**Attachment 20**

# 2016 MICHIGAN Farmland Preservation Tax Credit

## Corporate Farm Owners, Estates or Trusts

Issued under authority of Public Act 451 of 1994. Type or print in blue or black ink.

1. Return is for calendar year 2016 or for tax year beginning: (MM-DD-YYYY) ______ and ending: (MM-DD-YYYY) ______

| | | | | |
|---|---|---|---|---|
| 2. Taxpayer Name | | | | 5. Federal Employer Identification No. (FEIN) or TR No. |
| Doing Business As (DBA) | | | | 6. Organization Type: ☐ Fiduciary ☐ S Corporation / LLC S Corporation ☐ C Corporation / LLC C Corporation |
| Street Address | | | | |
| City | State | ZIP/Postal Code | Country Code | |
| 3. NAICS (North American Industry Classification System) Code | 4. Principal Business Activity | | | 7. Business Start Date / 8. If Discontinued, Effective Date |

***This form can only be filed with a Michigan Business Tax return.***
*If you have agreements entered into on or after January 1, 1978, determine your qualification by using the formula in Part 1, line 13, or line 18. Once you elect a qualification formula, all future claims must be filed using that formula.*

## PART 1: GROSS RECEIPTS QUALIFICATION

**If all contracts were entered into before January 1, 1978, go to Part 2.**

| | A 1st Year | B 2nd Year | C 3rd Year | D 4th Year | E 5th Year |
|---|---|---|---|---|---|
| 9. Years preceding the claim year | | | | | |
| 10. Property taxes on enrolled land | | | | | |
| 11. Multiply line 10 by five | | | | | |
| 12. Agricultural gross receipts | | | | | |

13. ☐ Check here if line 12 is greater than line 11 in at least three of the five years preceding the claim year AND you elect this qualification.

| | | |
|---|---|---|
| 14. Property taxes on enrolled land in the first year under contract | 14. | 00 |
| 15. Multiply the property taxes on line 14 by five | 15. | 00 |
| 16. Agricultural receipts for averaging. Enter total of line 12, columns A, B, and C | 16. | 00 |
| 17. Average Gross Receipts. Divide line 16 by three | 17. | 00 |

18. ☐ Check here if line 17 is greater than line 15 AND you elect this qualification.

## PART 2: TAXES THAT CAN BE CLAIMED FOR CREDIT AND ALLOCATION TO EACH AGREEMENT

Complete columns A through D and lines 21 through 29. If you have more than one agreement, complete columns E and F. Attach copies of property tax statements for all land under agreements. Be sure the corresponding agreement number is on each tax statement. Enter amounts in whole dollars only (no cents).

| 19. A Agreement Number: County Code (2 Digits) | Contract Number | Expiration Date (Enter as MMDDYY) | B Check (X) if 2015 or 2016 Paid Tax Receipts Attached | C Date of Agreement (MM-DD-YYYY) | D Total Tax For Each Agreement | E Divide Each Amount in Column D by Total on Line 20, Column D | F Allocated Tax Credit Multiply Line 29 by Percentage in Column E |
|---|---|---|---|---|---|---|---|
| | | | | | | % | |
| | | | | | | % | |
| | | | | | | % | |
| | | | | | | % | |
| 20. Total of columns D, E, and F | | | | | | % | |



Continue on Page 2.

FEIN or TR No.

| | | |
|---|---|---|
| 21. If lines 13 or 18 are checked, enter taxes from line 19, column D, on land enrolled after December 31, 1977. Otherwise, enter zero | 21. | 00 |
| 22. Taxes from line 19, column D, on land enrolled before January 1, 1978 | 22. | 00 |
| 23. Taxes qualifying for credit. Add lines 21 and 22 | 23. | 00 |

## PART 3: TAXES THAT CANNOT BE CLAIMED FOR CREDIT

| | | |
|---|---|---|
| 24. Amount from Form 4567, line 47 | 24. | 00 |
| 25. Depletion allowance claimed on your federal income tax return | 25. | 00 |
| 26. Compensation of shareholders | 26. | 00 |
| 27. Total. Add lines 24 through 26. If less than zero, enter zero | 27. | 00 |
| 28. Taxes that cannot be claimed for credit. Multiply line 27 by 3.5% (0.035) | 28. | 00 |

## PART 4: CREDIT

| | | |
|---|---|---|
| 29. Farmland Preservation Tax Credit. Subtract line 28 from line 23. If line 28 is greater than line 23, enter zero. Enter this amount on Form 4574, line 15 | 29. | 00 |

# Instructions for Form 4594
# Michigan Farmland Preservation Tax Credit

## Purpose

The Farmland Preservation Tax Credit gives a share of the property tax paid on farmland back to farmland owners. Farmland owners qualify for credit by agreeing to keep the land as farmland and not develop it for another use.

