due to differing year ends or accounting methods of the members), the side of that transaction that is included in the group's current filing period must be eliminated. The other side of the same transaction will be eliminated on the group return for the filing period in which the other member reports the transaction.

Line 29C: Add the combined total after eliminations from Part 2B, line 29C, to the number on Form 4567, line 25, and carry the sum to Form 4567, line 26. This calculation method is designed to prevent the fact of one member overcharging MGR Tax to its customers from being obscured by activities of the other members.

Line 43C: Business Income Tax Base. Add Column C, lines 30 through 37 and subtract Column C, lines 38 through 42.

Line 70: U.S. person is defined in IRC § 7701(a)(30).

Line 72: Flow of value, integration, dependence, and contribution in a UBG context are described under "General Information About UBGs in MBT" at the beginning of these instructions for Form 4580, and in RAB 2010-2.

Part 3: Affiliates Excluded From The Combined Return of Standard Taxpayers

The statutory test for membership in a UBG is a group of U.S. persons (other than a foreign operating entity):

- One of which owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights or ownership interests that confer rights comparable to voting rights of the other U.S. persons (see RAB 2010-1); and

- That has business activities or operations which result in a flow of value between or among persons included in the UBG or has business activities or operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations. (See RAB 2010-2.)

A person that would be a standard taxpayer if viewed separately is defined and taxed as a financial institution if it is owned, directly or indirectly, by a financial institution and is in a UBG with its owner.

The purpose of Part 3 is to identify persons for which the ownership test described above is satisfied, but which are not included on the combined return supported by this form, either because the relationship test is not satisfied or because the person is excluded by statute. A new member whose business activity is not included in the current combined return because its tax year ends after the filing period of the UBG should also be listed here.

Line 74A: If a person being listed here is listed on U.S. Form 851, enter the identifying number for that person that is called “Corp. No.” at the left edge of pages 1, 2, and 3 of U.S. Form 851.

Line 74D: Reason codes for affiliates being excluded from the current combined return:

1	Lacks business activities resulting in a flow of value or integration, dependence or contribution to group.
2	Foreign operating entity.
4	Foreign entity.
5	Member has no MBT tax year (as a member of this UBG) ending with or within this filing period.
6	Other.
7	Insurance company. (Insurance companies always file separately.)
8	Financial institution. (Financial institutions and standard taxpayers generally are not included on the same combined return.)

For questions call Treasury Technical Services at 517-636-4230, to discuss an appropriate entry.

Line 74E: If this person has nexus with Michigan, enter a check in this box.

Line 74F: Enter the person’s six-digit NAICS code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at www.census.gov/eos/www/naics/, or enter the same NAICS code used when filing the U.S. Form 1120, Schedule K; U.S. Form 1120S; U.S. Form 1065; or U.S. Form 1040, Schedule C.

Part 4: Persons Included in the Prior Combined Return, but Excluded From Current Return

The purpose of Part 4 is to assist Treasury in tracking membership changes of a UBG from year to year.

NOTE: If a person satisfies the criteria for both Part 3 and Part 4, report that person in both parts. This is a change of procedure from prior MBT forms and instructions.

Line 75C: Reason codes for a person being included in last year’s return but not on the current combined return:

10	The member no longer meets the control test, but the ownership interest is still greater than zero.
12	The member no longer meets the control test and the ownership interest is zero.
14	Before the beginning of the group’s filing period for the group’s current combined return, the person ceased to exist due to dissolution.
16	Before the beginning of the group’s filing period for the group’s current combined return, the person ceased to exist due to a merger or similar combination.

If the reason is not listed among these reason codes, describe the reason in 21 characters or less in the space provided.

Other Supporting Forms and Schedules

For each member that files a separate federal return, attach copies of the same pages of that member’s federal return as are required for a separate filer in similar circumstances. See the “Other Supporting Forms and Schedules” section of Form 4567 instructions for guidance on required pages of federal returns.

If some or all members reporting on the current combined return are also members of a federal consolidated group, each member will prepare its portion of this Form 4580 on the basis of a pro forma federal return. In this case, attach a copy of the applicable pro forma form and schedules as listed in the “Other Supporting Forms and Schedules” section of Form 4567 instructions.

Include completed Form 4580 as part of the tax return filing.

2015 MICHIGAN Business Tax Penalty and Interest Computation for Underpaid Estimated Tax

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
---------------	--

PART 1: ESTIMATED TAX REQUIRED

- | | | |
|--|----|----|
| 1. Annual tax from Form 4567, line 59; or Form 4588, line 47; or Form 4590, line 32..... | 1. | 00 |
| 2. Required estimate amount. Enter 85% (0.85) of line 1..... | 2. | 00 |

See MBT instruction booklet for exceptions to penalty and interest computation.

3. **ENTER THE PAYMENT DUE DATES** (MM-DD-YYYY)
4. Divide amount on line 2 by 4, or by the number of quarterly returns required. If annualizing, enter the amount from Annualization Worksheet, line 70, page 2

CAUTION: Complete lines 5 - 13 one column at a time

5. Prior year overpayment
6. Estimated, FTW payments, refundable credits (see instr.).
7. Enter amount, if any, from line 13 of the previous column.
8. Add lines 5, 6 and 7.....
9. Add amounts on lines 11 and 12 of the previous column and enter the result here
10. Subtract line 9 from line 8. If less than zero, enter zero. For column A only, enter the amount from line 8
11. Remaining underpayment from previous period. If amount on line 10 is zero, subtract line 8 from line 9 and enter result here. Otherwise, enter zero
12. If line 4 is greater than or equal to line 10, subtract line 10 from line 4 and enter it here. Then go to line 6 of the next column. Otherwise, go to line 13
13. If line 10 is larger than line 4, subtract line 4 from line 10 and enter it here. Then go to line 6 of next column

	A	B	C	D
3.				
4.				
5.		X X X X X	X X X X X	X X X X X
6.				
7.	X X X X X			
8.				
9.	X X X X X			
10.				
11.	X X X X X			
12.				
13.				

PART 2: FIGURING INTEREST

14. TOTAL UNDERPAYMENT. Add lines 11 and 12.....
15. Enter due date for the next quarter or date tax was paid, whichever is earlier. In column D, enter the due date for the annual return or date tax was paid, whichever is earlier
16. Number of days from the due date of the quarter to the date on line 15.....
17. No. of days on line 16 after 04-15-15 and before 07-01-15..
18. No. of days on line 16 after 06-30-15 and before 01-01-16..
19. No. of days on line 16 after 12-31-15 and before 07-01-16..
20. No. of days on line 16 after 06-30-16 and before 01-01-17..
21. Number of days on line 17 x 4.25% (0.0425) x line 14.....
- 365
22. Number of days on line 18 x 4.25% (0.0425) x line 14.....
- 365
23. Number of days on line 19 x 4.25% (0.0425) x line 14.....
- 365
24. Number of days on line 20 x % x line 14.....
- 365
25. Interest on underpayment. Add lines 21 through 24.....
26. **Interest Due.** Add line 25 columns A through D and enter the result here.....

	A	B	C	D
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				00

* Interest rate will be set at 1% above the adjusted prime rate for this period.

PART 3: FIGURING PENALTY

	A	B	C	D
27. Enter the amount from line 12				
28. Payment due dates from line 3 (MM-DD-YYYY)				
29. Annual return due date or the date payment was made, whichever is earlier				
30. Number of days from date on line 28 to date on line 29				
31. If line 30 is greater than 0 but less than 61, multiply line 27 by 5% (0.05) ..				
32. If line 30 is greater than 60, but less than 91, multiply line 27 by 10% (0.10) ..				
33. If line 30 is greater than 90, but less than 121, multiply line 27 by 15% (0.15) ..				
34. If line 30 is greater than 120, but less than 151, multiply line 27 by 20% (0.20) ..				
35. If line 30 is greater than 150, multiply line 27 by 25% (0.25)				
36. Add lines 31 through 35				
37. Total Penalty. Add line 36, columns A through D				00
38. Total Penalty and Interest. Add lines 26 and 37. Enter here and on Form 4567, line 68; or Form 4588, line 56; or Form 4590, line 41				00

PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES

(If filing Form 4588 or Form 4590, see instructions.)

Complete worksheet if liability is not evenly distributed throughout year.

	A First 3 Months	B First 6 Months	C First 9 Months	D Full 12 Months
39. Gross receipts (GR)				
40. Subtractions				
41. Modified GR. Subtract line 40 from line 39				
42. Apportionment percentage from Form 4567, line 11c	%	%	%	%
43. Apportioned GR Tax Base. Multiply line 41 by line 42				
44. Multiply line 43 by 0.8% (0.008)				
45. Enrichment Prohibition for dealers of boats/new motor vehicles ...				
46. GR Tax Before Credits. Enter the greater of lines 44 or 45				
47. Business Income (BI)				
48. Additions				
49. Add lines 47 and 48				
50. Subtractions				
51. BI Tax Base. Subtract line 50 from line 49				
52. Apportioned BI Tax Base. Multiply line 51 by line 42				
53. MBT business loss carryforward				
54. Qualified Affordable Housing Deduction				
55. Subtract line 54 and line 53 from line 52. If less than zero, enter zero				
56. BI Tax Before Credits. Multiply line 55 by 4.95% (0.0495)				
57. Total MBT Before Credits. Add lines 46 and 56				
58. Annual Surcharge. Multiply line 57 by 21.99% (0.2199) (surcharge for the year should not exceed \$6,000,000) ..				
59. MBT (including surcharge) Before Credits. Add lines 57 and 58 ..				
60. Nonrefundable Credits				
61. Subtract line 60 from line 59. If less than zero, enter zero ..				
62. Recapture of certain MBT credits and deductions				
63. Corporate Income Tax adjustment (see instructions)				
64. Net Tax Liability. Add lines 61, 62 and 63				
65. Annualization ratios	4	2	1.3333	1
66. Annualized tax. Multiply line 64 by line 65				
67. Applicable percentage	21.25%	42.5%	63.75%	85%
68. Multiply line 66 by line 67				
69. Combined amounts of line 70 from all preceding columns ..	X X X X X			
70. ESTIMATE REQUIREMENTS BY QUARTER. Subtract line 69 from line 68. If less than zero, enter zero. Enter here and on page 1, line 4				

NOTE: Totals on line 70 must equal 85% of the current year tax liability on page 1, line 1.

Instructions for Form 4582, Michigan Business Tax (MBT) Penalty and Interest Computation for Underpaid Estimated Tax

Purpose

To compute penalty and interest for underpaying, late filing, or late payment of quarterly estimates. If a taxpayer prefers not to file this form, the Department of Treasury (Treasury) will compute any applicable penalty and interest and bill the taxpayer. Part 4 of this form also is used to determine and report the amount of estimates due when income is not evenly distributed through the tax year.

NOTE: Penalty and interest for late filing or late payment on the annual return is computed separately. See the “Computing Penalty and Interest” section of the “General Information for Standard Taxpayers” in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Estimated returns and payments are required from any taxpayer that expects an annual MBT liability (including surcharge and Corporate Income Tax adjustment) of more than \$800. Exceptions are listed below. If a taxpayer owes estimated tax and the estimated return with full payment is not filed or is filed late, penalty is added at 5 percent of tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent. If the taxpayer made no estimated tax payments and none of the exceptions below apply, compute the interest due (Part 2) and the penalty for non-filing (Part 3).

Exceptions

If any of the conditions listed below apply, do not pay penalty and interest. If a business operated less than 12 months in the current or preceding year, annualize figures (as applicable) to determine if the exceptions apply. See Form 4600 for complete annualizing instructions.

- The annual tax (including surcharge) on the current annual return is \$800 or less.
- The return is for a taxable period of less than four calendar months.
- The estimated quarterly payments reasonably approximate the tax liability incurred for each quarter and the total of all payments equals at least 85 percent of the annual liability. Complete the Annualization Worksheet (Part 4) if the liability is not evenly distributed through the tax year.
- The sum of estimated payments equals the annual tax on the preceding year’s return, provided these payments were made in four timely equal payments and the preceding tax year’s tax under the MBT Act, including surcharge, if applicable, was \$20,000 or less. If the prior year’s tax liability was reported for a period less than 12 months, this amount must be annualized for purposes of both the \$20,000 ceiling and calculating the quarterly payments due under this method. See “Filing if Tax Year Is Less Than 12 Months” in the “General Information” section of Form 4600 for more information. Reliance on the prior year’s tax liability as a means to avoid interest and penalty charges is only allowed if you had business activity in Michigan in that prior year. A return must have been filed

to establish the tax liability for that prior year, even if gross receipts in the prior year were less than \$350,000. In addition, if your business was not in existence in the preceding year, no safe harbor exists. In such a case, estimates must be based on the MBT liability for the current year.

- The taxpayer is a farmer, fisherman, or seafarer and files the *MBT Annual Return* (Form 4567) by March 1, or a tentative annual return with payment by January 15, and the final return on or before April 15.

Annualizing

To annualize for a period of less than 12 months, multiply each applicable amount by 12 and divide the result by the number of months the business operated or the person was a partner. Generally, a business is considered in business for one month if the business operated for more than half the days of the month. If the business was in operation for less than a month it is considered to have been in business for 1 month.

NOTE: For a taxpayer that calculates and pays estimated payments for federal income tax purposes pursuant to section 6655(e) of the Internal Revenue Code, that taxpayer may use the same methodology as used to calculate the annualized income installment or the adjusted seasonal installment, whichever is used as the basis for the federal estimated payment, to calculate the estimated payments required each quarter under this section. Retain the calculation for your records.

Line-by-Line Instructions

Lines not listed are explained on the form.

Do not enter data in boxes filled with Xs.

Dates must be entered in MM-DD-YYYY format.

Name and Account Number: Enter name and account number as reported on page 1 of the applicable MBT annual return (either Form 4567, the *MBT Annual Return for Financial Institutions* (Form 4590), or the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

PART 1: ESTIMATED TAX REQUIRED

Line 2: Enter 85 percent of the annual tax amount from line 1.

Line 3: Enter the due date for each quarterly return. For calendar year filers these dates are April 15, July 15, October 15, and January 15. For fiscal year filers, these dates are the 15th day of the 4th, 7th, 10th and 13th months after the start of the fiscal year. For any tax year that includes an estimated tax payment period of less than three months, the quarterly return for that period is due on the 15th day of the month immediately following the final month of the estimated tax payment period.

Line 4: Divide the amount of the estimated tax required for the year on line 4 by four and enter this as estimated tax for each quarter. If the business operated less than 12 months, divide by the number of quarterly returns required and enter this as the estimated tax for each quarter.

Actual Quarterly Tax. If a taxpayer computes quarterly tax due based on the actual tax base for each quarter, complete Part 4 first, then bring the tax from line 70 of the Annualization Worksheet to line 4. See Part 4 instructions for taxpayers filing a return other than Form 4567. The total of the four computed amounts cannot be less than line 2.

Line 5: Complete column A only. Enter the amount of prior year overpayment credited to the current tax year estimates.

Line 6: Amount Paid.

- **Column A:** Enter estimated payments made by the due date for the first quarterly return. Also enter in column A the total Flow-Through Withholding payments from line 62 of the *MBT Annual Return* (Form 4567), line 35 of Form 4590, or line 50 of Form 4588. Also in column A, enter the total refundable credits from line 23 of the *MBT Refundable Credits* (Form 4574) or line 5 of the *Miscellaneous Credits for Insurance Companies* (Form 4596).
- **Column B:** Enter payments made after the due date in column A and by the due date in column B.
- **Column C:** Enter payments made after the due date in column B and by the due date in column C.
- **Column D:** Enter payments made after the due date in column C and by the due date in column D.

If quarterly payments are made after the due date, penalty and interest will apply until the payment is received. If less than full payment is made with a late filing, the taxpayer will need to compute multiple penalty and interest calculations for each column. Attach a separate schedule if necessary.

PART 2: FIGURING INTEREST

Compute the interest due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as interest is calculated separately for each quarter and the interest rate might not be the same for each quarter.

Line 15: Enter the due date of the next quarter or the date the tax was paid, whichever is earlier. In column D, enter the earlier of the due date for the annual return or the date the tax was paid. An approved extension does not change the due date of the annual return (column D) for this computation.

PART 3: FIGURING PENALTY

Compute the penalty due for both non-filing and underpayment of the required estimated tax in this section. Follow the instructions for each line, as the penalty and interest is calculated separately for each quarter and the penalty percentage and interest rate might not be the same for each quarter.

Avoiding Penalty and Interest Under MBT

If estimated liability for the year is reasonably expected to exceed \$800, a taxpayer must file estimated returns. A taxpayer may remit quarterly estimated payments by check with a Corporate Income Tax Quarterly Return (Form 4913) or may remit monthly or quarterly estimated payments electronically by Electronic Funds Transfer (EFT). When payments are made by EFT, Form 4913 is not required.

Formerly, taxpayers could make payments on a monthly basis by remitting a check with a *Combined Return for Michigan Tax* (Form 160). Form 160 was replaced effective January 2015. The new form no longer accommodates MBT payments. As a result, Form 4913 is the only form that supports an MBT estimated payment.

