

Instructions for *Married Filing Separately* and *Divorced or Separated Claimants Schedule (Form 5049)*

This form is intended to assist you to correctly calculate total household resources for the *Homestead Property Tax Credit* (MI-1040CR or MI-1040CR-2) or *Home Heating Credit* (MI-1040CR-7) when married filing separately or divorced during the tax year.

Instructions for the income breakdown can be found in the following booklets: MI-1040, MI-1040CR-2 or MI-1040CR-7.

Example 1

Jackie and John are married filing separately and maintained separate homesteads all year. Jackie is filing for a Homestead Property Tax Credit. Since they did not share a homestead during the year she would not need to include John's income and would skip to Part 3 of Form 5049. She would complete the explanation box in Part 3 indicating that she maintained a separate homestead all year.

Example 2

Karl and Cathy separated on October 2, 2023. Cathy continued to live in the home and Karl moved to an apartment on October 2. They file federal and State returns as married filing separately.

- Cathy earned \$20,000 of wages evenly throughout the year.
- Karl earned \$25,000 of wages evenly throughout the year.
- They lived together for 274 days.

Step 1: Calculate the prorated total household resources for each spouse for the 274 days they lived together. Divide each spouse's total income by 365 days, then multiply that figure by 274.

Cathy $(\$20,000/365) \times 274 = \$15,014$

Karl $(\$25,000/365) \times 274 = \$18,767$

Karl's Form 5049

When completing Part 1, Karl would enter 01-01-2023 in the FROM box and enter 10-01-2023 in the TO box. He would continue to Part 2 and would enter his income for the period the homestead was shared on line 2 in column A, which would be \$18,767. He would enter Cathy's income for the period the homestead was shared on line 2 in column B, which would be \$15,014. Karl would total columns A and B on line 18.

Cathy's Form 5049

When completing Part 1, Cathy would enter 01-01-2023 in the FROM box and enter 10-01-2023 in the TO box. She would continue to Part 2 and would enter her income for the period the homestead was shared on line 2 in column A, which would be \$15,014. She would enter Karl's income for the period the homestead was shared on line 2 in column B, which would be \$18,767. Cathy would total columns A and B on line 18.

Step 2: Before continuing to their Homestead Property Tax Credit claims, Karl and Cathy would review the example under "Separated or Divorced in 2023" in the MI-1040 Instruction Book as well as *Michigan Homestead Property Tax Credits for Separated or Divorced Taxpayers* (Form 2105).

Example 3

Ron and Tabatha are married filing separately and shared a homestead for the entire year. The couple decides that Ron will claim the Homestead Property Tax Credit and Tabatha will not.

- Ron earned \$25,000 of wages for the year.
- Tabatha earned \$7,000 of wages for the year and \$500 of interest.

When completing Part 1 of Form 5049, Ron would enter 01-01-2023 in the FROM box and 12-31-2023 in the TO box.

In column A, Ron would enter \$25,000 on line 2, representing the income he earned while they shared a homestead (the entire year), and \$25,000 on line 18. In column B, he would report \$7,000 of Tabatha's wages on line 2 and \$500 of her interest on line 3, representing the income she earned while they shared a homestead (the entire year). Ron would total column B and enter \$7,500 on line 18. He would carry the amount from line 18, column B, to the "Other nontaxable income" line on his MI-1040CR with a description of "Form 5049." He would check the box for "Married filing separately" on his MI-1040CR.