**NOTE:** This form must be filed with the *Michigan Business Tax Annual Return* (Form 4567). Unlike some earlier years, Form 4594 cannot be filed as a stand-alone document.

**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. 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.

## What's New

Farmland Preservation Tax Credits are granted in connection with farmland development rights agreements under the Natural Resources and Environmental Protection Act (NREPA), and are certificated credits when claimable against the MBT. Public Act 426 of 2016 amended the Michigan Business Tax (MBT) Act to allow some trusts (such as grantor trusts) and estates with a certificated Farmland Preservation Tax Credit to elect to file a return and pay the tax under the MBT in order to claim the credit, under certain circumstances.

Specifically, **if all the following conditions are met**, a trust or estate may make the MBT election and claim the credit in the first tax year in which that certificated credit could be claimed under the MBT, even if that tax year is later than the first tax year beginning after December 31, 2011:

- A Farmland Preservation Tax Credit has been claimed in a previous tax year under Part 1 of the Income Tax Act (individual income tax, IIT);
- That farmland preservation tax credit is no longer eligible to be claimed against the IIT as a result of the death occurring after December 31, 2011, of the individual farmland owner or the individual considered the farmland owner under NREPA; and,
- The ownership of the farmland property upon which that credit was based is transferred into (or reverts to) an estate or trust.

The taxpayer must continue to file an MBT return and pay the tax for each subsequent tax year until that certificated credit is complete and used up, or the taxpayer no longer owns the property subject to the agreement, whichever occurs first. When the earlier event occurs, the taxpayer will no longer be eligible to file under the MBT and will no longer be able to claim any other remaining certificated credits.

PA 426 of 2016 is retroactive and effective for tax years beginning after December 31, 2011. Normal statute of limitations restrictions apply.

**Example:** Joe is the grantor of a revocable grantor trust. Farmland subject to a development rights agreement under the NREPA is held in the trust. Because for income tax purposes a grantor trust is disregarded, Joe reports the attributes of the grantor trust on his individual income tax (IIT) return. Therefore, Joe claims the Farmland Preservation Tax Credit on his Michigan IIT return for year 2013. In 2014, Joe dies and the grantor trust becomes irrevocable. A final, part-year IIT return is filed for Joe, which claims a proportionate share of the credit. The trust may be entitled to the rest of 2014's credit. Because the trust cannot claim the credit under the IIT, the credit must be claimed under the MBT. Before PA 426 was enacted, the trust would not be eligible to make a valid MBT election and could no longer claim the credit. The trust may now elect to file and pay the MBT and claim the credit for tax year 2014. The 2014-2016 MBT returns can be filed in 2017 (or later, if not closed to the statute of limitations).

## Requirements

To qualify, the following requirements must be met:

- Taxpayer must own farmland, and
- Taxpayer must have entered into a Farmland Development Rights Agreement (FDRA) with the Michigan Department of Agriculture and Rural Development (MDARD).

If agreements were entered into on or after January 1, 1978, the gross receipts qualifications in Part 1 must be met.

## Farmland Development Rights Agreement

Through an FDRA, a taxpayer may receive property tax relief in return for a pledge not to change the use of the taxpayer's lands.

**NOTE:** The FDRA restricts development of land. Before making any changes to property covered under this agreement or to its ownership, consult the MDARD. Some changes may make property ineligible for credit.

## Filing the Correct Form

The following should file using Form 4594:

- Estates, include property taxes from the date of death and farm income required to be reported on the entity's U.S. Form *1041.*
- Corporations other than S Corporations.
- S Corporations that had an FDRA before January 1, 1989, and in 1991 elected to file under the Single Business Tax (SBT) Act on the *Farmland Preservation Tax Credit* (Form C-8022).
- Trusts, except as noted below.

