

2018 MICHIGAN Corporate Income Tax Unitary Business Group Combined Filing Schedule for Financial Institutions

Issued under authority of Public Act 38 of 2011.

IMPORTANT: Read the instructions before completing this form

Designated Member Name	Federal Employer Identification Number (FEIN)
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PART 1: UNITARY BUSINESS GROUP (UBG) MEMBERS

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, on each additional page repeat the DM's name and FEIN in the field at the top of the page, but not on line 1.

1.	A Member Name	B FEIN

PART 2A: APPORTIONMENT DATA FOR COMBINED RETURN

If more than one page is needed to complete Part 1, duplicate answers on lines 2 and 3 on all copies of this page.

	A Combined Total Before Eliminations	B Eliminations	C Combined Total After Eliminations
2. Michigan Gross Business. Carry 2C to Form 4908, line 9a			
3. Total Gross Business. Carry 3C to Form 4908, line 9b			

PART 2B: MEMBER DATA FOR COMBINED RETURN — Complete a separate copy of Part 2B for each UBG member listed in Part 1.

4. Member Name			Member FEIN	
5. Member Address (Street)			10. Organization Type <input type="checkbox"/> Fiduciary <input type="checkbox"/> S Corporation / LLC S Corporation <input type="checkbox"/> C Corporation / LLC C Corporation <input type="checkbox"/> Partnership / LLC Partnership	
City	State	ZIP/Postal Code		
6. Federal tax period included in return (MM-DD-YYYY).....	Beginning	Ending	11. <input type="checkbox"/> Check if nexus with Michigan. 12. <input type="checkbox"/> Check if new member.	
7. If part year member, enter membership dates (MM-DD-YYYY)			13. <input type="checkbox"/> Check if member only by Affiliated Group Election	
8. NAICS Code	9. If a Final Return, Enter Effective End Date			

FRANCHISE TAX BASE

Lines 14, 16, 17 and 19d:
If less than zero, enter zero.

	A 2014	B 2015	C 2016	D 2017	E 2018
14. Equity Capital 14.					
15. Eliminations (enter as a positive number).. 15.					
16. Average daily book value of MI obligations 16.					
17. Average daily book value of U.S. obligations.. 17.					
18. Subtract lines 15, 16 and 17 from line 14..... 18.					
19. a. Authorized insurance co. subsidiary: enter actual capital fund amount..... 19a.					
b. Minimum regulatory amt. required 19b.					
c. Multiply line 19b by 125% (1.25). 19c.					
d. Subtract line 19c from 19a.... 19d.					
20. Add lines 18 and 19d..... 20.					
21. Add line 20, columns A through E..... 21.					00
22. Net capital. Divide line 21 by number of tax years reported above. If negative, enter as negative..... 22.					00

MEMBER BUSINESS

23. Michigan Gross Business. Carry combined total of line 23 entries from all members to Part 2A, line 2A..... 23.	00
24. Total Gross Business. Carry combined total of line 24 entries from all members to Part 2A, line 3A..... 24.	00

PAYMENTS. See instructions

25. Overpayment credited from prior period return (MBT or CIT) 25.	00
26. Estimated tax payments 26.	00
27. Tax paid with request for extension 27.	00

PART 3: AFFILIATES EXCLUDED FROM THE COMBINED RETURN OF FINANCIAL INSTITUTIONS

List every C Corporation (or entity taxed federally as such), insurance company, or financial institution, with or without nexus, for which the “greater than 50%” ownership test of a Michigan Unitary Business Group (UBG) is satisfied, and which is not included on the combined return of financial institutions of the taxpayer. If an entity listed here is part of a federal consolidated group, attach a copy of federal Form 851.

28. A Number From Federal Form 851 (if applicable)	B Name	C FEIN	D Reason Code for Exclusion	E Check (X) if Nexus with Michigan	F NAICS Code

PART 4: PERSONS INCLUDED IN THE PRIOR COMBINED RETURN, BUT EXCLUDED FROM CURRENT RETURN

List each member included in the immediately preceding combined return of this DM that is not included on the return supported by this form. An entity that satisfies the criteria of Part 3 and Part 4 should be listed in each part. See column C instructions for a list of reason codes.