Estimated returns and payments for calendar year taxpayers are due to Treasury by April 15, July 15, October 15, and January 15 of the following year. Fiscal year taxpayers should make returns and payments by the appropriate due date which is fifteen days after the end of each fiscal quarter. The sum of estimated payments for each quarter must always reasonably approximate the liability for the quarter.

NOTE: Your debit transaction will be ineligible for EFT if the bank account used for the electronic debit is funded or otherwise associated with a foreign account to the extent that the payment transaction would qualify as an International ACH Transaction (IAT) under NACHA Rules. Contact your financial institution for questions about the status of your account. Contact the Michigan Department of Treasury's (Treasury) EFT Unit at 517-636-6925 for alternate payment methods..

PART 4: ANNUALIZATION WORKSHEET FOR MODIFIED GROSS RECEIPTS AND BUSINESS INCOME TAXES

Standard taxpayers may use the Annualization Worksheet to calculate and report the amount of estimates due when income is not evenly distributed throughout the tax year.

If filing Form 4588, or Form 4590, submit a schedule showing the entity's computations for each quarter. Enter the total amounts on line 64 and follow the instructions for lines 65 through 70.

Each column represents a quarterly three-month filing period.

The Annualization Worksheet essentially leads filers through the steps required to calculate the actual MBT due for the tax year to date. The net tax liability is then annualized and multiplied by the percentage of estimates required for that quarter.

Line 42: If not subject to apportionment, enter 100 percent.

Line 53: Deduct any available MBT business loss incurred after December 31, 2007. Enter as a positive number.

Business loss means a negative business income tax base, after apportionment, if applicable.

NOTE: MBT business loss carryforward is not the same as the federal net operating loss carryforward or carryback. It also is not the same as the Single Business Tax business loss carryforward, which was partially allowed against the Modified Gross Receipts tax base only for tax years ending in 2008. It is also not the same as a Corporate Income Tax (CIT) business loss carryforward. Neither a SBT business loss carryforward nor a CIT business loss carryforward may be entered on this line or applied against the MBT tax base.

Line 58: Multiply line 57 by 21.99 percent (0.2199). The surcharge for the year should not exceed \$6,000,000.

For example, if 21.99 percent of line 58 is equal to \$4,000,000 in the first quarter, in the second quarter there is additional tax on line 57 that would add another \$1,000,000, the third quarter there was no additional tax, and the fourth quarter the additional tax would add another \$2,000,000, enter as follows:

- **Column A:** \$4,000,000
- **Column B:** \$5,000,000
- **Column C:** \$5,000,000
- **Column D:** \$6,000,000

Line 63: Enter in Column A the entire amount of CIT adjustment from Form 4567, Line 58; Form 4590, Line 31; or Form 4588, Line 28. Only a positive amount may be entered on this line.

Line 70: The totals for line 70, columns A, B, C, and D, must equal 85 percent of the current year tax liability on page 1, line 1.

Include completed Form 4582 as part of the tax return filing.

2015 MICHIGAN Business Tax Election of Refund or Carryforward of Credits, and Calculation of Historic Preservation and Brownfield Redevelopment Carryforward

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
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1. Tax liability after Renaissance Zone Credit from Form 4573, line 15, or tax liability after Renaissance Zone Credit from Form 4596, line 16 1. 00

HISTORIC PRESERVATION CREDIT. If not claiming, skip to line 29.

Recapture Calculation

2. Historic Preservation Credit recapture. Carry to Form 4573, line 17a, or Form 4596, line 18a..... 2. 00

3. Tax Liability After Historic Preservation Credit Recapture. Add lines 1 and 2..... 3. 00

4. Unused Basic/Enhanced credit from previous period return 4. 00

5. Tax liability after Basic/Enhanced credit carryforward. Subtract line 4 from line 3. If less than zero, enter zero... 5. 00

6. Basic/Enhanced credit carryforward to the next period. If line 4 is greater than line 3, enter the difference 6. 00

7. Unused Special Consideration credit from previous period return (see instructions)..... 7. 00

8. Tax liability after Special Consideration credit carryforward. Subtract line 7 from line 5. If less than zero, enter zero 8. 00

9. Special Consideration credit carryforward to the next period. If line 7 is greater than line 5, enter the difference..... 9. 00

10. Basic/Enhanced credit received by assignment in this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) 10. 00

11. Tax liability after Basic/Enhanced credit received by assignment. Subtract line 10 from line 8. If less than zero, enter zero 11. 00

12. Assigned Basic/Enhanced credit carryforward to the next period. If line 10 is greater than line 8, enter the difference..... 12. 00

13. Special Consideration credit received by assignment for this filing period. (Attach Michigan Department of Treasury approval letter received from Assignor.) 13. 00

14. Tax liability after Special Consideration credit received by assignment. Subtract line 13 from line 11. If less than zero, enter zero 14. 00

15. Assigned Special Consideration credit carryforward for the next year. If line 13 is greater than line 11, enter the difference 15. 00

16. Current period Basic credit from Form 3581, line 4d..... 16. 00

17. Current period Enhanced credit from Form 3581, line 5d 17. 00

18. Current period Basic/Enhanced credits. Add lines 16 and 17. 18. 00

19. Tax liability after current period Basic/Enhanced credits. Subtract line 18 from line 14. If less than zero, enter zero 19. 00

20. Current period Basic/Enhanced credits that exceed liability. If line 18 is greater than line 14, enter the difference..... 20. 00

21. Special Consideration credit from Form 3581, line 6d..... 21. 00

22. Allowable current period Special Consideration credit. Enter the lesser of lines 19 and 21 22. 00

23. Current period Special Consideration credit carryforward to next period. If line 21 is greater than line 22, enter the difference 23. 00

24. Tax liability after Historic Preservation Credit. Subtract line 22 from line 19 24. 00

Carryforward Calculation

25. Prior year and assigned Basic/Enhanced credit carryforward to next period. Add lines 6 and 12..... 25. 00

26. Total Special Consideration credit carryforward to next period. Add lines 9, 15, and 23..... 26. 00

27. Total Basic/Enhanced credit carryforward to next period. Add lines 25 and 20..... 27. 00

28. **Total Historic Preservation Credit.** Subtract line 24 from line 3. Carry amount to Form 4573, line 16, or Form 4596, line 17..... 28. 00

MEGA FEDERAL CONTRACT CREDIT. If not claiming, skip to line 38.

29. Tax liability before MEGA Federal Contract Credit from Form 4573, line 40	29.		00
30. Unused credit from previous period MBT return.....	30.		00
31. Tax After Previous Period Credit. Subtract line 30 from line 29. If less than zero, enter zero	31.		00
32. Remaining unused credit from previous period MBT return. If line 30 is greater than line 29, enter the difference.....	32.		00
33. Available credit from the MEDC Certificate (attach)	33.		00
34. Tax After Current Period Credit. Subtract line 33 from line 31. If less than zero, enter zero here and complete line 35; Otherwise, skip to line 36	34.		00
35. If line 33 is greater than line 31, elect a refund or carryforward of credit by entering the difference on either line 35a or line 35b.			
a. Refundable Amount. Carry amount to Form 4574, line 16	35a.		00
b. Carryforward Amount.....	35b.		00
36. Total Credit Carryforward. Add lines 32 and 35b.....	36.		00
37. MEGA Federal Contract Credit. Subtract line 34 from line 29. Carry amount to Form 4573, line 41.....	37.		00

BROWNFIELD REDEVELOPMENT CREDIT. If not claiming, skip to line 56.**Recapture Calculation**

38. Tax liability before Brownfield Redevelopment Credit from Form 4573, line 55, or Form 4596, line 19.....	38.		00
39. If completing Form 4569, enter amount from Form 4569, line 8; Otherwise, enter MBT Brownfield Redevelopment Credit recapture amount.....	39.		00
40. Unused credit from previous period MBT return.....	40.		00
41. Subtract line 40 from line 39. If less than zero, enter zero	41.		00
42. Remaining prior year carryforward. If line 40 is greater than line 39, enter the difference	42.		00
43. Assigned credit from <i>MBT Brownfield Redevelopment Credit Assignment Certificate</i> (attach)	43.		00
44. Subtract line 43 from line 41. If less than zero, enter zero	44.		00
45. Remaining assigned credit. If line 43 is greater than line 41, enter the difference	45.		00
46. Available credit from <i>MBT Brownfield Redevelopment Credit Certificate of Completion</i> (attach)	46.		00
47. Subtract line 46 from line 44. If less than zero, enter zero here; Otherwise, carry amount to Form 4587, line 7	47.		00

Carryforward Calculation

48. Remaining current year credit. If line 46 is greater than line 44, enter the difference	48.		00
49. Available prior year and assigned credit. Add lines 42 and 45.....	49.		00
50. Tax after available prior year and assigned credit. Subtract line 49 from line 38. If less than zero, enter zero.....	50.		00
51. Prior year and assigned credit carryforward. If line 49 is greater than line 38, enter the difference	51.		00
52. Tax after Brownfield Redevelopment Credit. Subtract line 48 from line 50. If less than zero, enter zero here and complete line 53; otherwise, skip to line 55.....	52.		00
53. If line 48 is greater than line 50, enter the difference	53.		00
54. Total Credit Carryforward. Add lines 51 and 53.....	54.		00
55. Brownfield Redevelopment Credit. Subtract line 52 from line 38. Carry amount to Form 4573, line 56, or Form 4596, line 20.....	55.		00

MEGA PLUG-IN TRACTION BATTERY MANUFACTURING CREDIT.

If not claiming, carry amount from line 56 to line 61, and continue to the next credit.

56. Tax liability before MEGA Plug-In Traction Battery Manufacturing Credit from Form 4573, line 73	56.		00
57. Unused credit from previous period MBT return.....	57.		00
58. Tax After Previous Period Credit. Subtract line 57 from line 56. If less than zero, enter zero	58.		00
59. Remaining unused credit from previous period MBT return. If line 57 is greater than line 56, enter the difference.....	59.		00
60. This credit is no longer available, except a carryforward amount reported on line 57. Leave this line blank.....	60.	X X X X X X X X	00
61. Enter amount from line 58. Skip to line 63.....	61.		00
62. a. Leave this line blank and skip to line 63.....	62a.	X X X X X X X X	00
b. Leave this line blank and skip to line 63.....	62b.	X X X X X X X X	00
63. Total Credit Carryforward. Enter amount from line 59.....	63.		00
64. MEGA Plug-In Traction Battery Manufacturing Credit. Subtract line 61 from line 56. Carry amount to Form 4573, line 75.....	64.		00

ANCHOR COMPANY PAYROLL CREDIT.

If not claiming, carry amount from line 61 to line 69, and continue to the next credit.

65. Unused credit from previous period MBT return.....	65.		00
66. Tax After Previous Period Credit. Subtract line 65 from line 61. If less than zero, enter zero	66.		00
67. Remaining unused credit from previous period MBT return. If line 65 is greater than line 61, enter the difference.....	67.		00
68. Available credit from the MEDC Certificate (attach).....	68.		00
69. Tax After Current Period Credit. Subtract line 68 from line 66. If less than zero, enter zero here and complete line 70; otherwise, skip to line 71.....	69.		00
70. If line 68 is greater than line 66, elect a refund or carryforward of credit by entering the difference on either line 70a or line 70b.			
a. Refundable Amount. Carry amount to Form 4574, line 20	70a.		00
b. Carryforward Amount.....	70b.		00
71. Total Credit Carryforward. Add lines 67 and 70b.....	71.		00
72. Anchor Company Payroll Credit. Subtract line 69 from line 61. Carry amount to Form 4573, line 77.....	72.		00

ANCHOR COMPANY TAXABLE VALUE CREDIT. If not claiming, carry amount from line 69 to line 77, and continue to the next credit.

73. Unused credit from previous period MBT return.....	73.		00
74. Tax After Previous Period Credit. Subtract line 73 from line 69. If less than zero, enter zero	74.		00
75. Remaining unused credit from previous period MBT return. If line 73 is greater than line 69, enter the difference.....	75.		00
76. Available credit from the MEDC Certificate (attach).....	76.		00
77. Tax After Current Period Credit. Subtract line 76 from line 74. If less than zero, enter zero here and complete line 78; Otherwise, skip to line 79.....	77.		00
78. If line 76 is greater than line 74, elect a refund or carryforward of credit by entering the difference on either line 78a or line 78b.			
a. Refundable Amount. Carry amount to Form 4574, line 21	78a.		00
b. Carryforward Amount.....	78b.		00
79. Total Credit Carryforward. Add lines 75 and 78b.....	79.		00
80. Anchor Company Taxable Value Credit. Subtract line 77 from line 69. Carry amount to Form 4573, line 79.....	80.		00

MEGA POLY-SILICON ENERGY COST CREDIT AND MISCELLANEOUS MEGA BATTERY CREDITS — See Instructions

Lines 81 through 88 calculate the following credits: MEGA Poly-Silicon Energy Cost Credit; MEGA Plug-In Traction Battery Integration Credit; MEGA Advanced Battery Engineering Credit; MEGA Battery Manufacturing Facility Credit; MEGA Large Scale Battery Credit; and MEGA Advanced Lithium Ion Battery Credit. If claiming multiple credits, see instructions.

81. Unused credit from previous period MBT return.			
a. Unused MEGA Poly-Silicon Energy Cost Credit.....	81a.		00
b. Unused MEGA Plug-In Traction Battery Integration Credit.....	81b.		00
c. Unused MEGA Advanced Battery Engineering Credit.....	81c.		00
d. Unused MEGA Battery Manufacturing Facility Credit.....	81d.		00
e. Unused MEGA Large Scale Battery Credit.....	81e.		00
f. Unused MEGA Advanced Lithium Ion Battery Credit	81f.		00
g. Total of all unused credits. Add lines 81a through 81f.....		81g.	00
82. Tax After Previous Period Credit. Subtract line 81g from line 77. If less than zero, enter zero.....		82.	00
83. Remaining unused credit from previous period MBT return. If line 81g is greater than line 77, enter the difference.....		83.	00
84. Available credit from the MEDC Certificate (attach).			
a. MEGA Poly-Silicon Energy Cost Credit.....	84a.		00
b. MEGA Plug-In Traction Battery Integration Credit.....	84b.		00
c. This credit is no longer available. Skip to line 84d.....	84c.	X X X X X X X X	00
d. MEGA Battery Manufacturing Facility Credit.....	84d.		00
e. MEGA Large Scale Battery Credit.....	84e.		00
f. MEGA Advanced Lithium Ion Battery Credit.....	84f.		00
g. Total of all available credits. Add lines 84a through 84f.....		84g.	00
85. Tax After Current Period Credit. Subtract line 84g from line 82. If less than zero, enter zero here and complete line 86; Otherwise, skip to line 87.....		85.	00
86. If line 84g is greater than line 82, elect a refund or carryforward of credit by entering the difference on either line 86a or line 86b.			
a. Refundable Amount. Carry amount to Form 4574, line 22	86a.		00
b. Carryforward Amount.....	86b.		00
87. Total Credit Carryforward. Add lines 83 and 86b.....		87.	00
88. MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credit. Subtract line 85 from line 77. Carry amount to Form 4573, line 81.....		88.	00

Instructions for Form 4584

Michigan Business Tax (MBT) Election of Refund or Carryforward of Credits

Purpose

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers.

The purpose of this form is to allow standard taxpayers to claim certain “hybrid” credits that, if greater than the tax liability, can either be refunded or carried forward to offset future liabilities (historic preservation and brownfield certificated credits are the exception to this, see below for more detail). Credits and any overpayments are calculated here and then carried to either the *MBT Miscellaneous Nonrefundable Credits* (Form 4573) or the *MBT Refundable Credits* (Form 4574), depending on the election chosen.

Financial institutions and insurance companies may use this form to claim the Historic Preservation Credit and Brownfield Redevelopment Credit only.

The election to treat the credit as refundable or non-refundable must be made on the original return filed for the year in which the credit was earned. No amendment will be allowed to change this election. Amounts elected to be carried forward may not be subsequently refunded, nor can assigned credits be refunded. Treatment of any excess credit may not be split between a refund and carryforward.

Special Instructions for Unitary Business Groups (UBGs)

If a member of a UBG has a qualifying certificated credit, the group, and not the member, must make the election to file under the MBT. The election should be made by the designated member (DM) of the UBG by filing an MBT return. Once the group makes the election, all members of the group are required to file and pay the MBT until claimed certificated credits and any carryforward of those credits are extinguished.

Credits on this form are earned and calculated on an entity-specific basis, as determined by relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated, and the credits are applied against the tax liability of the UBG.

If the group has made the election to remain in the MBT, a member of a UBG may claim any of the applicable credits contained on this form by attaching the member’s credit certificate to the return. If more than one member is claiming the same credit, the total amount from all claiming members should be entered on each corresponding line on this form. Line-by-line instructions indicate additional information required for UBGs.

See the “Supplemental Instructions for Standard Members in UBGs” section in Form 4600 for information on the effects of members leaving or joining a UBG on certificated credit carryforwards.

Line-by-Line Instructions

Lines not listed are explained on the form.