The following should file using MI-1040CR-5:

- Individuals who own a farm independently.
- Representatives of deceased individuals who were unmarried at time of death. Include property taxes and income

from January 1 to the date of death.

- Partnerships.
- Joint owners.
- S Corporation shareholders, except shareholders of S Corporations who had an FDRA before January 1, 1989, and in 1991 elected to file under the SBT Act on Form C-8022.
- Grantor Trusts (if treated as an owner under Internal Revenue Code § 671 to 679).
- Trusts created by the death of a spouse if the Trust requires 100 percent of the income from the Trust to be distributed each year to the surviving spouse.

Form MI-1040CR-5 is available on the Department of Treasury (Treasury) Web site at **www.michigan.gov/treasuryforms**.

## Claiming the Credit

Income from taxpayers whose primary activity results from the agricultural production may be subject to MBT. *Michigan Farmland Preservation Tax Credit* (Form 4594) may not be filed alone. It must now be accompanied by *Michigan Business Tax Annual Return* (Form 4567), *MBT Refundable Credits* (Form 4574), *Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer* (Form 4946), and *Schedule of Certificated Credits* (Form 4947), at minimum.

Attach a copy of U.S. Form *1120* or *1041*, page 1, and copies of all the federal schedules completed for the federal tax return. The following must also be attached:

- A copy of the taxpayer's 2016 property tax statement(s) with corresponding agreement numbers listed on each.
- A copy of the receipt(s) showing that 2015 or 2016 property taxes were paid. If property taxes have not been paid or receipt(s) is not attached, Treasury will mail a check made jointly payable to the Corporation, Estate, or Trust, AND the county treasurer for the county where the property is located. (A new check payable only to the Corporation, Estate or Trust will not be issued if it is later proved that the taxes had been paid.)
- If the property tax statement includes property that is not covered under an FDRA, the taxpayer must show what portion of total acreage and property tax is for land enrolled in the FDRA. A local equalization officer or local assessor must give this information on official letterhead if it is not listed separately on property tax bills.
- If the property tax statement includes land on more than one agreement, the property taxes must be allocated according to the land in each agreement. The local assessor will be able to determine what the breakdown is based on the legal descriptions of the land enrolled under each agreement.

## When to Claim a New Agreement

A taxpayer must have made the election to remain taxable under the MBT 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 certificated credits. If a taxpayer properly made this election with either a certificated farmland preservation agreement or another certificated credit, the taxpayer may be able to claim a new farmland preservation agreement as well. New agreements must be approved by the local government by November 1, 2016, to claim a 2016 credit. However, the FDRA is not final until a copy that has been recorded at the Register of Deeds is received from the MDARD. If the taxpayer doesn't receive a copy of the recorded agreement before April 30, file the MBT return without that agreement. When the FDRA is received, the taxpayer must file an amended MBT return to include the agreement.

**NOTE:** A taxpayer may not amend to revoke the election to remain taxable under the MBT. Once the taxpayer makes a valid election to claim a certificated credit, the taxpayer must remain in the MBT until the credit and any carryforward of that credit are exhausted.

## Jointly Payable Checks

The taxpayer should take the check, check stub, and a copy of the FDRA(s) to the county treasurer(s) who will have the taxpayer endorse the check and then use the refund to pay any delinquent taxes. Any remaining amount will be returned to the taxpayer.

## Property Taxes That Can Be Claimed for Credit

The property taxes levied in 2016 on enrolled land are eligible for the 2016 credit, regardless of when they are paid.

Ad valorem property taxes that were levied in 2016, including collection fees up to 1 percent of the taxes, can be claimed for credit. Special assessments (those not based on taxable value), penalties, and interest cannot be claimed.

Taxes on land not eligible for either the principal residence or qualified agricultural property exemptions most likely are not eligible for the Farmland Preservation Tax Credit. The exception is rental property where the tenant spends at least 1,040 hours per year participating in the farming operation. To compute the taxes that can be claimed for credit, exclude the school operating tax and multiply the balance by the percentage of exemption allowed by the local taxing authority.

**EXAMPLE:**

| | |
|---|---|
| Taxes levied | $2,000 |
| School operating tax | $350 |
| Principal residence exemption | 60% |

$$\begin{array}{rr} & \$2{,}000 \\ - & 350 \\ \hline & \$1{,}650 \end{array} \qquad \begin{array}{rr} & \$1{,}650 \\ \times & 60\% \\ \hline & \$990 \end{array} \text{ can be claimed for credit}$$

If the taxpayer has entered into more than one FDRA with the MDARD, the sum of the taxes under each agreement is used to compute the credit. The amount of credit the taxpayer will receive is based on adjusted business income.