29.	A Name	B FEIN	C Reason This Entity Is Not on Current Return

Instructions for Form 4910

Corporate Income Tax (CIT) Unitary Business Group Combined Filing Schedule for Financial Institutions

Purpose

The purpose of this form is to:

- Identify all members of a Unitary Business Group (UBG) that are reporting on this return.
- Gather tax return data for each member included in the financial institution's 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 *CIT Annual Return for Financial Institutions* (Form 4908) submitted on behalf of the UBG by the Designated Member (DM). Even if there is only one financial institution member in a UBG, that member must file this form in support of its Form 4908. See "Filing Procedures for UBGs" later in these instructions for guidance.

General Information About UBGs in CIT

Unitary Business Group means a group of United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, that satisfies the control test and relationship test. If an Affiliated Group Election is made (see instructions for Form 4891), the UBG also includes all members of the affiliated group, as defined in Internal Revenue Code (IRC) § 1504(1) except that the group includes only US persons (no foreign persons or foreign operating entities) that are corporations, financial institutions or insurance companies that satisfy the control test and have made the election to file as a UBG. Once the election is made, the Affiliated Group is treated as a UBG for all purposes.

United States person is defined in IRC § 7701(a)(30).

A *foreign operating entity* means a United States corporation that would otherwise be a part of a UBG that is taxable in Michigan; has substantial operations outside the United States, the District of Columbia, any territory or possession of the United States except for the commonwealth of Puerto Rico, or a political subdivision of the foregoing; and at least 80 percent of its income is active foreign business income as defined in IRC § 871(l)(1)(B)(ii).

For more information on UBGs, see "UBGs and Combined Filing" in *Corporate Income Tax for Financial Institutions Booklet* (Form 4907). Additional information can be found under the "Corporate Income Tax" page at www.michigan.gov/taxes. Revenue Administrative Bulletin (RAB) 2013-1, Unitary Business Group Control Test And Relationship Tests, is available under the "Reference" page.

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. Financial institution members file a combined return on Form 4908 with Form 4910 filed in support.

Form 4910 is used to gather and combine data from each financial institution member of the UBG to support the group's Form 4908 and related forms. This form must be completed before the group's Form 4908 and related forms are completed.

Financial institutions include any of the following:

- A bank holding company, a national bank, a state chartered bank, a state chartered savings bank, a federally chartered savings association, or a federally chartered farm credit system institution.
- Any person, other than a person subject to the tax imposed under Chapter 12 of the Income Tax Act (Insurance Tax), 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.

NOTE: Because the definition of financial institution for CIT purposes includes any entity (except an insurance company) that is owned by a bank or other entity (as described above) and is a member of a UBG with its owner, this may cause an entity that is not commonly thought of as a financial institution to be treated as one for return filing purposes.

To complete this form and prepare a combined return, the UBG must select a DM. For purposes of a combined return filed by financial institution members of a UBG, *Designated Member* means a financial institution member that has nexus with Michigan and that will file the combined CIT return on behalf of all financial institution members of the UBG. If the financial institution member that owns or controls the other financial institution members has nexus with Michigan, that controlling member must serve as DM.

If that controlling member does not have nexus with Michigan, it may appoint any financial institution member of the UBG with nexus to serve as DM. That DM must continue to serve as such every year, unless it ceases to be a UBG member or the controlling member attains Michigan nexus.

If a UBG is comprised of both standard members (not owned by and unitary with a financial institution in the UBG) and financial institutions, the UBG will have two DMs (one for the standard members completing Form 4891 and related forms, and one for the financial institution members completing Form 4908 and related forms).

If this UBG also includes standard and/or insurance company members, those members will not report tax data on this form, but will be listed as excluded affiliates in Part 3.

Standard members will combine and report their data using

CIT Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers (Form 4896), *CIT Data for Unitary Business Group Members* (Form 4897), and *CIT Annual Return* (Form 4891).