NOTE: Although qualification for certain credits is reviewed and approved by the Michigan Economic Growth Authority (MEGA), in many cases the certificates for such credits are issued by the Michigan Economic Development Corporation (MEDC).

Name and Account Number: Enter the name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers, the *MBT Annual Return for Financial Institutions* (Form 4590), or the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

UBGs: Complete one form for the group. Enter the DM name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

Historic Preservation Credit

The Historic Preservation Credit provides tax incentives for homeowners, commercial property owners, and businesses to rehabilitate historic resources located in the State of Michigan. Rehabilitation projects must be certified by the State Historic Preservation Office (SHPO).

Beginning January 1, 2012, the historic preservation credit is available to the extent that a taxpayer had a part 2 approval, approved rehabilitation plan, approved high community impact rehabilitation plan or preapproval letter before by December 31, 2011, but has not fully claimed the credit before January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. A taxpayer may elect to claim a certificated historic preservation credit in the year in which a credit is available and will be taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. The credit must first be claimed in the year that the certificate of completed rehabilitation of the historic resource was issued.

A qualified taxpayer that has made the election to remain taxable under the MBT with a certificated credit and has a rehabilitation plan certified before January 1, 2008, under the Single Business Tax (SBT) for the rehabilitation of a historic resource for which a certification of completed rehabilitation has been issued after the end of the taxpayer’s last tax year under SBT may also claim such credit on this form, even though this historic preservation credit is not a certificated credit.

Qualified taxpayers may receive a Basic Michigan Credit equal to 25 percent of their qualified expenditures. For taxpayers eligible for the federal Rehabilitation Credit under Internal Revenue Code (IRC) § 47(a)(2), the Basic Michigan Credit is 25 percent of the qualified expenditures less the amount of the federal credit claimed. For example, if the federal credit is 20 percent, the State credit is 5 percent of the qualified expenditures.

A qualified MBT taxpayer may take one of two additional credits. The **Enhanced Credit** is equal to a percentage of qualified expenditures, not to exceed 15 percent, established in a preapproval letter issued by SHPO.

The **Special Consideration Credit** is equal to a percentage of qualified expenditures, not to exceed 15 percent, recorded on the Certificate of Completion awarded by SHPO. Special Consideration Credits are granted to rehabilitation plans expected to have a high community impact and to have significantly greater historic, social, and economic impact than those plans that earn Enhanced Credits. The maximum amount of credit that may be claimed during a tax year is \$3,000,000 per project, with the excess being carried forward until used up. The Enhanced and Special Consideration Credits are taken in addition to the Basic Credit. All three are calculated on *Michigan Historic Preservation Tax Credit* (Form 3581).

A qualified taxpayer may assign all or a portion of its credit to any assignee. The credit assignment cannot be revoked, but an assignee may subsequently reassign a credit, or any portion of an assigned credit, to one or more assignees. Generally, both the initial assignment of the Michigan Historic Preservation Tax Credit by the qualified taxpayer to the first assignee(s) and the subsequent reassignment by the first assignee(s) to reassignee(s) must be done in the tax year in which the certificate of completed rehabilitation is issued. For information on assignments, contact the State Historic Preservation Office (SHPO).

For Basic, Enhanced and Special Consideration credits for which a certificate of completed rehabilitation is issued for a tax year beginning after December 31, 2007 and ending before January 1, 2012, an assignment by a qualified taxpayer of all or any portion of a credit allowed may be made within the 12 months immediately succeeding the tax year in which the certificate of completed rehabilitation is issued.

An unused carryforward of a Historic Preservation Credit generated under SBT may be claimed against the tax imposed by MBT for the years the carryforward would have been available under SBT (maximum ten years) if the taxpayer has made the election to remain taxable under the MBT with a certificated credit. This carryforward is claimed on the *MBT Single Business Tax Credit Carryforwards* (Form 4569).

Line 2: Recapture. Enter the sum of all SBT and MBT Historic Preservation Credit recapture amounts. If a recapture event occurs, in the year of the event the following percentage of the credit amount previously claimed must be added back to the tax liability of the qualified taxpayer that received the certificate of completed rehabilitation or preapproved letter. For tax years beginning after December 31, 2008, a recapture event occurs if:

- A certificate of completed rehabilitation is revoked or a preapproval letter for an enhanced credit is revoked or a historic resource is sold or disposed of less than five years after the historic resource is placed in service (as defined in IRC § 47(b)(1) and related federal regulations); or
- A certificate of completed rehabilitation issued after December 1, 2008, is revoked; or a preapproval letter for an

enhanced credit issued after December 1, 2008, is revoked; or a historic resource is sold or disposed of less than five years after the historic resource is placed in service during a tax year beginning after December 31, 2008.

100 percent	If less than 1 year
80 percent	If at least 1 year, but less than 2 years
60 percent	If at least 2 years, but less than 3 years
40 percent	If at least 3 years, but less than 4 years
20 percent	If at least 4 years, but less than 5 years

If the credit has been assigned, the recapture is the responsibility of the qualified taxpayer that received the certificate of completed rehabilitation, not the assignee.

NOTE: A recapture is not required if the qualified taxpayer enters into a written agreement with SHPO that allows for the transfer or sale of the historic resource.

UBGs: If any member of the UBG is reporting recapture, a statement must be attached to this form identifying the reporting member.

Line 4: Enter the amount of Basic/Enhanced credit carryforward from the prior year MBT Form 4584, if any. Available SBT credit carryforward is claimed separately on Form 4569.

UBGs: Standard taxpayers, enter the carryforward amount from Form 4580, Part 2B, line 48, column C. Financial institutions, enter the combined total of carryforward amounts reported on the *UBG Combined Filing Schedule for Financial Institutions* (Form 4752), line 28, by all members of the group.

Line 7: Enter amount of Special Consideration credit carryforward from prior year MBT Form 4584, if any. The Special Consideration credit carryforward must be separately recorded because, unlike the Basic/Enhanced Credit carryforward, it may be carried forward until used up. It does not expire after 10 years.

UBGs: Standard taxpayers, enter the carryforward amount from Form 4580, Part 2B, line 49, column C. Financial institutions, enter the combined total of carryforward amounts reported on Form 4752, line 29, by all members of the group.

Line 10: Basic/Enhanced Credit. If the Historic Preservation Credit has been assigned, include the approval letter received from the Michigan Department of Treasury (Treasury) in the return. (If not attached, the credit will be disallowed.)

NOTE: If the taxpayer assigned part, but not all, of the credit, include here the amount of credit retained by the taxpayer. To this extent the assignor is also an assignee.

Line 13: Special Consideration Credit. If the Historic Preservation Credit has been assigned, attach the approval letter received from Treasury to the return. (If the approval letter is not attached, the credit will be disallowed.)

NOTE: If the taxpayer assigned part, but not all, of the credit, include here the amount of credit retained by the taxpayer. To this extent the assignor is also an assignee.

Line 25: Add line 6 and 12. This amount is the Prior year and

Assigned Basic/Enhanced credit carryforward to be used on the next MBT return.

Line 26: Add lines 9, 15, and 23. This amount is the Special Consideration Credit carryforward to be used on the taxpayer's next MBT return.

Line 27: Add lines 25 and 20. This amount is the total Basic/Enhanced credit carryforward to be used on the next MBT return.

MEGA Federal Contract Credit

The MEGA Federal Contract Credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the United States Department of Defense, Department of Energy, or Department of Homeland Security, resulting in a minimum of 25 new full-time jobs. The credit amount is 100 percent of the qualified taxpayer's payroll attributable to employees who perform qualified new jobs as a result of the contract multiplied by the Michigan Individual Income Tax rate. Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

This credit may be taken for a period of up to seven years, as determined by MEGA. Any amount that exceeds the taxpayer's tax liability may be refunded or carried forward for ten years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must enter into an agreement with MEGA and be certified by MEGA. If a misrepresentation is made on the application for this credit, the designation of a qualified taxpayer may be revoked and the taxpayer may be required to refund or recapture credits received. Credit recapture is calculated on Form 4587.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 30: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 51, column C.

Line 33: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Defense Contracting Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 36: Add lines 32 and 35b. This is the MEGA Federal Contract Credit carryforward to be used on the taxpayer's next MBT return.

Brownfield Redevelopment Credit

The Brownfield Redevelopment Credit encourages businesses to make an investment in eligible Michigan property that was used or is currently used for commercial, industrial, public, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted.

Beginning January 1, 2012, the Brownfield Redevelopment Credit may be claimed as a certificated credit if a taxpayer has a preapproval letter by December 31, 2011, but has not fully claimed the credit by January 1, 2012. The credit may be claimed as either a refundable accelerated credit (on Form 4889) or a non-refundable credit. Non-refundable credits and non-refundable carryforwards of the credit are claimed here. The credit must first be claimed in the year in which the certificate of completion is issued.

A qualified taxpayer that has made the election to remain taxable under the MBT with a certificated credit and has received a pre-approval letter prior to January 1, 2008, under the SBT Act to receive a Certificate of Completion may claim the credit (which is not a certificated credit) on this form, provided that all other requirements are met.

For projects approved or amended by MEGA, prior to April 8, 2008, the credit is limited to 10 percent of the cost of the eligible investment. For projects approved or amended on or after April 8, 2008, the credit is authorized for a percentage of the cost of eligible investment to be determined by MEGA, up to 20 percent of the cost.

A taxpayer claiming a nonrefundable certificated brownfield credit may make the election in the year in which a credit is available and will remain taxable under the MBT until the qualifying credit and any carryforward of the credit are extinguished. A taxpayer with a multiphase brownfield credit under MCL 208.1437(10), that makes the election, is required to continue to file and pay the MBT until the certificated credit is complete and the credit is used up. Except for a multiphase project, the Brownfield Redevelopment Credit must first be claimed in the tax year in which the Certificate of Completion is issued. For credits for a project approved by MEGA with total credits greater than \$10,000,000, the credits must be claimed at the rate of 10 percent per year for ten years, beginning with the first year specified by MEGA on the Certificate of Completion.

If a Brownfield Redevelopment Credit exceeds a taxpayer's tax liability for the year, the excess may be carried forward to offset tax liability in subsequent tax years for a maximum of ten years.

NOTE: An unused SBT credit carryforward may be claimed against the tax imposed under the MBT for the same years the carryforward would have been available under SBT, if the taxpayer has made the election to remain taxable under the MBT with a certificated credit, but it expires after ten years (combined SBT and MBT years). This carryforward is claimed on Form 4569.

All or a portion of the credit may be assigned. The assignment of the credit is irrevocable, and except for an assignment based on a multiphase project, must be made in the tax year in which the Certificate of Completion was issued. If proper assignment is completed, the assignee may make the election to remain taxable under the MBT on the basis of the assigned brownfield certificated credit in the year of assignment, provided that credit amount is available in that year.

The administration of the Brownfield Redevelopment Credit

program is assigned to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

Line 38: Enter tax liability before Brownfield Redevelopment Credit from Form 4573, line 55, or Form 4596, line 19.

Line 39: Recapture. The disposal or transfer to another location of personal property used to calculate this credit will result in an addition to the tax liability of the qualified taxpayer that was originally awarded the credit in the year in which the disposal or transfer occurs. This is true even if the credit was assigned to someone else. This additional liability will be calculated by multiplying the same percentage as is used to calculate the credit (e.g., 10 percent) times the federal basis of the property used to calculate gain or loss [as calculated for federal purposes] as of the date of the disposition or transfer. The amount otherwise added to the tax liability may also be used to reduce any carryforward of credits available to the taxpayer.

UBGs: If any member of the UBG is reporting recapture, a statement must be attached to this form identifying the reporting member.

Line 40: Enter only the unused credit from a previous period MBT return. Available SBT credit carryforward is claimed separately on Form 4569.

UBGs: Standard taxpayers, enter the unused credit amount from Form 4580, Part 2B, line 54, column C. Financial institutions, enter the combined total of carryforward amounts reported on Form 4752, line 31, by all members of the group.

Line 43: If the Brownfield Redevelopment Credit has been assigned, attach the MBT Brownfield Redevelopment Credit Assignment Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 46: For the credit to be valid, attach the Certificate of Completion, issued after the completion of the approval process, to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 54: Add lines 51 and 53. This amount is the Brownfield Redevelopment credit carryforward to be used on the taxpayer's next MBT return.

MEGA Plug-In Traction Battery Manufacturing Credit

The MEGA Plug-In Traction Battery Manufacturing Credit encourages investment in the development, manufacture, commercialization, and affordability of advanced automotive high-power energy batteries. The credit is available only to a taxpayer that has entered into an agreement with MEGA that provides that the taxpayer will manufacture plug-in traction battery packs in Michigan. **This credit is no longer available. However, unused credit carryforward from the immediately preceding tax year may still be claimed, if available.**

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 57: UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 57, column C.

Line 60: For tax years ending after December 31, 2014, **this credit is no longer available.** However, unused credit carryforward from the immediately preceding tax year may still be claimed on line 57, if available.

Line 63: Enter the amount from line 59. This is the MEGA Plug-In Traction Battery Manufacturing Credit carryforward to be used on the taxpayer's next MBT return.

Anchor Company Payroll Credit

The Anchor Company Payroll Credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan. Beginning January 1, 2012, this credit is available as a certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

A qualified taxpayer may take a credit up to 100 percent of its supplier's or customer's payroll for employees who perform qualified new jobs multiplied by the Michigan Individual Income Tax rate. This credit may be taken for a period of up to five years, as determined by MEGA. Any amount that exceeds the taxpayer's tax liability may be refunded or carried forward for ten years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must be certified by MEGA. MEGA also may provide that qualified sales to a qualified customer not be considered in calculating the sales factor for the tax year for which a credit is provided.

The statute provides for reduction, termination, or recapture of the credit if the taxpayer fails to comply with its agreement or the statute. Credit recapture is calculated on Form 4587.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 65: UBGs: Enter unused credit amount from Form 4580, Part 2B, line 58, column C.

Line 68: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Anchor Jobs Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 71: Add lines 67 and 70b. This amount is the Anchor Company Payroll credit carryforward to be used on the taxpayer's next MBT return.

Anchor Company Taxable Value Credit

The Anchor Company Taxable Value Credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

Beginning January 1, 2012, this credit is available as a

certificated credit to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. This credit must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claimed the credit.

A qualified taxpayer may take a credit in an amount up to 5 percent of its supplier's or customer's taxable property value within a ten mile radius of the qualified taxpayer. This credit may be taken for a period of up to five years, as determined by MEGA. Any amount that exceeds the taxpayer's tax liability may be refunded or carried forward for five years or until it is used up, whichever occurs first. To be eligible for the credit, a taxpayer must be certified by MEGA. MEGA also may provide that qualified sales to a qualified customer not be considered in calculating the sales factor for the tax year for which a credit is provided.

The statute provides for reduction, termination, or recapture of the credit if the taxpayer fails to comply with its agreement or the statute. Credit recapture is calculated on the MBT Schedule of Recapture of Certain Business Credits and Deductions (Form 4587). For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at <http://www.michiganadvantage.org/>.

Line 73: Enter unused credit amount from a previous period MBT return.

UBGs: Enter the unused credit amount from Form 4580, Part 2B, line 59, column C.

Line 76: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the Anchor District Tax Credit Certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

Line 79: Add lines 75 and 78b. This amount is the Anchor Company Taxable Value credit carryforward to be used on the taxpayer's next MBT return.

MEGA Poly-Silicon Energy Cost Credit and Miscellaneous MEGA Battery Credits

Beginning January 1, 2012, these credits are available as certificated credits to the extent that the taxpayer has entered into an agreement with MEGA by December 31, 2011, but the credit has not been fully claimed or paid prior to January 1, 2012. These credits must be claimed beginning with the taxpayer's first tax year ending after December 31, 2011, in order for the taxpayer to remain taxable under the MBT and claim the credit.

For tax years ending after December 31, 2014, the MEGA Advanced Battery Engineering Credit is no longer available. However, unused credit carryforward from the immediately preceding tax year may still be claimed, if available.

Line 81a-f: Enter unused credit amount from a previous period MBT return for the appropriate credit.

UBGs: Enter the unused credit amount from Form 4580, Part 2B, for the appropriate credit.

Line 81a-f: Enter unused credit amount from a previous period MBT return for the appropriate credit.

Line 84a-f: Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the certificate to the return. (If the certificate is not attached, the credit will be disallowed.)

NOTE: Line 84c: For tax years ending after December 31, 2014, the MEGA Advanced Battery Engineering Credit, line 84c, is no longer available.

Line 87: Add lines 83 and 86b. This amount is the MEGA Poly-Silicon Energy Cost Credit and/or Miscellaneous MEGA Battery Credits carryforward to be used on the taxpayer's next MBT return.

NOTE: The MEGA battery manufacturing facility credit now has a limited accelerated option. For more information on accelerated certificated credits, see Form 4589.

Include completed Form 4584 as part of the tax return filing.