## Claiming a Credit for Farms Purchased in 2016 That Were Already Enrolled in the Program

A taxpayer must have made the election to remain taxable under the MBT 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 certificated credits. If a taxpayer properly made this election with either a certificated farmland preservation agreement or another certificated credit and the taxpayer purchases a farm already in the program then the credit will only be processed if the ownership on the FDRA on file with the MDARD IS THE SAME AS ON THE TAXPAYER'S DEED. The taxpayer must prorate the 2016 taxes for the period the land was owned and claim the credit based only on those taxes.

## Line-by-Line Instructions

*Lines not listed are explained on the form.*

Dates must be entered in MM-DD-YYYY format, unless otherwise instructed.

**Line 1:** Tax year of claim. Enter the ending month, day, and year of the annual accounting period in which this credit is claimed.

**EXAMPLE:** A participant with a tax year ending December 31 claims a credit for the 2016 property taxes in the tax year ending in December 2016.

**Line 2: Country Code:** If other than the United States, enter the country code. See the list of country codes in the *MBT Instruction Booklet for Standard Taxpayers* (Form 4600) available on our Web site at **www.michigan.gov/taxes**.

**Line 3:** Enter the entity'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/epcd/www/naics.html**, or enter the same NAICS code used when filing the entity's U.S. Form *1120, Schedule K*, U.S. Form *1120S*, U.S. Form *1065,* or U.S. Form *1040, Schedule C.*

**Line 6:** Check the box that describes the organization type. A Trust or Limited Liability Company (LLC) should check the appropriate box based on its federal return.

### PART 1: GROSS RECEIPTS QUALIFICATION

Applies only to agreements entered into on or after January 1, 1978.

If agreements were entered into on or after January 1, 1978, eligibility for a Farmland Preservation Tax Credit must be determined using one of the two qualification formulas provided below. If all agreements began before January 1, 1978, skip to Part 2.

**IMPORTANT:** Once a qualification formula is elected, all future claims must be filed using that formula.

**Total Receipts Formula on line 13:** This formula compares agricultural gross receipts to property taxes on the enrolled land in each of the five tax years preceding the tax year of this claim. If gross receipts are more than five times property taxes in at least three of the five tax years, this formula may be used.

**Average Receipts Formula on line 18:** This compares the average of the agricultural gross receipts for the three tax years preceding the tax year of this claim to property taxes on the enrolled land in the first year under the agreement. If average receipts are more than five times property taxes in the first year, this formula may be used.

**Line 9:** Enter each of the years immediately preceding the claim year. Enter the most current year in column A.

**Line 10:** Enter the property taxes for each year reported on line 9 that are attributable to land enrolled on or after January 1, 1978. Do not include property taxes on land enrolled before January 1, 1978, or property taxes on structures or any other lands not enrolled in an FDRA.

**Line 12:** Enter the agricultural gross receipts for the tax years immediately preceding the tax year of this claim. Agricultural gross receipts are receipts from the business of farming as defined in the Internal Revenue Service Regulation 1.175-3.

For land rent to qualify as agricultural gross receipts, the owner must participate in the business of farming to a material extent. IRS Regulation 1.175-3 indicates the business of farming to be:

1. A taxpayer is engaged in the business of farming if he cultivates, operates, or manages a farm for gain or profit, either as owner or tenant.
2. A taxpayer who received a rental (either in cash or kind) which is based upon farm production (output) is engaged in the business of farming.
3. A taxpayer who received a fixed rental (without reference to production) is engaged in the business of farming only if he participates to a material extent in the operation or management of the farm.
4. For purposes of this section, the term farm is used in its ordinary accepted sense and includes stock, dairy, poultry, fish, fruit, and plantations, ranches, and orchards.
5. A fish farm is an area where fish are grown or raised, as opposed to merely caught or harvested: that is, an area where they are artificially fed, protected and cared for.

