



# Instructions for Form 4966

## Michigan Business Tax Schedule of Flow-Through Withholding

**IMPORTANT NOTE:** The instructions at the top of Form 4966 direct the taxpayer to carry the total amount reported in Column E to one of three lead forms. With changes as a result of Public Act 158 of 2016, instead follow the directions for Column E below.

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### Purpose

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

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### General Instructions

This form is intended to be used by a taxpayer that is a Unitary Business Group (UBG) that has an ownership or beneficial interest in an FTE that has remitted Flow-Through Withholding payments on behalf of the taxpayer. Reported on this form will be the Flow-Through Withholding payments made by an FTE if that FTE's tax year ended with or within the tax year of a member of the taxpayer filing this form and began before July 1, 2016.

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

**NOTE: Flow-Through Withholding is repealed effective with FTEs' tax years beginning after June 30, 2016, under Public Act 158 of 2016. An MBT taxpayer should not have had any tax withheld on its behalf by FTEs with tax years beginning after June 30, 2016.**

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### Column-by-Column Instructions

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

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

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

**Column C: UBGs only:** Enter an 'X' in this column if the FTE is in a UBG with the member that is completing this form.

**Column D:** Enter the apportioned distributive share of the FTE's taxable income received by the taxpayer completing this form.

**Column E:** Enter the total withholding payments paid on behalf of the taxpayer filing this form that apply to the tax year included in this return. Included on this column would be Flow-Through Withholding (FTW) payments made by FTEs whose tax years ended within the tax year of the taxpayer filing this form and began before July 1, 2016.

Any FTE that has withheld on behalf of the taxpayer filing this form should have provided the taxpayer the amount for its records.

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