2015 MICHIGAN Business Tax Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

PART 1: CALCULATION OF SINGLE BUSINESS TAX (SBT) INVESTMENT TAX CREDIT (ITC) RECAPTURE BASES

Each row in lines 1-3 is for assets acquired in an SBT tax year and disposed of this year. Enter years in date order, with the oldest listed first. Columns B and C are totals by acquisition year. Line 1, column D, and Line 2, column E: For all years, enter MBT apportionment percentage from Form 4567, line 11c. Enter amounts in whole dollars (no cents).

Depreciable Tangible Assets

1. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Apportionment Percentage <i>From Form 4567, line 11c</i>	E Apportioned Gain/Loss <i>Multiply Column C by Column D</i>	F SBT ITC Recapture (Base 1) <i>Subtract Column E From Column B</i>

Depreciable Mobile Tangible Assets

2. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Combined Sales Price of Disposed Assets by Year of Acquisition	C Net Gain/Loss From Sale of Assets	D Adjusted Proceeds <i>Subtract Column C From Column B</i>	E Apportionment Percentage <i>From Form 4567, line 11c</i>	F SBT ITC Recapture (Base 2) <i>Multiply Column D by Column E</i>

Assets Transferred Outside Michigan

3. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B SBT ITC Recapture Combined Adjusted Federal Basis of Disposed Assets by Year of Acquisition (Base 3)

FEIN or TR Number

UBG Member FEIN or TR Number

PART 2: CALCULATION OF SBT ITC RECAPTURE RATES

Enter amounts from ALL prior SBT C-8000ITC forms filed for tax years beginning on or after January 1, 2000. Enter SBT tax years in date order. Enter amounts in whole dollars only (no cents).

4. A Return For Taxable Year Ending (MM-DD-YYYY)	B Net Capital Investment (C-8000ITC, Line 24)	C SBT ITC (C-8000ITC, Line 33)	D SBT ITC Used (C-8000ITC, Line 36)	E Effective Percentage Rate of SBT ITC by Year
				%
				%
				%
				%
				%
				%
				%
				%
				%

Enter amounts from Form 4569, line 3, for all periods ending in 2008 or 2009.

5. A Return For Taxable Year Ending (MM-DD-YYYY)	B SBT ITC Carryforward Used (Form 4569, line 3)

PART 3: CALCULATION OF SBT ITC RECAPTURE AMOUNTS

Enter amounts in whole dollars only (no cents).

6. A Taxable Year (End Date) In Which Disposed Assets Were Acquired (MM-DD-YYYY)	B Total SBT ITC Recapture Base by Year of Acquisition <i>Add Amounts from Columns 1F, 2F and 3B</i>	C Year-Specified Recapture Percentage Rate from Line 4, Column E	D Recapture Amount <i>Multiply Column B by Column C</i>
		%	
		%	
		%	
		%	
		%	
		%	
		%	
		%	
		%	

7. TOTAL. Enter total of Line 6, column D. Add this amount to the total of Form 4570, Worksheet 2 (in instructions), column U, if applicable, and carry the sum to Form 4570, line 19

7.

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Instructions for Form 4585

Michigan Business Tax (MBT) Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax

Purpose

To calculate the Investment Tax Credit (ITC) recapture amount for the disposition or transfer of tangible, depreciable real or personal property acquired in tax years beginning after 1999 and prior to 2008 which must be recaptured to the extent used and at the rate used under the Single Business Tax (SBT) or MBT. Form 4585 must be filed as a supporting form for the total recapture amount reported on the *MBT Credits for Compensation, Investment and Research and Development* (Form 4570).

NOTE: Recapture is mandatory even if a taxpayer is otherwise not required to file a return because it does not meet the filing threshold of \$350,000.

Public Act 282 of 2014

PA 282 of 2014 provides for a change to the Investment Tax Credit (ITC) Recapture. For assets purchased, acquired, or transferred into Michigan in a tax year beginning after December 31, 2007, that were sold or otherwise disposed of, or transferred outside Michigan during the tax year, recapture is now required to the extent and at the rate the credit was used under the MBT. The amount on line 7 of this form will be used on Form 4570. Taxpayers need to take special care to read the instructions for Form 4570, line 19.

Line-by-Line Instructions

Lines not listed are explained on the form.

REMINDER: Report all amounts in whole dollars. Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

Dates must be entered in MM-DD-YYYY format.

Name and Account Number: Enter name and account number as reported on page 1 of Form 4567.

UBGs: Complete one form for each member that disposed of capital assets that trigger SBT ITC credit recapture. Enter the Designated Member (DM) name in the Taxpayer Name field and the specific member of the UBG for which this form is filed on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

UBGs: If capital asset subject to recapture is from a member that was not part of the group in the tax year the asset was acquired (and other years since the acquisition), take care to report in this line (and the others that pertain to years the member was not part of the group) information requested in each column only from the member's single filings, not the group's.

PART 1: CALCULATION OF SBT ITC RECAPTURE BASES

In Part 1, compute the adjusted proceeds (proceeds include any

benefit derived) from the disposition of tangible, depreciable real or personal property that was acquired in a tax year beginning after 1999 and prior to 2008, and the recapture for property moved out of state. The calculation of gross proceeds may be reduced by selling expenses. Lines 1, 2, and 3 represent three different categories of SBT ITC assets, categorized by type of asset or nature of disposition.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes a recapture of the entire gross proceeds in the year of the sale. The recapture is reduced by any gain reported in federal taxable income in the year of the sale. The gain attributable to the installment sale that is reported in subsequent years increases the credit base (or reduces other sources of recapture) for those years, and must be reported either on line 1, column C, or line 2, column C, based on the type of asset.

Line 1: For depreciable tangible assets located in Michigan that were acquired or moved into Michigan after acquisition in a tax year beginning after 1999 and prior to 2008, and were sold or otherwise disposed of during the tax year, enter the following:

- **Column A:** Separate the depreciable tangible assets that were disposed of during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no dispositions of depreciable tangible assets during the filing period may be omitted. However, do not omit the acquisition year of depreciable tangible assets that have been sold on an installment method if gains attributable to installment payments received during the current filing period must be reported.
- **Column B:** Total gross proceeds from all depreciable tangible assets that were acquired in the same taxable year and disposed of during the filing period. If a qualifying asset was sold on an installment sale in a prior filing period, the entire sale price was reported for recapture purposes in the year of sale. Therefore, if a payment was received on that installment sale in the current filing period, do not report that amount as gross proceeds for this period. See Column C, however, with respect to the gain from that installment payment.
- **Column C:** Net total gains/losses reflected in federal taxable income from all depreciable tangible assets that were acquired in the same taxable year and disposed of during the filing period. Report also in column C any gain reflected in federal taxable income that is attributed to an installment payment received during the current MBT filing period, from a prior installment sale of an asset that was of a type and acquisition date covered by line 1. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income is equal to the gain reported for federal purposes.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable tangible asset located in Michigan that was acquired or moved into Michigan after acquisition in a tax year beginning after 1999 and prior to 2008, and was sold or otherwise disposed of during the tax year. Sum the total gross proceeds and gain or loss for all disposed assets acquired in the same taxable year. Enter in this form only the total sum of gross proceeds and gain/loss grouped by taxable year the assets were acquired. Use one row per group of disposed assets acquired in the same taxable year. Start from the earliest acquisition year.

- **Column D:** Enter the apportionment percentage from Form 4567, line 11c. If not apportioning, enter 100 percent. Enter the same apportionment percentage for each row completed.
- **Column F:** Subtract column E from column B for each row. If column E is a loss, add its positive value to column B for each appropriate row. A loss in column E will increase the recapture base.

Line 2: *Mobile tangible assets* are all of the following:

- Motor vehicles that have a gross vehicle weight rating of 10,000 pounds or more and are used to transport property or persons for compensation;
- Rolling stock (railroad freight or passenger cars, locomotives or other railcars), aircraft, and watercraft used by the owner to transport property or persons for compensation or used by the owner to transport the owner's property for sale, rental, or further processing;
- Equipment used directly in completion of, or in construction contracts for, the construction, alteration, repair, or improvement of property.

For depreciable mobile tangible assets that were acquired in a tax year beginning after 1999 and prior to 2008, and were sold or otherwise disposed of during the tax year, enter the following:

- **Column A:** Separate the depreciable mobile tangible assets that were disposed of during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no dispositions of depreciable mobile tangible assets during the filing period may be omitted. However, do not omit the acquisition year of depreciable mobile tangible assets that have been sold on an installment method if gains attributable to installment payments received during the current filing period must be reported.
- **Column B:** Total gross proceeds from all depreciable mobile tangible assets that were acquired in the same taxable year and disposed of during the filing period. If a qualifying asset was sold on an installment sale in a prior filing period, the entire sale price was reported for recapture purposes in the year of sale. Therefore, if a payment was received on that installment sale in the current filing period, do not report that amount as gross proceeds for this period. See Column C, however, with respect to the gain from that installment payment.

- **Column C:** Net total gains/losses reflected in federal taxable income from all depreciable mobile tangible assets that were acquired in the same taxable year and disposed of during the filing period. Report also in column C any gain reflected in federal taxable income that is attributed to an installment payment received during the current MBT filing period, from a prior installment sale of an asset that was of a type and acquisition date covered by line 2. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income is equal to the gain reported for federal purposes.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable mobile tangible asset acquired in a tax year beginning after 1999 and prior to 2008, and sold or otherwise disposed of during the tax year. Sum the total gross proceeds and gain or loss for all disposed assets acquired in the same taxable year. Enter in this form only the total sum of gross proceeds and gain or loss grouped by taxable year the assets were acquired. Use one row per group of disposed assets acquired in the same taxable year. Start from the earliest acquisition year.

- **Column D:** Subtract figures in column C from figures in column B for each row. If column C is a loss, add its positive value to column B for each appropriate row. A loss in column C will increase the recapture.
- **Column E:** Enter the apportionment percentage from Form 4567, line 11c. Enter the same apportionment percentage for each row you have filled columns A through D.
- **Column F:** Multiply figures in column D by column E for each row.

Line 3: For depreciable tangible assets other than mobile tangible assets acquired in tax years beginning after 1996 and prior to 2008, that were eligible for the ITC in tax years beginning after 1999 and prior to 2008, and were transferred outside Michigan during the tax year, enter the following:

- **Column A:** Separate the depreciable tangible assets other than mobile tangible assets that were transferred out of Michigan during the filing period by the tax year in which they were acquired. Use a separate row for each acquisition year. Enter the tax years of acquisition (end dates only) in chronological order, starting with the first tax year beginning after 1999. An acquisition year for which there were no transfers of depreciable tangible assets out of Michigan during the filing period may be omitted.
- **Column B:** Total sum of adjusted federal basis from all depreciable tangible assets acquired in the same taxable year and transferred out of Michigan during the filing period.

Keep in your files a separate worksheet with the appropriate information regarding each depreciable tangible asset other than mobile tangible assets acquired in tax years beginning after 1999 and prior to 2008, that were eligible for the ITC in tax years beginning after 1999 and prior to 2008, and were transferred outside Michigan during the tax year. Sum the total adjusted federal basis for all such transferred assets acquired in the same taxable year. Enter in this form only the total sum of adjusted federal basis grouped by taxable year the assets were acquired. Use one row per group of such transferred assets acquired in the same taxable year. Start from the earliest taxable year.

PART 2: CALCULATION OF SBT ITC RECAPTURE RATES

Recapture rates can be calculated using any of 3 methods described in the “Method Summary Table” below. The Table highlights the methods’ pros and cons. Choose your method, and follow the appropriate instructions to calculate the rates on line 4, column E.

NOTE: Whichever method used, the calculated effective recapture rate of SBT ITC by year cannot be higher than the figure calculated under Method A for any year.

NOTE ON USING SIMPLEST METHOD: When amount of SBT ITC used equals the amount of SBT ITC created, the three methods yield the same result. This occurs in any of the following situations:

- **Calendar year filer(*):** 2009 *MBT Single Business Tax Credit Carryforwards* (Form 4569), lines 2 and 3, are equal for the latest 2009 tax year return filed;
- **Fiscal year filer(*):** 2008 MBT Form 4569, line 4, equals zero for the latest 2009 tax year return filed;
- Filers(**) who created SBT ITC credits and have filed an *MBT Simplified Return* (Form 4583) for either 2008 or 2009 tax year; or
- Filers(**) who created SBT ITC credits, have NOT filed 2008 or 2009 MBT return, and have filed MBT return(s) for tax year(s) after 2009.

(*) *For UBGs, the condition applies only for groups where all members were included in every 2008 and 2009 MBT return filed by the group.*

(**) *Filers refers to single filers (non-UBGs) or UBG members in the current tax year who were not part of a group in 2008 or 2009 and were single filers then. To preserve the SBT credit carryforward from one year to the next the taxpayer is required to file Form 4567.*

The simplest method that can be used is Method A. Taxpayers that meet any of the situations above should use Method A. It provides correct results using the least amount of data input from the taxpayer.

Complete line 4 and line 5 according to the method chosen, as explained below:

- **Method A:**

- **Line 4, columns A through D:** Enter the tax year end date of each acquisition year of disposed assets that triggered SBT ITC recapture. (Those dates should be the same as appear in column A of lines 1-3.) For each year displayed in column A, enter Form C-8000ITC (*SBT Investment Tax Credit*) information required in the appropriate column, using return data specific from each applicable tax year. If the amount of column C is zero for a particular year, and the amount on C-8000ITC, line 10 for that year is larger than zero, taxpayers may not enter zero on column E if the taxpayers fall in either of the two categories explained below, and must do the appropriate calculations as follows:

- 1) Taxpayers used the straight method to calculate the SBT liability for that taxable year: calculate the credit rate as instructed on C-8000ITC, line 26 for that taxable year, and enter the result on column E; or
- 2) Taxpayer used the excess compensation reduction method to calculate the SBT liability for that taxable year: calculate the credit rate on C-8000ITC, line 26, for that taxable year; subtract the percentage found on C-8000S, line 6, from 100%, and multiply the result of that subtraction by the calculated credit rate on C-8000ITC, line 26. Enter the result on column E.

- **Line 5, columns A and B:** Leave lines blank.

METHOD SUMMARY TABLE

TYPE OF METHOD	PROS	CONS
Method A	<ul style="list-style-type: none">• Easy to calculate.• Taxpayer or UBG member disposing of ITC asset only need to enter information on line 4 for years in which assets that trigger recapture were acquired.	<ul style="list-style-type: none">• Method does not take into account the extent to which the ITC was used.
Method B	<ul style="list-style-type: none">• Takes into account the extent to which the ITC was used.	<ul style="list-style-type: none">• Taxpayers must fill lines 4, 5, 6, Table I at the end of the instructions, and enter necessary information in Treasury webtool. (www.michigan.gov/mbt4585tool)• Information on line 4 must be entered for all years in which assets were bought and ITC was claimed, whether or not those assets were disposed in the current tax year.
Method C	<ul style="list-style-type: none">• Taxpayers complete line 4, column E.	<ul style="list-style-type: none">• Taxpayer needs to develop own calculation procedure that reflects the MBT statute. Retain records to substantiate calculation.

- **Line 4, column E:** Divide the amount in column C by the amount in column B, for each taxable year in column A, and enter as a percentage.

• **Method B:**

- **Line 4, columns A through D:** Gather all C-8000ITC forms filed for tax years beginning on or after January 1, 2000. (If an amended C-8000ITC was filed, use the figures from the amended form, not the original.) Sort all the returns in chronological order of taxable year end date, from earliest to latest date. Starting with the Form C-8000ITC for the earliest applicable SBT filing period, enter the information requested on the table for each taxable year (use one row for each return).

NOTE: For SBT tax years when the taxpayer filed a C-8000 (*SBT Annual Return*) with no C-8000ITC, or a C-8030 (*SBT Notice of No SBT Return Required*), enter on line 4A the taxable year end date, and enter zero for lines 4B, 4C, and 4D. Do not enter any information on lines 4A through 4D for SBT tax years in which the taxpayer filed nothing OR filed a C-8044 (*SBT Simplified Return*). If more than one return was filed for the same tax year (that is, the taxpayer filed an amended return), use only the information from the latest return filed for that tax year.

- **Line 5, columns A and B:** Starting with Form 4569 for the earliest 2008 and latest 2009 applicable MBT filing period, enter the information requested on table. If more

than one return was filed for the same tax year (that is, the taxpayer filed an amended return), use only the information from the latest return filed for that tax year.

NOTE: For MBT tax years the taxpayer filed Form 4567 and no Form 4569, enter on line 5A the taxable year end date, and enter zero for line 5B. Do not enter any information on lines 5A and 5B for MBT years in which the taxpayer filed nothing or filed a Form 4583. See **Note on Using Simplest Method** under the heading **Calculation of SBT ITC Recapture Rates** on these instructions. Not filing a Form 4567 does not allow a taxpayer to preserve SBT credit carryforward from one year to the next.

UBGs: During tax years ending in 2008 and 2009, UBG groups were allowed to offset the group liability by claiming member's SBT ITC credit carryforward. When completing line 5, column B, enter the portion of the total group SBT ITC credit carryforward used by the group for each year that pertains to the specific member that is completing Form 4585. If the member completing Form 4585 was not part of a UBG in 2008 and/or 2009 tax years, and filed as a non-UBG filer, take care to report on lines 5A and 5B information from the member's singly filed returns. Likewise, if the member completing Form 4585 was part of another UBG in 2008 and/or 2009 tax years, take care to report on line 5A and 5B member information resulting from using the other UBG's returns information.