The taxpayer has participated in the operation of the farm to a material extent if any one of the following tests are met:

1. The landowner does any three of the following:
   a. advances, buys or stands good for at least half the direct costs of producing the crops.
   b. furnishes at least half the tools, equipment, and livestock used in producing the crops.
   c. advises and consults with the tenant periodically
   d. inspects the production activities periodically
2. The landowner regularly and frequently makes or takes an important part in making management decisions substantially contributing to or affecting the success of the farming enterprise.
3. The landowner works 100 hours or more spread over a period of 5 weeks or more in activities connected with producing the crop.

4. The landowner does things which, considered in their total effect, show that he is materially and significantly involved in the production of farm commodities. ommodities.

If the taxpayer's farm operation was incorporated during this five-year period and the ownership before and after date of incorporation is identical, report gross receipts for all five tax years. If the ownership changed, enter gross receipts only for those tax years since incorporation.

## PART 2: TAXES THAT CAN BE CLAIMED FOR CREDIT AND ALLOCATION TO EACH AGREEMENT

**For taxpayers with four or fewer agreements:** Using the instructions below for line 19, columns A through D, complete lines 19A through 19D for each agreement, then enter in line 20D the total of column 19D. Using the total in line 20D, complete line 19E for each agreement. In line 20E, enter the total of all percentages from column 19E, which must equal 100 percent.

Then complete lines 21 through 29. Using the total credit reported on line 29, return to the table in line 19 and complete line 19F for each agreement. Finally, in line 20F, enter the total of all allocated credits from column 19F, which must equal line 29.

**Enter amounts in whole dollars only (no cents).**

**For taxpayers with five or more agreements:** Using the instructions below for line 19, columns A through D, complete lines 19A through 19D on the primary copy of the form with data from four agreements. Use additional copies of page 1 of this form to report the remaining agreements. On each additional copy of page 1 that is used:

- Enter the taxpayer's name on line 2 and FEIN/TR number on line 5.
- Leave all other fields (including line 20) blank, except line 19.
- Complete lines 19A through 19D for each agreement.

Then enter in line 20D of the primary copy of this form (the copy with all applicable fields filled) the total of columns 19D from all copies. Using the total in line 20D of the primary copy, complete line 19E for each agreement on all copies. In line 20E of the primary copy, enter the total of all percentages from columns 19E from all copies, which must equal 100 percent.

Then complete lines 21 through 29. Using the total credit reported on line 29, return to the table in line 19 and complete line 19F for each agreement on all copies. Finally, in line 20F of the primary copy, enter the total of all allocated credits from column 19F from all copies, which must equal line 29.

**Enter amounts in whole dollars only (no cents).**

**Line 19:**

- **Column A:** Enter the farmland preservation agreement number assigned by the MDARD. Agreement (or contract) number is found in the lower-right corner of each agreement. The first two numbers are the county where the property is located. The middle set of numbers is the actual contract number. The final six numbers are the year of expiration, for example, 123116 (December 31, 2016). The contract number retains its original series throughout the term of the agreement. However, a letter may be added to indicate that the agreement was split into multiple agreements. The final six numbers change when the agreement is shortened or extended. Always use the contract number on the most recently recorded agreement, and attach a copy of each 2016 tax statement that corresponds to the agreement number listed. The expiration date may never be earlier than the year of the return being prepared.
- **Column B:** For each agreement, check the box if paid tax receipts for 2015 or 2016 are attached. The Farmland Preservation Tax Credit will be issued jointly to the taxpayer and the treasurer for the county where the property is located if the receipts are not attached.

**NOTE:** In addition to paid tax receipts as described above, attach copies of 2016 property tax statements. **Be sure the corresponding agreement number is written on each tax statement.**

- **Column C:** Enter the date each agreement was entered into (MM-DD-YYYY).
- **Column D:** Enter the total amount of tax on land and structures under agreement from the property tax statements. Do not include penalties, interest, or special assessments. Collection fees up to 1% of taxes may be included. If the taxpayer is a joint owner, enter only the taxpayer's share of taxes.

**NOTES:** If the property tax statement includes taxes for land not covered by an FDRA, the taxes reported in column D must be reduced accordingly. The amount of taxes that cannot be claimed must be determined by the local assessor's office and submitted on his or her official letterhead. The 1 percent collection fee may be included. Do not include penalties, interest, or special assessments.

If the property tax statement includes taxes for land on more than one agreement, the taxes reported in column D must be separated according to land in each agreement. The local assessor will be able to determine what the breakdown is based on the legal descriptions of the land enrolled under each agreement.