NOTE: Insurance company members will file separately, using *Insurance Company Annual Return for Corporate Income and Retaliatory Taxes* (Form 4905). Because insurance companies always file separately, rather than on a combined return, there is no CIT insurance form that serves a function similar to that of Forms 4897 and 4910.

Example A: UBG A is composed of the following:

- Four standard members
- Three financial institutions (all have 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 4896, Form 4897 and Form 4891 containing the four standard members and Form 4910 and Form 4908 containing the three financial institutions. In Part 1 of each form, only the members that are included on that form (either the four standard members, or the three financial institutions) will be listed. Form 4896 and Form 4897 with standard members will be filed under the name and Federal Employer Identification Number (FEIN) of the group's standard DM. One of the financial institutions will serve as DM for those three members and file Form 4910 and Form 4908. On Form 4896, list all financial and insurance members. On Part 3 of Form 4910, list all standard and insurance members. The two insurance companies each will file a stand-alone Form 4905.

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 have 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 4896, Form 4897, or Form 4891. Seven members will file a combined return on Form 4908 and Form 4910, listing the two insurance members as excluded affiliates on Part 3 of Form 4910. The two insurance companies each will file a stand-alone Form 4905.

Role of the Designated Member: The DM speaks, acts, and files the CIT return on behalf of the UBG for CIT purposes. Only the DM may file a valid extension request for the UBG. Treasury maintains the UBG's CIT tax data (e.g., prior CIT returns, overpayment credit forward) under the DM's name and FEIN.

Line-by-Line Instructions

Lines not listed are explained on the form.

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

For additional guidance, see the "Supplemental Instructions for Financial Members in UBGs" in the *CIT Forms and Instructions for Financial Institutions* (Form 4907).

Part 1: Unitary Business Group Members

In Part 1, list only those members of the UBG that are included on the annual return that is supported by this form. If more than 16 members, include additional copies of this page of Form 4910 as needed, repeating the DM's name and FEIN in the field at the top of each page. All excluded UBG members will be identified in Part 3.

The Designated Member FEIN from the top of page 1 must be repeated in the proper location on pages 2 and 3.

Lines 1A and 1B: Beginning with the DM, list the UBG financial institution members and their corresponding FEIN.

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 financial institutions: Member A, the DM with a calendar tax year, and Members B and C with fiscal years ending March 31, 2014, and September 30, 2014, respectively. Taxpayer ABC's tax year is that of its DM. Thus, Taxpayer ABC's tax year ends December 31, 2014, and its annual return is due April 30, 2015. That annual return must include the tax years of Members B and C ending March 31, 2014, and September 30, 2014.

If, in the previous example, Member A, the DM, instead had a fiscal year ending July 31, 2015, the UBG's tax year would end July 31, 2015, and its annual return would be due November 30, 2015. The combined return for the UBG would include Member A's tax year of August 1, 2014 through July 31, 2015, Member B's tax year of April 1, 2014 through March 31, 2015 and Member C's tax year of October 1, 2013 through September 30, 2014.

Part 2A: Apportionment Data for Combined Return

When completing Part 1, if multiple copies of this page are required, provide the same answers to Part 2A, lines 2 and 3, on each copy of this page that is submitted.

Line 2: Gross business is defined in the instructions on Form 4908, line 9a. On a combined return, gross business is calculated after eliminating transactions between financial institution members of the UBG. Enter combined gross business in Michigan of all financial institution members on line 2A, show eliminations on line 2B, and show net after eliminations on line 2C. The combined gross business in Michigan equals the sum of line 23 of Form 4910 of every member of the group.

Carry amount from line 2C to line 9a on Form 4908.

NOTE: For a UBG that includes financial institutions, gross business includes gross business in Michigan of every financial institution included in that UBG without regard to whether the

financial institution has nexus in Michigan. Gross business between financial institutions included in a UBG must be eliminated in calculating the gross business factor.

Line 3: Enter all gross business everywhere on line 3A, show eliminations on line 3B, and show net after eliminations on line 3C. The gross business everywhere of the UBG equals the sum of line 24 of Form 4910 of every member of the group.