Example: In 2008, group ABC files MBT return claiming

Table I: Determining Credit Amount that Offsets Credit Recapture

7. A	B	C	D
Taxable Year (End Date) In Which MBT ITC Disposed Asset Was Acquired (MM-DD-YYY)	SBT Capital Investment Amount (C-8000ITC, line 10)	SBT ITC Credit Rate Divide line 4, column C, by line 4, column B (See Instructions if zero)	Gross SBT ITC Credit Amount Multiply column B by column C

8. E	F	G	H
Taxable Year (repeat from column A)	SBT Recapture Capital Investment Amount (C-8000ITC, line 23)	Gross SBT ITC Credit Recapture Multiply column F by column C	SBT Recapture Amount Offset by Credit Lesser of columns D and G

9. I	J	K	L	M
Taxable Year (repeat from column A)	SBT ITC Credit Amount That offsets SBT liability (from webtool)	Total SBT ITC Credit Amount Used Add columns J and H	Extent Credit Used Rate Divide column K by column D (cannot be more than 1)	SBT ITC Recapture Rate Multiply columns C and L. Carry amount to Worksheet 4a, line 4, column E

\$1,000,000 in SBT ITC credit carryforward. The group consisted of Company 1, Company 2, Company 3, and Company 4. Company 4's tax year ended after the tax year of the group's Designated Member, so Company 4's data was not included in group ABC's 2008 MBT return, even though Company 4 was part of the UBG. The total \$1,000,000 in SBT ITC credit carryforward resulted from the sum of \$200,000 in SBT ITC credit carryforward from Company 1, \$300,000 from Company 2, and \$500,000 from Company 3. In the current year, Companies 2, 3, and 4 dispose of capital investment outside of the UBG, which triggers SBT ITC credit recapture. In the current year, group ABC files MBT returns. The UBG fills one MBT Form 4585 for each Company 2, Company 3, and Company 4, in which is reported the SBT ITC credit recapture from each member. When filling Form 4585, line 5, column B for Company 2, report \$200,000 – which represents the portion of the total SBT ITC credit carryforward claimed by the group in 2008 that corresponds only to Company 2's SBT ITC credit carryforward in 2008. When filling Form 4585, line 5, column B for Company 3, report \$500,000 – which represents Company 3's portion of the total SBT ITC credit carryforward claimed by the group in 2008. When filling Form 4585, line 5B for Company 4, report \$0 – which represents Company 4's portion of the total SBT ITC credit carryforward claimed by the group in 2008.

- **Line 4, column E:** For each taxable year, enter the rates calculated on Table I, line 9, column M.
- **Filling Table I at the end of these Instructions** (lines and columns not listed are explained on the table):
 - **Line 7, column A:** Enter only taxable years in which SBT ITC disposed assets were acquired. Dates should match those listed on lines 1, 2, and 3, columns A. List each date only once.
 - **Line 7, column C:** For each taxable year on line 6, column A, find the corresponding SBT ITC amount reported on line 4, column C, and Net Capital Investment amount reported on line 4, column B. Divide amounts from line 4, column C by amounts from line 4, column B for each taxable year and enter results here. If the quotient of that division for a particular tax year listed equals zero, and the amount on line 7, column B is positive, instead of zero, enter the following on line 7, column C as appropriate:
 - 1) Taxpayer used the straight method to calculate the SBT liability for that taxable years: calculated the credit rate on C-8000ITC, line 26 for that taxable year, and enter the result here;
 - 2) Taxpayer used the excess compensation reduction method to calculate the SBT liability for that taxable year: calculate the credit rate on C-8000ITC, line 26, for that taxable year; subtract the percentage found on C-8000S (*SBT Deductions to Adjusted Tax Base*), line 6, from 100%, and multiply the result of that subtraction by the calculated credit rate on C-8000ITC, line 26. Enter the result here.

- **Line 9, column J:** Enter amount of ITC credit used provided by the webtool that corresponds to each taxable year displayed on line 9, column I. Access the Michigan Department of Treasury (Treasury) Web tool by going to the Treasury site (www.michigan.gov/mbt4585tool), and enter the necessary information as instructed).
- **Line 9, column M:** For each taxable year on line 9, column I, multiply line 7, column C by line 9, column L. Enter results here. Match the taxable year on line 9, column I with the taxable year on line 4, column A, and carry amount from line 9, column M to line 4, column E for each appropriated tax year line.

• **Method C:**

- **Line 4, columns A through D:** Fill column A, and leave all others blank.
- **Line 5, columns A and B:** Leave lines blank.
- **Line 4, column E:** Enter results from the taxpayer's own software of choice (that is, a non-Treasury Web tool) or the taxpayer's own calculation that reflects the MBT statute. Retain records to substantiate figures entered in the filed return.

PART 3: CALCULATION OF SBT ITC RECAPTURE AMOUNTS

Line 6: Follow the instructions below:

Column A: Enter in chronological order, beginning with the earliest, the tax year end date of each acquisition year of disposed assets that triggered SBT ITC recapture from lines 1-3.

Column B: Separately for each acquisition year listed in column A, combine the corresponding amounts in line 1, column F, line 2, column F, and line 3, column B for all disposed assets that triggered SBT ITC recapture.

Column C: For each acquisition year listed in column A, enter the corresponding SBT ITC effective rate from line 4, column E. Match the acquisition year in line 6, column A, with the corresponding acquisition year in line 4, column A.

Column D: Multiply column B by column C for each acquisition year.

Line 7: Add figures in each row of line 6, column D, and enter the total here.

If no assets purchased in MBT years were disposed of or transferred out of Michigan this year, carry the amount reported on this line to Form 4570, line 19.

If any assets purchased in MBT years were disposed of or transferred out of Michigan this year, add the amount reported on line 7 of this form to the sum of amounts calculated on Column U of Worksheet 2 in the instructions of Form 4570. Report the sum of those two figures on Form 4570, line 19. This calculation change implements a requirement of Public Act 282 of 2014.

Include completed Form 4585 as part of the tax return filing.

2015 MICHIGAN Business Tax Schedule of Recapture of Certain Business Tax Credits and Deductions

Issued under authority of Public Act 36 of 2007.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TR Number
---------------	--

Complete this schedule for any recapture in this tax year of previous tax credits and deductions listed on this schedule.

- | | | |
|---|-----|-----------------|
| 1. Recapture of MEGA Research and Development Credit | 1. | 00 |
| 2. a. Recapture of Michigan Business Tax MEGA Employment Tax Credit..... | 2a. | 00 |
| b. This recapture has expired. Leave this line blank and skip to line 3 | 2b. | X X X X X X X X |
| c. This recapture has expired. Leave this line blank and skip to line 3 | 2c. | X X X X X X X X |
| 3. Recapture of Entrepreneurial Credit | 3. | 00 |
| 4. Recapture of MEGA Federal Contract Credit | 4. | 00 |
| 5. Recapture of MEGA Photovoltaic Technology Credit | 5. | 00 |
| 6. Recapture of Biofuel Infrastructure Credit | 6. | 00 |
| 7. Recapture of MBT Brownfield Redevelopment Credit. Enter the amount from Form 4584, line 47 | 7. | 00 |
| 8. Recapture of Film Infrastructure Credit | | |
| a. Enter all eligible depreciable tangible assets located in Michigan that were acquired in a tax year beginning after December 31, 2007, and were sold or otherwise disposed of during the tax year. (Date format: MM-DD-YYYY) | | |

A Description	B City	C Date Acquired	D Date Sold	E Gross Sales Price	F Gain/Loss

- | | | |
|---|-----|----|
| b. Total columns E and F. A loss in column F will increase recapture..... | 8b. | 00 |
| c. Adjusted Proceeds. If line 8b, column F, is a gain, subtract line 8b, column F, from line 8b, column E.
If line 8b, column F, is a loss, add line 8b, column E and F..... | 8c. | 00 |

If taxable in another state, complete lines 8d and 8e; otherwise, skip to line 8f.

- | | | |
|--|------|----|
| d. Apportioned gains (losses). Multiply line 8b, column F, by the percentage from Form 4567, line 11c | 8d. | 00 |
| e. Apportioned Adjusted Proceeds. If line 8d is a gain, subtract line 8d from line 8b, column E.
If line 8d is a loss, add line 8d and line 8b, column E..... | 8e. | 00 |
| f. Recapture of Film Infrastructure Credit. Multiply line 8c or line 8e by 25% (0.25)..... | 8f. | 00 |
| 9. Recapture of Anchor Company Payroll Credit..... | 9. | 00 |
| 10. Recapture of Anchor Company Taxable Value Credit | 10. | 00 |
| 11. Recapture of Qualified Affordable Housing deductions | 11. | 00 |
| 12. Recapture of Miscellaneous MEGA Battery Credits (for the recapture of the MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit, and MEGA Advanced Lithium Ion Battery Credit; see instructions) | | |
| a. Total Recapture of Miscellaneous MEGA Battery Credits | 12a. | 00 |
| b. Battery Credit code..... | 12b. | |
| c. Second Battery Credit code..... | 12c. | |
| 13. Total Recapture of Certain Business Tax Credits and Deductions. Add lines 1, 2a, 3, 4, 5, 6, 7, 8f, 9, 10, 11 and 12a. Carry amount to Form 4567, line 56, Form 4588, line 26, or Form 4590, line 29..... | 13. | 00 |

Instructions for Form 4587, Michigan Business Tax (MBT) Schedule of Recapture of Certain Business Tax Credits and Deductions

Purpose

Complete this schedule for any recapture in this tax year of previously claimed tax credits listed on this schedule. Recapture of some tax credits occurs at the same point in the forms as the credit is calculated. The credits on this form, however, are required by statute to be recaptured at a later point in the tax calculation process. This form is also used to report a required recapture of an Affordable Housing Deduction.

Attachments in support of these recapture amounts are not required. Maintain the recapture calculation information in your files for review during audit.

Special Instructions for Unitary Business Groups

If any member of the Unitary Business Group (UBG) is reporting recapture, a statement must be attached to this form identifying the reporting member and the amount of recapture for each applicable credit. If more than one member is reporting recapture, requested information should be provided in the statement on a per member basis. The total amount from all reporting members will be entered on each corresponding line on this form.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be in MM-DD-YYYY format.

Name and Account Number: Enter name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers, the *MBT Annual Return for Financial Institutions* (Form 4590), or the *Insurance Company Annual Return for Michigan Business and Retaliatory Taxes* (Form 4588)).

UBGs: A UBG reporting recapture should include only one copy of this form as part of its annual return. Enter the Designated Member (DM) name in the Taxpayer Name field and the DM account number in the Federal Employer Identification Number (FEIN) field.

Line 1: There are two Research and Development Credits in MBT. The one reported on the *MBT Credits for Compensation, Investment, and Research and Development* (Form 4570) does not apply here. Report on this line only recapture of the Research and Development Credit that is certified by Michigan Economic Growth Authority (MEGA) and claimed on *MBT Refundable Credits* (Form 4574).

The credit is earned under an agreement with MEGA. If MEGA determines that there has not been compliance with the terms of the agreement, the taxpayer must report recapture. Enter recapture amount equal to 125 percent of the total of all MEGA Research and Development Credits claimed on previously filed 4574 forms.

Line 2: If a taxpayer claims an MBT or Single Business Tax (SBT) MEGA Employment Tax Credit or an SBT MEGA

Business Activity Credit for a previous tax period under an agreement with MEGA based on qualified new jobs, and then removes 51 percent or more of those qualified new jobs from Michigan within three years after the first year in which the taxpayer claims such a credit, the taxpayer must recapture an amount equal to the total of all such credits claimed on prior returns.

Line 2a: Enter the total amount of the MBT MEGA Employment Tax Credit claimed on previously filed 4574 forms subject to recapture.

Line 2b: The SBT MEGA Employment Tax Credit is no longer subject to recapture. Leave this line blank.

Line 2c: The SBT MEGA Business Activity Credit is no longer subject to recapture. Leave this line blank.

Line 3: If the new jobs by which a taxpayer earns an Entrepreneurial Credit are relocated outside of Michigan within five years after claiming the credit, or if a taxpayer reduces employment levels by more than 10 percent of the jobs by which the taxpayer earned the credit, the taxpayer must recapture an amount equal to the total of all Entrepreneurial Credits received.

Enter the total amount of the Entrepreneurial Credit claimed on previously filed *MBT Miscellaneous Nonrefundable Credits* forms (Form 4573) subject to recapture.

Line 4: Enter the total amount of MEGA Federal Contract Credit claimed on previously filed *MBT Election of Refund or Carryforward of Credits* forms (Form 4584) subject to recapture.

NOTE: The MEGA Federal Contract Credit is claimed through an agreement with MEGA. If a taxpayer claims this credit and subsequently fails to meet requirements of the MBT Act or conditions of the agreement, the taxpayer must recapture the entire amount of such credit previously claimed.

Line 5: Enter the total amount of the MEGA Photovoltaic Technology Credit claimed on previously filed 4574 forms subject to recapture.

Line 6: Enter the total amount of the Biofuel Infrastructure Credit claimed on previously filed 4573 forms subject to recapture.

Line 8: The Film Infrastructure Credit is available through an agreement between the taxpayer and the Michigan Film Office, with the concurrence of the State Treasurer. The credit amount is up to 25 percent of the base investment expenditures in a qualified film and digital media infrastructure project. If the taxpayer sells or otherwise disposes of a tangible asset that was paid for or accrued after December 31, 2007, and whose cost is included in the base investment, the taxpayer must report recapture equal to 25 percent of the gross proceeds or benefit from the sale or disposition, adjusted by the apportioned gain or loss.

NOTE: A sale of qualifying property reported on the installment method for federal income tax purposes causes recapture of the entire gross proceeds (including the amount of the note) in the year of sale, less any gain reflected in federal taxable income (as defined for MBT purposes) in the year of the sale. In each subsequent year of the installment note, enter zero in line 8a, column E, and enter the gain reflected in federal taxable income (as defined for MBT purposes) in column F. For property placed in service prior to January 1, 2008, gain reflected in federal taxable income (as defined for MBT purposes) is equal to the gain reported for federal purposes.

Line 8a: Enter all dispositions of depreciable tangible assets included in base investment expenditures that were paid or accrued after December 31, 2007, and were sold or otherwise disposed of during the tax year.

- **Columns A through D:** Enter a brief description of the asset, the city or township in which the asset is located, and the dates that the asset was paid for or accrued and disposed of or sold. To list multiple disposition as one entry, the date the assets were acquired and sold must be the same; dispositions with variable dates must be listed separately.
- **Column E:** Enter the total gross proceeds from the sale or disposition of depreciable tangible assets listed in column A.
- **Column F:** Enter total gain or loss included in calculating federal taxable income (as defined for MBT purposes).

Lines 9-10: NOTE: The Anchor Company Payroll Credit and the Anchor Company Taxable Value Credit are claimed through an agreement with MEGA. If a taxpayer claimed one of these credits and subsequently fails to meet requirements of the MBT Act or conditions of the agreement, the taxpayer must recapture the entire amount of such credit previously claimed.

Line 9: Enter the total amount of the Anchor Company Payroll Credit claimed on previously filed 4584 forms subject to recapture.

Line 10: Enter the total amount of the Anchor Company Taxable Value Credit claimed on previously filed 4584 forms subject to recapture.

Line 11: Under Michigan Compiled Laws 208.1201(6), the seller of residential rental units may take a deduction from its Business Income Tax base, after apportionment, of the gain from the sale of the residential rental units to a buyer who is a Qualified Affordable Housing Project (QAHP). To qualify for a deduction, the seller and buyer must enter into an "operation agreement" in which the buyer agrees to operate a specific number of the residential rental units sold as rent restricted units for a minimum of 15 years. The Department of Treasury (Treasury) will record a lien against the property subject to the operation agreement, to enforce the possibility of future recapture of this deduction.

When the buyer fails to qualify as a QAHP or fails to operate any of the residential rental units as rent restricted units in accordance with the operation agreement within 15 years after the date of purchase, the lien recorded by Treasury becomes payable to the State. Failure to operate even one residential rental unit in accordance with an operation agreement constitutes failure to operate all or some of the residential rental units as rent

restricted units in accordance with the operation agreement, and therefore is a recapture event. The lien is payable in the year the recapture event occurs. This recapture is mandatory even if a taxpayer is otherwise not required to file a return because it does not meet the filing threshold of \$350,000.

Enter a recapture amount equal to the full amount of the deduction allowed to the seller multiplied by a fraction, the numerator of which is the difference between 15 and the years the affordable housing project qualified and complied with the terms of the agreement and the denominator of which is 15.

Line 12 NOTE: There are three different MEGA battery credits that are eligible for recapture and are reported on this line. If the taxpayer has more than one of these credits, enter the **combined** amount of those credits on line 12a.