**Line 20:** If multiple copies of page 1 of Form 4594 are included, leave line 20 blank on all copies except the primary copy (see above, instructions for Part 2). Lines 20D, 20E, and 20F on the primary copy must reflect totals for all copies of the form.

**Line 21:** Taxes on land enrolled after December 31, 1977. If qualified under one of the gross receipts formulas (line 13 or line 18), enter the taxes from column D on land and structures enrolled after December 31, 1977. Otherwise, enter zero.

## PART 3: TAXES THAT CANNOT BE CLAIMED FOR CREDIT

Enter on lines 24 through 28 the amounts for the tax year of this claim (the year entered on line 1).

**Line 24:** Enter the amount from Form 4567, line 49. This amount can be less than zero.

**Unitary Business Groups (UBGs):** If the eligible taxpayer is a member of a UBG, a pro forma calculation must be performed to determine the Business Income Tax base of the eligible taxpayer. This supporting pro forma calculation should be attached to the return as supporting documentation.

**Line 26:** This includes all shareholder compensation that was deducted in calculating federal taxable income. Complete the *MBT Schedule of Shareholders and Officers* (Form 4577) and include with the return.

## Attachments

Assemble the attachments in the following order:

1. The *Michigan Farmland Preservation Tax Credit* (Form 4594) must be filed with the *MBT Annual Return* (Form 4567). Place Form 4567 at the top of your filing followed by all other forms necessary for filing in appropriate sequence order (found at the top of each form). Do not place the Form 4594 on top.
2. A copy of page 1 of 2016 U.S. Form *1120*, U.S. Form *1120S* or U.S. Form *1041*, and all supporting schedules.
3. A copy of the 2016 property tax statement(s) that show the taxable value, millage rates, property taxes levied, and corresponding agreement numbers.
4. An official allocation of the tax statement amount between property subject to an FDRA and property not covered by an FDRA.
5. A copy of the receipt showing payment of years 2015 or 2016 property taxes or covered by multiple agreements.

For additional attachment requirements when using this credit to pay the MBT liability, see "Mailing This Form" below.

For assistance, visit Treasury's Web site at **www.michigan.gov/taxes** or call Customer Contact at 517-636-6925. Assistance is available using TTY through the Michigan Relay Service by calling 1-800-649-3777 or 711.

## Mailing This Form

Submit a completed Form 4594 with Form 4567. In addition, complete and include the *MBT Refundable Credits* (Form 4574) *Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer* (Form 4946) and the *Schedule of Certificated Credits* (Form 4947), along with the attachments listed in the above instructions; then include it with the filing of Form 4567.

## E-filing MBT Returns

Michigan has an enforced e-file mandate for MBT. Software developers producing MBT tax preparation software and computer-generated forms must support e-file for all eligible Michigan forms that are included in their software package. All eligible MBT returns prepared using tax preparation software or computer-generated forms must be e-filed.

Treasury will be enforcing the e-file mandate for MBT. The enforcement includes not processing computer-generated paper returns that are eligible to be e-filed. A notice will be mailed to the taxpayer, indicating that the taxpayer's return was not filed in the proper form and content and must be e-filed. Payment received with a paper return will be processed and credited to the taxpayer's account even when the return is not processed.

Treasury will continue to accept certain Portable Document Format (PDF) attachments with MBT e-filed returns. A current list of defined attachments is available in the MBT "Electronic Filing Tax Preparer Handbook," which is available on the Treasury Web site at **www.MIfastfile.org** by clicking on "Business Taxpayer," then "Michigan Business Tax E-File," and looking under "Tax Preparer Resources." Follow your software instructions for submitting attachments with an e-filed return.

If the MBT return includes supporting documentation or attachments that are not on the predefined list of attachments, the return can still be e-filed. Follow your software instructions for including additional attachments. The tax preparer or taxpayer should retain file copies of all documentation or attachments.

For more information and program updates, including exclusions from e-file, visit the e-file Web site at **www.MIfastfile.org**.

The taxpayer may be required to e-file its federal return. Visit the IRS Web site at **www.irs.gov** for more information on federal e-file requirements and the IRS Federal/State Modernized e-File (MeF) program.

***Include completed Form 4594 as part of the tax return filing.***