Carry amount from line 3C to line 9b on Form 4908.

Part 2B: Member Data for Combined Return

In all cases with one or more financial institutions in a UBG, complete one copy of Part 2B for each financial institution in the UBG whose net capital is reported on this return. Note that an entity that would otherwise be a standard member but is owned by and unitary with a financial institution is defined by statute to be a financial institution. If a financial institution member (other than the DM) has two or more federal tax periods ending with or within the filing period of this return, use a separate copy of Part 2B for each of that member's federal periods.

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

Line 7: If due to acquisition or disposition 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. If this member is part of a UBG based on the affiliated group election, and was not a member of the UBG 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 the control test was satisfied. These dates constitute a short tax period for CIT purposes, even if there is no corresponding short federal tax period. This member must prepare a pro forma federal return calculation for the portion of its federal year during which it was a member of this UBG, and use that pro forma calculation as the basis for reporting the tax data required by Part 2B.

Line 8: Enter the taxpayer'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/, or enter the same NAICS code used when filing *Schedule K* of U.S. Form 1120.

Line 9: Enter the date, if applicable, on which this member went out of existence. Examples include 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 column to report that this member has stopped doing business in Michigan. To complete the discontinuance for Michigan taxes, file Form 163, which is available at www.michigan.gov/treasuryforms.

Line 10: Identify the organization type of this member:

- 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 is not within this Fiduciary category.);

- C Corporation (including an LLC, Trust, or other entity taxed federally as a Corporation under Subchapter C of the IRC).

- 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: An entity that is disregarded for federal income tax purposes also will be disregarded for Michigan CIT purposes. Therefore, as with the federal treatment, the activity of such an entity will be included and reported on the return (or on Form 4910) filed by the entity's owner, as if that activity was conducted directly by the owner.

Line 11: If this member has nexus with Michigan, check this box.

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

Line 13: For informational and statistical purposes, please check (with an X) this box if the following two conditions exist:

- 1) The group to which this member belongs is a UBG by way of the Affiliated Group Election (line 8a on Form 4908 is filled), AND
- 2) The member for which this form is being filed does NOT meet both the relationship & traditional control UBG tests.

See the instructions for *CIT Annual Return for Financial Institutions* (Form 4908) for further information about the election. If this box is checked, Form 4908, line 8a, **MUST** contain a date. Once an election is made, every person that meets the definition of "affiliated group," which includes meeting the affiliated group ownership test, is a member of the UBG by way of the Affiliated Group Election (i.e., criterion #1 is met). The ownership test for an affiliated group may be different than the control test for non-affiliated group UBGs. Further, the determination of members of a CIT affiliated group is made without regard to whether the relationship test is met. For informational and statistical purposes, indicate whether the member for which this form is filed would meet the traditional UBG tests had the group not made the Affiliated Group Election.

Franchise Tax Base

The following tax base calculation involves a five-year average of net capital. Enter data from the current year and four most recent CIT and Michigan Business Tax (MBT) tax years to complete the five-year table. For purposes of this table, treat a partial year as a full year. If the current and four preceding tax years include any short periods, the years printed in column headings for this part will not apply accurately. For example, assuming no short periods reported for federal purposes, a financial institution with a fiscal year-end of August 31, 2015 would average the net capital for the short state tax years (due to the MBT-CIT transition) ending December 31, 2011 and August 31, 2012, and the full tax years ending August 31, 2013, August 31, 2014, and August 31, 2015.

NOTE: In completing the combined return, a member of a unitary business group of financial institutions eliminates its investment in the positive Equity Capital of other members of the same group. Eliminations occur to Equity Capital at the member level. Because each member of the group must compute the Net Capital tax base in accordance with GAAP, each member should represent a positive or zero Equity Capital before Eliminations.