Line 12a: Enter the total amount of the MEGA Battery Manufacturing Facility Credit, MEGA Large Scale Battery Credit and MEGA Advanced Lithium Ion Battery Credit deemed to be added back to the tax liability by the Michigan Economic Growth Authority.

Line 12b-c: If reporting recapture for only one of the three eligible battery credits, enter the appropriate two-digit code from the list below in line 12b. If reporting recapture for two credits, enter the appropriate code for one of the recaptured credits on line 12b, and the other on line 12c.

Miscellaneous MEGA Battery Credit Codes

CREDIT	CODE
MEGA Battery Manufacturing Facility Credit.....	11
MEGA Large Scale Battery Credit	12
MEGA Advanced Lithium Ion Battery Credit.....	13

Line 13: Add lines 1, 2a, 3, 4, 5, 6, 7, 8f, 9, 10, 11, and 12a. Standard taxpayers carry this amount to Form 4567, line 56. Insurance companies carry this amount to the Form 4588, line 26. Financial Institutions carry this amount to the Form 4590, line 29.

Include completed Form 4587 as part of the tax return filing.

2015 MICHIGAN Business Tax Renaissance Zone Credit Schedule

Issued under authority of Public Act 36 of 2007.

Taxpayer Name (If Unitary Business Group, Name of Designated Member)	Federal Employer Identification Number (FEIN) or TR Number
Unitary Business Groups Only: Name of Unitary Business Group Member Reporting on This Form	Federal Employer Identification Number (FEIN) or TR Number

1. Tax liability before Renaissance Zone Credit. Enter amount from Form 4573, line 13, or Form 4596, line 14 1. 00

2. Enter property information below. If operating in multiple Zones, file a separate Form 4595 for each Zone:

Street Address	Zone or Subzone	<input type="checkbox"/> Check if a certificated credit (see instructions)
City	Parcel Number	

3. Average value of property owned within the Zone 3. 00
4. Multiply rent paid for property within the Zone by 8 and enter the result 4. 00
5. Total property value within the Zone. Add lines 3 and 4 5. 00
6. Average value of all property owned in Michigan 6. 00
7. Multiply rent paid for property in Michigan by 8 and enter the result 7. 00
8. Total property value in Michigan. Add lines 6 and 7 8. 00
9. Divide line 5 by line 8 and enter as a percentage 9. %
10. Total payroll for services performed within the Zone 10. 00
11. Total Michigan payroll 11. 00
12. Divide line 10 by line 11 and enter as a percentage 12. %
13. Add lines 9 and 12 and enter as a percentage 13. %
14. Business Activity Factor. Divide line 13 by 2 and enter as a percentage 14. %
15. Credit based on the Business Activity Factor. Multiply line 14 by line 1 15. 00

Adjusted Services Performed in the Renaissance Zone

16. Enter amount from line 10 16. 00
17. Enter depreciation for tangible property in the Zone exempt under MCL 211.7ff. Claim property exempt in tax year; also claim new property that will be exempt in immediately following tax year (see instructions) 17. 00
18. Add lines 16 and 17 18. 00

19. Partnerships, S Corporations and Individuals Only (see instructions); UBGs, see instructions

a. Business income from Form 4567, line 28. If less than zero, enter zero 19a. 00
b. Apportionment percentage from Form 4567, line 11c 19b. %
c. Enter percentage from line 14 19c. %
d. Multiply line 19a by line 19b by line 19c 19d. 00
e. Add lines 18 and 19d 19e. 00
20. Enter amount from line 18, or, if taxpayer is a Partnership, S Corporation or Individual, enter amount from line 19e 20. 00
21. Credit based on adjusted services performed in the Zone. Multiply line 20 by 10% (0.10) 21. 00

22. Taxpayers first located within the Renaissance Zone before 12-01-2002 ONLY. (All others, leave lines 22a-e and line 23 blank.)

a. Renaissance Zone Credit allowed in 2007 22a. 00
b. Michigan payroll in 2007 22b. 00
c. Business Activity Factor for tax year 2007 and enter as a percentage 22c. %
d. Divide line 11 by line 22b and enter as a percentage 22d. %
e. Divide line 14 by line 22c and enter as a percentage 22e. %
23. Multiply line 22a by line 22d by line 22e 23. 00
24. Tentative Renaissance Zone Credit. Taxpayers first located in Zone before 12-01-2002, enter the greater of (i) line 23 or (ii) the lesser of lines 15 and 21. All others, enter the lesser of lines 15 and 21 24. 00
25. a. Reduced credit percentage from Reduced Credit Table on page 2 25a. %
b. **Reduced Renaissance Zone Credit.** Multiply line 24 by the reduced credit percentage on line 25a. Carry amount to Form 4573, line 14, or Form 4596, line 15 25b. 00

REDUCED CREDIT TABLE

If this tax period begins in the:

The reduced credit is:

Final year of designation as a Renaissance Zone.....**25 percent** (0.25) of tentative credit on line 24.

Year immediately preceding the final year of designation
as a Renaissance Zone.....**50 percent** (0.50) of tentative credit on line 24.

Second year before the final year of designation as a
Renaissance Zone..... **75 percent** (0.75) of tentative credit on line 24.

Third (or greater) year before the final year of designation
as a Renaissance Zone..... **100 percent** (1.00) of the tentative credit on
line 24.

Instructions for Form 4595

Michigan Business Tax (MBT) Renaissance Zone Credit Schedule

Purpose

To allow eligible taxpayers to calculate and claim the Renaissance Zone Credit. For standard taxpayers and financial institutions, the credit is calculated on Form 4595 and then carried to the *MBT Miscellaneous Nonrefundable Credits* (Form 4573). Insurance companies will carry this credit to the *Miscellaneous Credits for Insurance Companies* (Form 4596).

NOTE: If a person is located and has business activity in more than one Renaissance Zone, use a separate Form 4595 to calculate the credit for each Zone. For each line that requires Zone-specific data, enter data based only on business activity in the Zone identified on line 2 of this copy of the form.

Renaissance Zone Credit

The Renaissance Zone Credit encourages businesses and individuals to help revitalize a designated Zone by providing a credit for businesses located and conducting business activity within the Zone. The method of calculating the credit is different for businesses first locating and conducting business activity within the Renaissance Zone before December 31, 2002, and those businesses first locating and conducting business activity within the Renaissance Zone after December 30, 2002.

Use this form to calculate both a certificated and non-certificated renaissance zone credit. Check the certificated credit box if the credit being calculated is a certificated renaissance zone credit. File a separate Form 4595 for each zone and type (certificated or non-certificated) of credit.

Beginning January 1, 2012, only those taxpayers with a certificated credit, which is awarded but not yet fully claimed or utilized, may elect to be MBT taxpayers. A taxpayer with a certificated renaissance zone credit may make the election to remain taxable under the MBT for its first tax year ending after December 31, 2011.

The certificated renaissance zone credits are the following types of zones for which the taxpayer has a development agreement with the Michigan Strategic Fund (MSF) before January 1, 2012:

- agricultural processing,
- border crossing,
- forest products processing,
- Michigan strategic fund designated renewable energy renaissance zones,
- AND the tool and die renaissance zones for which the taxpayer has entered into a qualified collaborative agreement with the MSF before January 1, 2012.

A taxpayer located in a designated renaissance zone that does not have a certificated renaissance zone credit but which makes the election to remain taxable under the MBT on the basis of another certificated credit may also claim this credit. For more information on certificated credits see the *Schedule of*

Certificated Credits (Form 4947).

EXAMPLE 1: Taxpayer enters into a qualified collaborative agreement with the MSF and locates and begins conducting business in a tool and die renaissance zone on January 1, 2011. Taxpayer may elect to continue under the MBT on the basis of this certificated renaissance zone credit.

EXAMPLE 2: Taxpayer located and began conducting business in a designated renaissance zone on January 1, 2011; however, the renaissance zone does not qualify as a certificated credit for purposes of the MBT election (see the certificated renaissance zone credits listed previously in these instructions). The taxpayer also holds a certificated anchor company credit. Taxpayer may make the election to remain taxable under the MBT on the basis of its certificated anchor company credit and continue to claim the non-certificated renaissance zone credit once it has properly elected the MBT.

To obtain the credit an otherwise qualified taxpayer must file an MBT annual return. The credit is equal to the lesser of the following:

- The tax liability attributable to business activity conducted within the Renaissance Zone in the tax year.
- 10 percent of adjusted services performed in the designated Renaissance Zone.
- For a taxpayer located and conducting business activity in the Renaissance Zone before December 1, 2002, **the credit is equal to the greater of the two results below:**

Result 1

- The lesser of 1) the business activity conducted within the zone (from line 15) OR 2) the adjusted services performed in the zone (from line 21)

Result 2

- The product of the following:
 - The Single Business Tax (SBT) Renaissance Zone Credit claimed for the tax year ending in 2007.
 - The ratio of the taxpayer's payroll in this State in the tax year divided by the taxpayer's payroll in this State in its SBT tax year ending in 2007.
 - The ratio of the taxpayer's Renaissance Zone Business Activity Factor for the tax year divided by the taxpayer's Renaissance Zone Business Activity Factor for its SBT tax year ending in 2007.

The credit allowed continues through the tax year in which the Renaissance Zone designation expires and is nonrefundable.

Business activities relating to a casino, including operating a parking lot, hotel, motel, or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying Property Tax, SBT, MBT or City Income Tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed.

For more information on Renaissance Zones, contact

the Michigan Economic Development Corporation (MEDC) at (517) 373-9808 or visit their Web site at <http://www.michiganadvantage.org/>. For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at (517) 636-6925.

Special Instructions for Unitary Business Groups

If the entity located and conducting business activity in the Renaissance Zone is a member of a Unitary Business Group (UBG), the Renaissance Zone Credit must be calculated at the member entity level. Calculation of the Renaissance Zone Credit should be done before elimination of intercompany transactions, such as rent payments by the member claiming this credit to another member of the UBG.

Include this form as part of the UBG's combined annual return. If more than one member is eligible for this credit, complete one Form 4595 for each eligible member (or multiple forms for a member that is located and has business activity in multiple Zones) and include all of them as part of the UBG's annual return. If filing multiples of Form 4595, enter the total of line 25b for all members on Form 4573, line 14.

When this form refers to "taxpayer," it is referring to the UBG member completing this form.

Line-by-Line Instructions

Lines not listed are explained on the form.

Name and Account Number: Enter name and account number as reported on page 1 of the annual return.

UBGs: Complete one form for each member for whom this schedule applies (or multiple forms for a member that is located and has business activity in more than one Zone). Enter the Designated Member (DM) name in the Taxpayer Name field, followed by the DM's Federal Employer Identification Number (FEIN), and the specific member of the UBG for which this form is filed, and its FEIN, on the line below. On the copy filed to report the DM's data (if applicable), enter the DM's name and account number on each line.

Line 1: Enter the tax liability before the Renaissance Zone Credit.

UBGs: This must be a pro forma tax liability of the member whose activity is represented on the form. See guidance on pro forma calculations in the "Supplemental Instructions for Standard Members in UBGs" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

Line 2: Enter the street address and parcel number of the property. Enter the name of the Zone or Subzone in which the property is included.

Check the certificated credit box if the Renaissance Zone designation is based on a Development Agreement or a Qualified Collaboration Agreement.

BUSINESS ACTIVITY CONDUCTED WITHIN THE RENAISSANCE ZONE

Line 3: Determine the **average value** of property by averaging the values at the start and end of the tax period. The State

Treasurer may require the periodic averaging of values during the tax year if reasonably required to reflect properly the average value of a taxpayer's property. Property owned by the taxpayer is valued at its original cost.

Line 4: Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

ADJUSTED SERVICES PERFORMED IN THE RENAISSANCE ZONE

Line 17: Enter the amount deducted in arriving at federal taxable income (as defined for MBT purposes) for the tax year for depreciation, amortization, or accelerated write-off for tangible property in a Zone exempt under Michigan Compiled Law (MCL) 211.7ff. Claim property exempt in the tax year; also claim new property that will be exempt in the immediately following tax year (i.e., property that has not been subject to, or exempt from, the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from, ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property).

Line 19: Only a person reporting under an MBT organization type of Individual, Partnership, or S Corporation should complete line 19. This includes a Limited Liability Company (LLC) that files its federal return as a Partnership or S Corporation.

NOTE: A person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for the purposes of filing the MBT annual return. This means that a disregarded entity for federal tax purposes, including a single member LLC or Q-Sub, must file as if it were a sole proprietorship if owned by an individual, or a branch or division if owned by another business entity.

Line 19a: UBGs: Enter the business income from the *MBT UBG Combined Filing Schedule for Standard Members*, Form 4580, Part 2A, line 30, for the member whose activity is reported on this copy of Form 4595.

Insurance companies and financial institutions: These types of taxpayers do not calculate business income as their tax base. For Renaissance Zone credit purposes, however, they must calculate and enter here pro forma business income. Use the *Business Income Worksheet* (Worksheet 4746), in Form 4600, to calculate business income. Attach that worksheet to the return. See MCL 208.1201 for further guidance.

Line 19b: UBGs: Enter the pro forma apportionment percentage from Form 4580, Part 2A, line 16a, for the member whose activity is reported on this copy of Form 4595.

Insurance companies and financial institutions: Unlike standard taxpayers, these types of taxpayers do not apportion their tax base by a sales factor. For Renaissance Zone credit purposes, however, they must calculate pro forma sales in Michigan and sales everywhere, and enter here a pro forma apportionment percentage based on those figures. See instructions for Form 4567 for guidance on the definition of sales and applicable sourcing provisions.

Line 20: Enter amount from line 18, or, if the taxpayer is an Individual, Partnership, S Corporation, or an LLC federally taxed as a Partnership or S Corporation, enter amount from line 19e.

TAXPAYERS FIRST LOCATED WITHIN THE RENAISSANCE ZONE BEFORE 12-31-2002 ONLY

Due to **Public Act 282 of 2014**, instructions that applied to taxpayers first located within the Renaissance Zone before 12-31-2002 now apply to taxpayers first located within the Renaissance Zone **BEFORE 12-01-2002**.

Line 22: Taxpayers first located within the Renaissance Zone before December 1, 2002, ONLY (all others, leave lines 22a through 22e blank). A taxpayer that is located and conducting business activity in two Zones will prepare two copies of Form 4595. Base each copy on the taxpayer's history in the Zone being reported.

Line 24: The following is an adjustment due to **Public Act 282 of 2014**.

For taxpayers first located within the Zone before December 1, 2002

Step 1: Determine the lesser of line 15 and line 21.

Step 2: Determine the greater of line 23 and the result of Step 1. Enter this amount on line 24.

All other taxpayers

Enter the lesser of line 15 and line 21.

Lines 25a and 25b: For a tax year that begins within one of the last three years of the Zone's designation, a reduced credit is allowed, as follows:

- For a tax year that begins within the second year before the final year of designation as a Renaissance Zone, 75 percent of the normally calculated credit is allowed.
- For a tax year that begins within the year before the final year of designation as a Renaissance Zone, 50 percent of the normally calculated credit is allowed.
- For a tax year that begins within the final year of designation as a Renaissance Zone, 25 percent of the normally calculated credit is allowed.

Line 25b: Multiply line 24 by the reduced credit percentage provided in the Reduced Credit Table. Carry amount to line 14 of the *MBT Miscellaneous Nonrefundable Credits* (Form 4573), or line 15 of the *MBT Miscellaneous Credits for Insurance Companies* (Form 4596).

If filing multiple 4595 forms, enter the total of line 25b for all Zones on Form 4573, line 14, or Form 4596, line 15, as applicable.

Include completed Form 4595 as part of the tax return filing.

Form 4, Instructions for Application for Extension of Time to File Michigan Tax Returns

Important Information

An extension of time to file is not an extension of time to pay. Read the Line-by-Line Instructions before completing Form 4. The form and payment must be postmarked on or before the original due date of the return.

NOTE: Public Act of 38 of 2011 established the Michigan Corporate Income Tax (CIT). The CIT took effect January 1, 2012, and replaced the Michigan Business Tax (MBT), except for certain businesses that opt to continue claiming certificated credits. **Fiscal Filers** of the CIT or MBT must consult either the "Supplemental Instructions for Standard Fiscal CIT Filers" section in the *CIT Forms and Instructions for Standard Taxpayers* (Form 4890) or the "Supplemental Instructions for Standard Fiscal MBT Filers" section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600), for additional details on completing Form 4.

NOTE: Business tax filers should check the box for CIT or MBT based on the business tax they plan to file. However, this form will extend both business taxes for the 2012 tax year if properly prepared meeting all listed conditions and filed timely. This form does not make the election to remain under the MBT.

Income Tax (Individual and Fiduciary)

File Form 4 or a copy of your federal extension. An extension of time to file the federal return automatically extends the time to file the Michigan return to the new federal due date. An extension of time to file is not an extension of time to pay. If you have not been granted a federal extension, the Michigan Department of Treasury (Treasury) will grant a 180-day extension for individual income tax and composite returns, or a 150-day extension for fiduciary returns.

- Do not file this form if a refund is expected or if you are not submitting payment with this form.
- If, at the time the extension is filed, it is determined additional Michigan tax is due, send the amount due and a completed Form 4 or a copy of your federal extension form. If filing Form 4, do not send a copy of the federal extension to Treasury. Retain a copy for your records. Extension requests received without payment on the account will not be honored and penalty and interest will accrue on the unpaid tax from the original due date of the return.

- Payments made to date include withholding, estimated tax payments, a credit forward from the previous tax year, and any other payments previously made for this tax year. Individual income tax filers should include any Michigan withholding.

CIT and MBT

Business tax filers must use this form to request an extension and must file it even if the Internal Revenue Service has approved a federal extension.

- If this form is properly prepared meeting all listed conditions and filed timely, Treasury will grant the taxpayer an extension to the last day of the eighth month beyond the original due date regardless of whether you are granted a federal extension.
- Do not send a copy of the federal extension to Treasury. Retain a copy for your records.
- An extension of time to file is not an extension of time to pay.** If there will be a business tax liability, payment must be included with this form and/or appropriate estimated tax payments must have been made during the tax year, **or the extension request will be denied.** Late filing penalty and interest will accrue on the unpaid tax from the original due date of the return.

Unitary Business Group (UBG)

A UBG must file a combined return for its business taxes under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the Designated Member (DM) of the group. Only the DM may submit a valid Form 4 for the UBG. If any other member submits Form 4, it will not extend the time for filing the combined return. Any payment included with such request will be applied to the UBG. If a UBG includes standard members and financial institutions, it will have two DMs and file two combined returns. In that case, a separate extension must be requested (if desired) for each combined return, through the DM designated on that return. For more information, see the "Supplemental Instructions for Standard Members in UBGs" section in Form 4890 or Form 4600.

Line-by-Line Instructions

Lines not listed are explained on the form.



Detach here and mail with your payment. Do not fold or staple the application.

Michigan Department of Treasury, Form 4 (Rev. 07-11)

Issued under the authority of Public Acts 281 of 1967 and 36 of 2007.

Application for Extension of Time to File Michigan Tax Returns

Make check payable to "State of Michigan." Print your **Social Security** or **account number** and "Michigan Extension" on the front of your check.

Mail to: Michigan Department of Treasury, PO Box 30774, Lansing, MI 48909-8274

<p>▶ 1. Extension request is for the following tax</p> <p>Check ONLY ONE</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Income Tax* </div> <div> <input type="checkbox"/> Fiduciary Tax* (includes Composite Filers) </div> </div> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Michigan Business Tax </div> <div> <input type="checkbox"/> Corporate Income Tax </div> </div> <p>* Do not file this form if a refund will be shown on the return.</p>	<p>▶ 2. Month and Year Your Tax Year Ends (MM-YYYY)</p> <p style="text-align: center;">—</p> <p>4. <input type="checkbox"/> Check if extension is requested for good cause — see instructions.</p> <p>▶ 6. <input type="checkbox"/> Check if an extension was granted for taxpayer's federal tax return.</p>	<p>▶ 3. Federal Employer Identification or TR Number</p> <p>▶ 5. Filer's Social Security Number</p> <p>▶ 7. Spouse's Social Security Number (If filing jointly)</p>
<p>▶ 8. Business or Trust Name</p>	<p>9. Tentative Annual Tax</p>	
<p>▶ 10. Taxpayer's Name (first name, middle initial, last name) or Fiduciary/Trustee Name</p>	<p>11. Total Payments Made to Date</p>	
<p>▶ 12. Mailing Address</p>	<p>▶ 13. Payment Amount</p>	<p>.00</p>

DO NOT WRITE IN THIS SPACE

Line 1: File a separate application for each tax type. Check the box next to the appropriate tax. If filing a Composite Income Tax return (for nonresident partners or shareholders), check the "Fiduciary Tax" box.

Line 2: Enter the month and year your tax year ends, NOT the date you are making the payment. For most individual income tax filers, this date is 12-2012.

Fiscal Year Filers (CIT): See "Supplemental Instructions for Standard Fiscal CIT Filers" in Form 4890.

Lines 3, 5, and 7: CIT, MBT, Fiduciary, and Composite filers, enter your FEIN or TR number on line 3. Income Tax filers only, enter your Social Security number on line 5 (and line 7 if filing jointly).

Line 4: Filers who have not been granted a federal extension may request an extension for good cause. Examples of good cause include, but are not limited to: (a) taxpayer's initial return, (b) taxpayer's final return, (c) a change in accounting period, and (d) taxpayer's books and records are not available or complete. **NOTE:** The inability to pay a tax due is not good cause.

Line 6: Check the box if you have been granted a federal extension. Retain a copy of your federal extension for your files. By checking the box on line 6, you are affirming that you have a federal extension in your possession. You must be able to produce a copy for verification, if requested.

Lines 8 and 10: If applicable, these lines must both be completed to avoid delays in processing.

Penalty and Interest

If the tax due is underestimated and sufficient payment is not paid with the application for extension, interest will be due on the unpaid or underpaid amount.

The interest rate is 1 percent above the adjusted prime rate and is adjusted on January 1 and July 1. Interest is charged from the original due date of the return to the date the balance of the tax is paid.

Any one of the following penalties may also apply to the unpaid tax:

- The initial penalty is 5 percent of tax due. Penalty increases by an additional 5 percent per month or fraction thereof, after the second month, to a maximum of 25 percent for failure to pay;
- 10 percent for negligence;
- 25 percent for intentional disregard of the law.

When You Have Finished

Detach Form 4 from the instructions and mail to the address on the form. MBT filers who submit a properly completed request will receive a written response at the legal address on file with Treasury. Income Tax and Fiduciary Tax filers will not receive a response.

Computation and Payment of Tax Due

Estimate tax liability for the year and pay any unpaid portion of the estimate with the application for extension.

A. Tax before credits.....	A. _____
B. Credits (if any).....	B. _____
C. Total annual tax liability. Subtract line B from line A. Enter here and carry to Form 4, line 9	C. _____
D. Payments made to date. Enter here and carry to Form 4, line 11 *	D. _____
E. Estimated balance due. Subtract line D from line C.....	E. _____
F. Amount paid with Form 4. Enter here and carry to Form 4, line 13	F. _____

* Payments made to date include withholding, estimated tax payments, a credit forward from the previous tax year, and any other payments previously made for this tax year.

2015 Supplemental Instructions for Standard Members in Unitary Business Groups (UBGs)

NOTE: These instructions for Unitary Business Groups (UBGs) are meant to supplement general instructions and form-specific instructions for standard taxpayers of the Michigan Business Tax (MBT), not to replace them.

Standard taxpayers and standard members refer to all taxpayers or UBG members, respectively, other than financial institutions or insurance companies. Financial institutions that are members of a UBG should see “Supplemental Instructions for Financial Institution Members in UBGs” in the *MBT Forms and Instructions for Financial Institutions* (Form 4599).

There is not a corresponding supplement for insurance companies because, although they can be members of a UBG, they do not file combined returns.

Introductory pages of this MBT instruction booklet contain general information designed to assist in identifying the existence and membership of a UBG. The following instructions address:

- Filing combined returns by different member types within a UBG.
- Understanding the role of the Designated Member (DM).

For each type of UBG member that is reported on a combined return (standard and financial institution), there is a required form that collects data that is necessary for preparation of a combined return:

- The *MBT Unitary Business Group Combined Filing Schedule for Standard Members* (Form 4580) supports a combined return of standard members to be filed on the *MBT Annual Return* (Form 4567).
- The *MBT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4752) supports a combined return of financial institution members to be filed on the *MBT Annual Return for Financial Institutions* (Form 4590).

Guidance that is specific to only one form is contained in the instructions for that form, in sections titled either “Special Instructions for Unitary Business Groups” or simply “UBGs.” With the exception of a section providing supplemental instructions for the *MBT Tax Loss Adjustment for the Small Business Alternative Credit* (Form 4575), the following are instructions that apply to more than one form.

Special Instructions and the Designated Member

Special Instructions for the Annual Return

By definition, a UBG can include standard members, insurance companies, and financial institutions. However, in some cases not all members of the UBG will be included on the same return. All standard members in a UBG (except those owned by and unitary with a financial institution) file a single combined return on Form 4567. Financial institution members of a UBG (and any standard member owned by and unitary with a financial institution in the group) file a combined return on Form 4590. Insurance company members of a UBG each file separately on Form 4588.

Before completing a combined return, UBGs should first complete the Form 4580 or Form 4752. These forms are used to gather and combine data from each member included in the combined filing schedule and eliminate intercompany transactions where applicable, to support the primary return. Insurance companies that are part of a UBG will each file a separate Form 4588, but should be listed as an excluded affiliate with an incompatible tax base on Form 4580 or Form 4752, as applicable.

NOTE: If a member of a UBG holds a certificated credit and wishes to claim that credit, the group and not the member, must make the election to remain taxable under the MBT. The entire UBG will remain taxable until the certificated and any carryforward of that credit is exhausted.

The Designated Member (DM)

A UBG combined return of standard members is filed under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the DM of the standard member group. Designated Member means a UBG member that has nexus with Michigan and will file the combined MBT return on behalf of the standard members of the group. In a brother-sister controlled group, any member with nexus may be designated to serve as DM. In a parent-subsidiary controlled group or a combined controlled group (an interlocking combination of a parent-subsidiary group and a brother-sister group), the controlling member must serve as DM if it has nexus with Michigan. If it does not have nexus, the controlling member may appoint any member with nexus with Michigan to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a group member or the controlling member attains Michigan nexus. The filing period of a combined return is based on the tax year of the DM.

If a UBG is comprised of both standard members and financial institutions, the UBG will have two DMs (one for the standard members completing Form 4567 and related forms, and one for the financial institution members completing Form 4590 and related forms). If the standard members are owned by a financial institution, they will file on the financial UBG return, Form 4590.

NOTE: If the UBG filed MBT in 2011 and elected to file MBT in 2012, then the UBG must use the same DM if the DM still has nexus and is still a member of the UBG in 2012. If the DM no longer has nexus or is no longer a member of the UBG, then the UBG must select a new DM.

Role of the DM: The DM speaks, acts, and files the MBT return on behalf of the group for MBT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group’s MBT tax data (e.g., prior MBT returns, business loss carryforward, tax credit carryforward, overpayment credit forward) under the DM’s name and account number. The designated member must be of the same taxpayer type (standard or financial institution) as the members for which it files a combined return.

Special Instructions for Supporting Forms

Most forms are completed by UBGs on a group basis. However, the following forms must be completed with entity-specific data, rather than groupwide data:

- *Michigan Historic Preservation Tax Credit* (Form 3581)
- *MBT Loss Adjustment for the Small Business Alternative Credit* (Form 4575). (In some circumstances, a separate copy of Form 4575 also is completed with groupwide data.)
- *MBT Schedule of Shareholders and Officers* (Form 4577)
- *MBT Schedule of Partners* (Form 4578)
- *MBT Qualified Affordable Housing Seller's Deduction* (Form 4579)
- *MBT Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax* (Form 4585)
- *MBT Schedule of Business Activity Protected Under Public Law 86-272* (Form 4586) or *MBT Schedule of Business Activity for Non-Designated Members of a Unitary Business Group Protected Under Public Law 86-272* (Form 4581), as applicable.
- *Michigan Farmland Preservation Tax Credit* (Form 4594)
- *MBT Renaissance Zone Credit Schedule* (Form 4595)
- *Gross Receipts Worksheet* (Worksheet 4700)
- *Business Income Worksheet* (Worksheet 4746).

If more than one member completes one of these forms, multiple copies of that form must be included in the group's combined return.

In addition, many credits require an entity-specific calculation of a credit amount. The following table provides a summary of UBG credit calculations, where:

A) The test or criteria to qualify for the credit should be applied on a group basis (G) or a separate entity basis (E),

B) If the qualification test is satisfied, the calculation of the available credit amount should be on a group basis (G) or a separate entity basis (E),

C) Calculation of the credit should be done after elimination of intercompany transactions (Y or N). Note: This applies only to the calculation of the credit. The tax liability of the UBG against which the credit will be applied is calculated after elimination of all intercompany transactions from the tax bases and apportionment.

Credit	(A)	(B)	(C)
Anchor Company Payroll Credit	E	E	N
Anchor Company Taxable Value Credit	E	E	N
Arts and Culture Credit	G	G	N
Bottle Deposit Administration Credit	E	E	N
Brownfield Redevelopment Credit	E	E	N
Community or Education Foundation Credit	G	G	N
Compensation Credit	G	G	N
Farmland Preservation Credit	E	E	N
Film Infrastructure Credit	E	E	N
Film Job Training Credit	E	E	N

Credit	(A)	(B)	(C)
Film Production Credit	E	E	N
Gross Receipts Filing Threshold Credit	G	G	N
Historic Preservation Credit	E	E	N
Homeless Shelter/Food Bank Credit	G	G	N
Hybrid Technology Research and Development Credit	E	E	N
Individual or Family Development Account Credit	G	G	N
International Auto Show Credit	E	E	N
Investment Tax Credit	G	G	*
Large Food Retailer Credit	G	G	N
Low-Grade Hematite Credit	G	G	N
MEGA Advanced Lithium Ion Battery	E	E	N
MEGA Battery Cell Sourcing	E	E	N
MEGA Employment Tax Credit	E	E	N
MEGA Federal Contract Credit	E	E	N
MEGA Large Scale Battery Credit	E	E	N
MEGA Photovoltaic Credit	E	E	N
MEGA Plug-In Traction Battery Integration	E	E	N
MEGA Plug-In Traction Battery Manufacturing Carryforward	E	E	N
MEGA Poly-silicon Energy Cost Credit	E	E	N
Mid-size Food Retailer Credit	G	G	N
NASCAR Speedway Credit	E	E	N
New Motor Vehicle Dealer Inventory Credit	E	E	N
Next Energy Business Activity Credit	E	E	N
Next Energy Payroll Credit	E	E	N
Personal Property Tax Credit	G	G	N
Private Equity Fund Credit	E	E	N
Public Contribution Credit	G	G	N
Renaissance Zone Credit	E	E	N
Research and Development Credit	G	G	N
Small Business Alternative Credit	G	G	N
Start-up Business Credit	E	E	N
Workers' Disability Supplemental Benefit Credit	G	G	N

* Assets transferred between members of the group are not a capital investment in qualifying assets for purposes of calculating this credit. Intercompany eliminations are otherwise not applicable.

The available amount of each of the above credits is taken against the entire group's tax liability. Additional UBG instructions are provided on forms where these credits are calculated.

If the UBG is comprised of both standard members and financial institutions, two copies of supporting forms will be completed (one group of supporting forms for the standard members' annual return and one group of supporting forms for the financial institutions' annual return).

Pro Forma Calculations for Certain Credits

For some credits, evaluation of whether a UBG is qualified to

claim the credit is based on characteristics and activities of a single member, rather than the group as a whole. Similarly, for some credits, after it is determined that a UBG is qualified to claim the credit, calculation of the amount of credit available is based on data of a single member, rather than the group. Each credit requiring this method is identified on the form on which it is calculated. A pro forma MBT liability is required for the member generating the credit.

Where a pro forma calculation is required, the underlying objective is to determine what the tax liability (immediately prior to the credit) of the UBG member generating the credit would have been if that member was not included in the group. Therefore, the member generating the credit must calculate its pro forma tax liability as if it was a singular, stand-alone taxpayer in all aspects. This supporting pro forma calculation should be provided in a statement attached to the return. However, this calculation and its results should never be transferred to Form 4567 or displayed in a layout similar to Form 4567.

Effects of Members Joining a Group

When an entity becomes a member of a UBG part way through the member’s tax year, for MBT purposes the new member will experience a short tax year beginning on the date the member joins the group, even if it does not have a short period for federal purposes.

For both the UBG return and the new member’s separate short period return, tax bases will be calculated using actual numbers from the applicable short period of the new member.

If a member that is new to the group brings with it a certificated credit or carryforward of a certificated credit, the UBG taxpayer will continue to apply the choice it made for the first tax year ending after December 31, 2011, concerning the MBT election. Or, in the case of a qualifying brownfield or historic preservation credit — the election made by the group at a later time. If the joining member brings a qualifying brownfield or historic preservation credit for which credit amount remains available, the UBG taxpayer may make the election to be taxable under the MBT in a year in which credit amount is available and must remain taxable under the MBT for all years in which brownfield or historic preservation credit amount is available if the election is made.

Effects of Members Leaving a Group

When a member of a UBG ceases to be a member part way through the member’s tax year, for MBT purposes the departing member will experience a short tax year ending on the departure date, even if it does not have a short period for federal purposes.

For both the UBG return and the departing member’s separate short period return, tax bases will be calculated using actual numbers from the applicable short period of the departing member.

When a member leaves the UBG other than at the end of its federal tax year, any available certificated credit generated by the member will be allocated to the period that includes the effective date of the certificate. A credit carryforward

attributable to the departing member and existing in the departing member’s (or the group’s) account prior to leaving the group typically will be applied first to the group return for the group filing period that includes the end of the departing member’s short state tax year that ended upon leaving the group. Any carryforward remaining after that application (i.e., neither consumed or expired) will, generally, be fully available for use by the departing member.