Line 14: Enter equity capital as of the last day of this member's filing period, computed in accordance with generally accepted accounting principles. If the member does not maintain its books and records in accordance with generally accepted accounting principles, net capital must be computed in accordance with the books and records used by the member, so long as the method fairly reflects the member's net capital for purposes of this tax. Each member of the unitary group must follow this rule in computing its tax base as part of the group. Thus, the resulting unitary return for CIT may not exactly correlate to the group's federal returns or consolidated GAAP equity but will comply with the requirements of the CIT.

Line 15: In completing the combined return, a member of a unitary business group of financial institutions eliminates its investment in the positive Equity Capital of other members of the same group. Eliminations occur to Equity Capital at the member level.

Enter on this line the member's investment in the positive Equity Capital of other members of the same group.

Line 16: Under MCL 206.651(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit described in Section 3 of the Shared Credit Rating Act, PA 227 of 1985, MCL 141.1053.

Line 17: Under MCL 206.651(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States constitution or any statute of the United States.

Line 19a: If this taxpayer owns a subsidiary that is an authorized insurance company, enter the actual amount of the capital fund maintained within that subsidiary. This does not include a captive insurance company.

Line 19b: Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

Line 22: Enter the combined totals of line 22 of this form on Form 4908, line 18, and skip lines 10 through 17 on Form 4908. If this combined number is less than zero, enter zero on Form 4908, line 18.

Line 23: Gross business is defined in the instructions on Form 4908, line 9a. Enter gross business in Michigan of the financial institution member reporting on Part 2B of this form. Combine line 23 for each financial institution member and enter on Part 2A, line 2A.

Line 24: Enter gross business everywhere of the financial institution member reporting on Part 2B of this form. Combine line 24 for each financial institution member and enter on Part 2A, line 3A.

Line 25: Enter overpayment credited from prior return (MBT or CIT). When membership of a UBG changes from one filing period to the next, credit forward of an overpayment from the prior return remains with the DM's account.

Line 26: All CIT 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 2B. If any other member paid estimates attributable to this group return, enter those estimates on that member's copy of Part 2B. Include all payments made by that member for any portion of its federal filing period that is included on this group return.

For example, if a non-DM member has a 12-month fiscal year beginning April 1, 2013, and is a member of a calendar year UBG throughout that period, its business activity from April 1, 2013, through March 31, 2014, will be reported on the group's December 31, 2014, return. If that member pays CIT quarterly estimates based on its federal tax year, it will make two estimates during 2013, before the DM's (and group's) filing period begins. Because those estimates are attributable to activity that will be reported on the group's December 31, 2014, return, they should be included on the paying member's copy of Part 2B for the December 31, 2014, group return.

Line 27: 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 2B.

Part 3: Affiliates Excluded From the Combined Return of Financial Institutions

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 comparable rights to voting rights of the other U.S. persons; 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.

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

If eligible, a UBG may alternatively be determined by way of an *Affiliated Group Election* (see instructions for Form 4891 for the CIT definition of an affiliated group, and for eligibility and other details about the election). The "greater than 50% test" for the affiliated group may be different than the traditional control test discussed above, and the affiliated group is determined without regard to the relationship test discussed above.

The purpose of Part 3 is to identify entities for which the

ownership test described above is satisfied but which are not included on this combined return, either because the flow of value/integration/dependence/contribution test is not satisfied or because the member is excluded by statute. A new member whose net capital is not included in this return because its tax year ends after the filing period of the UBG also should be listed here.

NOTE: If there is only one financial institution member in a UBG for a given tax year, that member must file this form in support of its Form 4908 and list all excluded members using the reason codes below.

Line 28A: If a person being listed here is listed on federal Form 851, enter the identifying number for that person from the column called “Corp. No.” at the left edge of pages 1, 2, and 3 of federal Form 851.

Line 28D: From the following list of reason codes, select the number for the reason explaining why this affiliate is being excluded from the combined return of financial institutions supported by this form.

1*	Lacks business activities resulting in a flow of value or integration with, dependence upon, or contribution to the group.
2	Foreign operating entity.
3	Foreign entity.
4	Member has no CIT tax year (as a member of this UBG) ending with or within this filing period.
5	Insurance company. (Insurance companies always file separately.)
6	“Standard” taxpayers not owned by a financial institution. (Financial institutions and “standard” taxpayers are not included on the same combined return.)
7	Other.
*NOTE: Reason code number 1 does not apply to a group that has made the Affiliated Group election.	