If the remaining UBG does not hold a certificated credit after the departing member leaves with credit then the group is no longer eligible to continue under the MBT. If the departing member joins another UBG, bringing the certificated credit, the UBG taxpayer will continue to apply the choice it made concerning the credit election. (In the case of qualifying brownfield and historic preservation certificated credits, see “Effects of Joining a Group” for more detail.) If the departing member becomes a solo filer with remaining certificated credit, that member will continue to file under the MBT until the credit is used up. These results do not change if the departing member is the DM.

Other UBG-Related Issues

An affiliated person that is excluded from membership in a UBG because it is a foreign person, which has nexus and meets the applicable filing threshold, must file a separate MBT return.

Supplemental Instructions for the MBT Loss Adjustment for the Small Business Alternative Credit, Form 4575

For the purpose of applying loss adjustment from a member’s separately filed year, when members’ separate years share a common year end and the amount of available loss from a single tax year exceeds the amount needed to offset the UBG’s adjusted business income (ABI) disqualifier, the portion of available loss from that tax year used by each member to offset the group’s disqualifier must reflect the proportion of each member’s total loss available from that tax year with respect to the total loss available to the UBG from the same tax year.

EXAMPLE: (Note that while the dates in the following example don’t apply to a tax year 2014 return, the concept remains the same.) The total loss adjustment needed to reduce a UBG’s ABI disqualifier is \$65. The UBG has loss available in the amount of \$50 from its 2008 tax year, which had a tax year end of December 31, 2008. Member A, who was included in the UBG’s 2008 tax year return, has loss available in the amount of \$20 from its 2006 SBT tax year which ended September 30, 2006. Member B, who became a member of the UBG during the current tax year due to a change in ownership, has loss available in the amount of \$25 from its 2006 SBT tax year which ended September 30, 2006, and loss available in the amount of \$25 from its separate 2008 tax year which ended September 30, 2008. Member C also became a member of the UBG during the current tax year and has loss available in the amount of \$75 from its separate 2008 tax year which ended September 30, 2008.

In this example, three columns of the table will be populated: one column with a tax year end of 09-30-2006 and available loss of \$45; a second column with a tax year end of 09-30-

2008 and available loss of \$100; and a third column with a tax year end of 12-31-2008 and available loss of \$50. Because loss is used on a first-in, first-out basis, the group will use the entire amount of loss available (\$45) from the column with the 09-30-2006 tax year end; that is, all of Member A's available loss (\$20) from its 2006 SBT year, as well as all of Member B's available loss from its 2006 SBT year (\$25). The use of the members' losses must be maintained in the taxpayer's records. The remaining \$20 of loss adjustment needed to reduce the groups' ABI disqualifier will be subtracted from the loss available in the second column with the 09-30-2008 year end. Members B and C will account for this adjustment in their records in a proportional manner. That is, Member B will record a \$5 loss adjustment used from its 2008 separate tax year, or the remaining loss adjustment needed to reduce the group's ABI disqualifier (\$20) multiplied by a fraction, the numerator of which is Member B's available loss (\$25) and the denominator of which is the total loss available in the second column (\$100). Likewise, Member C will record a loss adjustment used of \$15. Thus, in subsequent tax years, the UBG will have the following remaining loss available to reduce its ABI disqualifier: Member B's available loss in the amount of \$20 from its 2008 separate tax year; Member C's available loss in the amount of \$60 from its 2008 separate tax year, and the UBG's available loss in the amount of \$50 from its 2008 tax year. The loss available to the UBG to reduce its ABI disqualifier will not be affected by Member B's or C's use, if any, of available loss from their separate tax years to reduce their respective shareholder income disqualifiers.

Further Guidance on Existence and Membership of a UBG

For further guidance, please consult the following:

- Online at www.michigan.gov/treasury/: Click on "Reports and Legal Resources" for information on Revenue Administrative Bulletins (RABs). Of particular interest are RAB 2010-1, MBT—Unitary Business Group Control Test, and RAB 2010-2, MBT—Unitary Business Group Relationship Tests.

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.

 00

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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
21. Dividend and interest income	21.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
22. Receipts from gratuities stipulated on a bill	22.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
23. Receipts from gross commissions earned	23.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
24. Receipts from client reimbursed expenses not obtained in an agency capacity	24.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
25. Gross proceeds from intercompany sales	25.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
26. Rents	26.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
27. Royalties	27.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
28. Sales of scrap and other similar items	28.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
29. Other receipts not included in previous lines	29.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
30. Add lines 20 through 29	30.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
31. SUBTOTAL Add line 19 and line 30	31.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00

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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
34. Amounts excluded from gross income of a foreign corporation engaged in the international operation of aircraft under IRC § 883(a)	34.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
35. Amounts received by advertising agency used to acquire advertising media time, space, production, or talent on behalf of another person	35.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
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.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
39. Proceeds from original issue of stock or equity instruments or equity issued by a regulated investment company as defined in IRC § 851	39.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
40. Proceeds from the original issue of debt instruments	40.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
41. Refunds from returned merchandise	41.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00
42. Cash and in-kind discounts	42.	<table border="1" style="display: inline-table; width: 100px; height: 15px; vertical-align: middle;"></table> 00

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
52. 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:			
a. 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
b. 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
54. 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.		00
55. 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	55.		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
57. 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.		00
58. 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)	58.		00

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 ⁽¹⁾	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, 2015, through September 30, 2016, 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, 2016, 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 ⁽⁹⁾ ..	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
64a.	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	64a.	00
64b.	Exclusion of amounts attributed to the taxpayer pursuant to a discharge of indebtedness as described under IRC 61(a)(12), including forgiveness of a nonrecourse debt.	64b.	00
65.	Add lines 32 through 47, 48c, 49c, 50c, and 51 through 64b	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
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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.

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Business Income 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). This worksheet will calculate business income as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce business income not identified by specific lines on this worksheet, and report that amount on the most appropriate line. Include an attachment explaining that 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 (UBG) must complete and attach a worksheet for each member.

PART 1: INDIVIDUALS AND FIDUCIARIES

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|--|-----|--|----|
| 1. U.S. Form 1040, Schedule C or C-EZ, net profit/loss..... | 1. | | 00 |
| 2. U.S. Form 1040, Schedule D, gain/loss ^(a) | 2. | | 00 |
| 3. U.S. Form 1040, Schedule E, line 26 rent and royalty income/loss | 3. | | 00 |
| 4. U.S. Form 4797 gain/loss not included in Schedule D ^(a) | 4. | | 00 |
| 5. Domestic Production Activities deduction based on IRC § 199 reported on U.S. Form 8903, to the extent deducted from federal taxable income | 5. | | 00 |
| 6. Other Income. Include an attachment explaining this line | 6. | | 00 |
| 7. Total business income before adjustment. Add lines 1 through 6..... | 7. | | 00 |
| 8. Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC. If adjustment is negative, enter as negative: | | | |
| a. Net bonus depreciation adjustment ^(b) | 8a. | | 00 |
| b. Gain/loss adjustment on the sale of an eligible depreciable asset ^(c) | 8b. | | 00 |
| 9. Add lines 8a and 8b. If negative, enter as negative..... | 9. | | 00 |
| 10. Total business income after adjustment. Add lines 7 and 9. Carry amount to Form 4567, line 28.
For a UBG member, carry amount to Form 4580, Part 2A, line 30 | 10. | | 00 |

PART 2: C CORPORATIONS

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|--|------|--|----|
| 11. Federal taxable income from U.S. Form 1120..... | 11. | | 00 |
| 12. Domestic Production Activities deduction based on IRC § 199 reported on U.S. Form 8903, to the extent deducted from federal taxable income | 12. | | 00 |
| 13. Miscellaneous. Include an attachment explaining this line | 13. | | 00 |
| 14. Total business income before adjustment. Add lines 11, 12 and 13 | 14. | | 00 |
| 15. Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC. If adjustment is negative, enter as negative: | | | |
| a. Net bonus depreciation adjustment ^(b) | 15a. | | 00 |
| b. Gain/loss adjustment on the sale of an eligible depreciable asset ^(c) | 15b. | | 00 |
| 16. Add lines 15a and 15b. If negative, enter as negative..... | 16. | | 00 |
| 17. Total business income after adjustment. Add lines 14 and 16. Carry amount to Form 4567, line 28.
For a UBG member, carry amount to Form 4580, Part 2A, line 30 | 17. | | 00 |

PART 3: PARTNERSHIPS AND S CORPORATIONS

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|---|------|--|----|
| 18. U.S. Form 1065, or 1120S Schedule K, Income (loss): | | | |
| a. Ordinary income/loss..... | 18a. | | 00 |
| b. Net real estate rental income/loss | 18b. | | 00 |
| c. Net other rental income/loss..... | 18c. | | 00 |
| d. Interest, dividend, and royalty income | 18d. | | 00 |
| e. Net short-term gain/loss | 18e. | | 00 |
| f. Net long-term gain/loss..... | 18f. | | 00 |
| g. Other portfolio income/loss..... | 18g. | | 00 |
| h. Guaranteed payments to partners or wages paid to a member of a LLC Partnership | 18h. | | 00 |
| i. Other net gain/loss under section 1231..... | 18i. | | 00 |
| j. Other income. Include an attachment explaining this line | 18j. | | 00 |
| 19. Total income/loss. Add lines 18a through 18j..... | 19. | | 00 |

PART 3: PARTNERSHIPS AND S CORPORATIONS (CONT.)

20. U.S. Form 1065 or 1120S, Schedule K, Deductions:

a. Charitable contributions.....	20a.		00
b. Section 179 expense.....	20b.		00
c. Deductions related to portfolio income.....	20c.		00
d. Other deductions, excluding deductions for domestic production activities (IRC § 199). Include an attachment explaining this line.	20d.		00
21. Total deductions. Add lines 20a through 20d.....	21.		00
22. Total business income before adjustments. Subtract line 21 from line 19.....	22.		00
23. Adjustments due to decoupling of Michigan depreciation from section 168(k) of IRC (If adjustment is negative, enter as negative):			
a. Net bonus depreciation adjustment ^(b)	23a.		00
b. Gain/loss adjustment on the sale of an eligible depreciable asset ^(c)	23b.		00
24. Add lines 23a and 23b. If negative, enter as negative.....	24.		00
25. Total business income after adjustment. Add lines 22 and 24. Carry amount to Form 4567, line 28. For a member of a UBG, carry amount to Form 4580, Part 2A, line 30.....	25.		00

(a) U.S. Forms 1040D and 4797: Report only gains or losses from assets used in a business activity. Do not include personal gains and losses.

(b) For the computation of business income for Michigan Business Tax (MBT) purposes, persons who claimed a federal special depreciation deduction under IRC § 168(k) on property first placed in service in 2008 or later must calculate the net bonus depreciation adjustment on those assets as follows: net bonus depreciation adjustment in tax year equals the total federal depreciation claimed in tax year less the total amount of depreciation that would be claimed in the federal return in the tax year if the person had elected not to utilize the bonus depreciation allowance at IRC § 168(k). A person may not elect IRC § 179 expensing of an asset for MBT purposes if it did not elect to use IRC § 179 for that asset federally.

(c) For the computation of business income for MBT purposes, persons who claimed a federal special depreciation deduction under IRC § 168(k) on property first placed in service in 2008 or later and subsequently disposed of that property in the current tax year must calculate the gain/loss adjustment on the sale of those assets as follows: gain/loss adjustment in tax year equals the total amount of federal depreciation that would be claimed in the federal return over the years (starting the year the asset was placed in service and ending on the current tax year) if the person had elected not to utilize the bonus depreciation allowance at IRC § 168(k) on the property being disposed LESS the total federal depreciation claimed over the years (starting the year asset was placed in service and ending on the current tax year). A person may not elect IRC § 179 expensing of an asset for MBT purposes if it did not elect to use IRC § 179 for that asset federally.

Country Codes

Countries are identified by two-letter codes – Country Codes – which are required on some Michigan Business Tax (MBT) forms, including the annual returns. The following is a list of countries and their codes.

AF Afghanistan	CK Cook Islands	IN India	NR Nauru	SB Solomon Islands
AX Åland Islands	CR Costa Rica	ID Indonesia	NP Nepal	SO Somalia
AL Albania	CI Côte D'ivoire	IR Iran	NL Netherlands	ZA South Africa
DZ Algeria	HR Croatia	IQ Iraq	AN Netherlands Antilles	GS S. Georgia, Sandwich
AS American Samoa	CU Cuba	IE Ireland	NC New Caledonia	KR South Korea
AD Andorra	CY Cyprus	IM Isle Of Man	NZ New Zealand	ES Spain
AO Angola	CZ Czech Republic	IL Israel	NI Nicaragua	LK Sri Lanka
AI Anguilla	CD Dem. Rep. of Congo	IT Italy	NE Niger	SD Sudan
AQ Antarctica	DK Denmark	JM Jamaica	NG Nigeria	SR Suriname
AG Antigua & Barbuda	DJ Djibouti	JP Japan	NU Niue	SJ Svalbard, Jan Mayen
AR Argentina	DM Dominica	JE Jersey	NF Norfolk Island	SZ Swaziland
AM Armenia	DO Dominican Republic	JO Jordan	KP North Korea	SE Sweden
AW Aruba	EC Ecuador	KZ Kazakhstan	MP N. Mariana Islands	CH Switzerland
AU Australia	EG Egypt	KE Kenya	NO Norway	SY Syrian Arab Republic
AT Austria	SV El Salvador	KI Kiribati	OM Oman	TW Taiwan
AZ Azerbaijan	GQ Equatorial Guinea	KW Kuwait	PK Pakistan	TJ Tajikistan
BS Bahamas	ER Eritrea	KG Kyrgyzstan	PW Palau	TZ Tanzania
BH Bahrain	EE Estonia	LA Laos	PS Palestinian Occ. Terr.	TH Thailand
BD Bangladesh	ET Ethiopia	LV Latvia	PA Panama	TL Timor-Leste
BB Barbados	FK Falkland Islands	LB Lebanon	PG Papua New Guinea	TG Togo
BY Belarus	FO Faroe Islands	LS Lesotho	PY Paraguay	TK Tokelau
BE Belgium	FJ Fiji	LR Liberia	PE Peru	TO Tonga
BZ Belize	FI Finland	LY Libya	PH Philippines	TT Trinidad & Tobago
BJ Benin	FR France	LI Liechtenstein	PN Pitcairn	TN Tunisia
BM Bermuda	GF French Guiana	LT Lithuania	PL Poland	TR Turkey
BT Bhutan	PF French Polynesia	LU Luxembourg	PT Portugal	TM Turkmenistan
BO Bolivia	TF Fr. Southern Terr.	MO Macao	PR Puerto Rico	TC Turks & Caicos
BA Bosnia, Herzegovina	GA Gabon	MK Macedonia	QA Qatar	TV Tuvalu
BW Botswana	GM Gambia	MG Madagascar	RE Réunion	UG Uganda
BV Bouvet Island	GE Georgia	MW Malawi	RO Romania	UA Ukraine
BR Brazil	DE Germany	MY Malaysia	RU Russian Federation	AE United Arab Emir.
IO Brit. Ind. Ocean Terr.	GH Ghana	MV Maldives	RW Rwanda	GB United Kingdom
BN Brunei Darussalam	GI Gibraltar	ML Mali	BL St. Barthélemy	US United States
BG Bulgaria	GR Greece	MT Malta	SH St. Helena	UM U.S. Minor Out. Isl.
BF Burkina Faso	GL Greenland	MH Marshall Islands	KN St. Kitts & Nevis	UY Uruguay
BI Burundi	GD Grenada	MQ Martinique	LC St. Lucia	UZ Uzbekistan
KH Cambodia	GP Guadeloupe	MR Mauritania	MF St. Martin	VU Vanuatu
CM Cameroon	GU Guam	MU Mauritius	PM St. Pierre & Miquelon	VE Venezuela
CA Canada	GT Guatemala	YT Mayotte	VC St. Vincent, Grenad.	VN Vietnam
CV Cape Verde	GG Guernsey	MX Mexico	WS Samoa	VG Virgin Islands, British
KY Cayman Islands	GN Guinea	FM Micronesia	SM San Marino	VI Virgin Islands, U.S.
CF Cent. African Repub.	GW Guinea-Bissau	MD Moldova	ST Sao Tome & Principe	WF Wallis & Futuna
TD Chad	GY Guyana	MC Monaco	SA Saudi Arabia	EH Western Sahara
CL Chile	HT Haiti	MN Mongolia	SN Senegal	YE Yemen
CN China	HM Heard, McDonald Isl.	ME Montenegro	RS Serbia	ZM Zambia
CX Christmas Island	VA Holy See (Vatican)	MS Montserrat	SC Seychelles	ZW Zimbabwe
CC Cocos Islands	HN Honduras	MA Morocco	SL Sierra Leone	
CO Colombia	HK Hong Kong	MZ Mozambique	SG Singapore	XX Countries-Other
KM Comoros	HU Hungary	MM Myanmar	SK Slovakia	
CG Congo	IS Iceland	NA Namibia	SI Slovenia	