If you have questions, call the Michigan Department of Treasury, Technical Services Section, at 517-636-4230.

Line 28E: If this person has nexus with Michigan, check this box.

Line 28F: Enter this 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 U.S. Schedule K of U.S. Form 1120.

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. If the reason the person is not on this return is because it did not satisfy the flow of value, etc., test at any time during the filing period, list the person on line 28, and do not enter it here.

Line 29C: Reason codes for a person being included in last year’s return but not on the combined return for financial institutions supported by this form:

10	The person no longer meets the control test but the ownership interest is still greater than zero.
12	The person no longer meets the control test and the ownership interest is zero.
14	Before the beginning of the filing period for this return, the person ceased to exist due to dissolution.
16	Before the beginning of the filing period for this 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 “Attachments” section of Form 4908 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 4910 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 “Attachments” section of Form 4908 instructions.

NOTE: An entity that is disregarded for federal income tax purposes also will be disregarded for Michigan CIT purposes. Therefore, as with the federal treatment, the activity of such an entity will be included and reported on the return (or on Form 4910) filed by the entity’s owner, as if that activity was conducted directly by the owner.

Include completed Form 4910 as part of the tax return filing.

2018 Supplemental Instructions for Financial Institution 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 financial institution taxpayers of the Corporate Income Tax (CIT), not to replace them.

Standard taxpayers and *standard members* refer to all taxpayers or UBG members, respectively, other than financial institutions or insurance companies. Standard members of a UBG should see the “Supplemental Instructions for Standard Members in UBGs” section in the *CIT Forms and Instructions for Standard Taxpayers* (Form 4890).

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 CIT 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 *CIT Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers* (Form 4896) and *CIT Data on Unitary Business Group Members* (Form 4897) support a combined return of standard members to be filed on the *CIT Annual Return* (Form 4891).
 - The *CIT Unitary Business Group Combined Filing Schedule for Financial Institutions* (Form 4910) supports a combined return of financial institution members to be filed on the *CIT Annual Return for Financial Institutions* (Form 4908).

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.” 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 4891. Financial institution members of a UBG (including any standard member owned by and unitary with a financial institution in the group) file a combined return on Form 4908. Insurance company members of a UBG each file separately on Form 4905.

Before completing a combined return, UBGs should first complete Form 4896 and Form 4897 or Form 4910. These forms are used to gather 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 4905, but should be listed as an excluded affiliate with an incompatible tax base on Form 4896 or Form 4910, as applicable.

The Designated Member (DM)

A UBG combined return of financial institutions is filed under the name and Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) assigned number of the DM of the financial institution group. Designated Member means a UBG member that has nexus with Michigan and will file the combined CIT return on behalf of the financial institution 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 4891 and related forms, and one for the financial institution members completing Form 4908 and related forms).

If the standard members are owned by a financial institution, they will file as part of the financial UBG return, Form 4910.

NOTE: If the UBG filed under MBT in 2011 and is now filing under CIT, the UBG must use the same DM if the DM still has nexus, is a C corporation, and is still a member of the UBG. If the DM no longer has nexus, is not a C corporation, or is no longer a member of the UBG, then the UBG must select a new DM using the rules laid out in these instructions.

Role of the DM: The DM speaks, acts, and files the CIT return on behalf of the group for CIT purposes. Only the DM may file a valid extension request for the group. Treasury maintains the group’s CIT tax data (e.g., prior CIT returns, 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.

Recapture of Certain Credits

Recapture of credits, must be earned and calculated based on actions performed on or after January 1, 2012, regardless of the method selected for the tax calculation.

Effects of Members Joining a Group

When an entity becomes a member of a UBG part way through the member's tax year, for CIT 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.

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 CIT 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.

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 CIT return.

Further Guidance

For information on CIT issues, see the Treasury Web site at www.michigan.gov/taxes.