

# 2025 MICHIGAN Corporate Income Tax Small Business Alternative Credit

Issued under authority of Public Act 38 of 2011.

Taxpayer Name	Federal Employer Identification Number (FEIN)
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**The Small Business Alternative Credit is NOT available if any of the following conditions exist:**

- Gross receipts exceed \$20,000,000;
- Adjusted business income after loss adjustment exceeds \$1,795,300;
- Any shareholder or officer has allocated income after loss adjustment of over \$180,000, as determined on the *CIT Schedule of Shareholders and Officers* (Form 4894).
- Compensation and director fees of a shareholder or officer exceed \$180,000.

**The Small Business Alternative Credit must be reduced if any of the following conditions exist (see Reduced Credit Table at bottom of the page):**

- Any shareholder or officer has allocated income after loss adjustment of over \$160,000 but not over \$180,000, as determined on Form 4894.
- Gross receipts exceed \$19,000,000 but are not more than \$20,000,000.

**NOTE: All taxpayers claiming the Small Business Alternative Credit must include Form 4894.**

1. Gross Receipts (see instructions).....	1.		00
2. Tax liability prior to this credit from Form 4891, line 38 .....	2.		00

**Adjusted Business Income**

3. Business Income (see instructions).....	3.		00
4. Carryback or carryover of a capital loss. Enter as a positive number (see instructions).....	4.		00
5. Carryback or carryover of a federal net operating loss from Form 4891, line 20. Enter as a positive number .....	5.		00
6. Subtotal. Add lines 3, 4 and 5 .....	6.		00
7. Compensation and director fees of active shareholders from Form 4894, line 1 .....	7.		00
8. Compensation and director fees of officers from Form 4894, line 2 .....	8.		00
9. Adjusted Business Income. Add lines 6, 7, and 8.....	9.		00

**Small Business Alternative Credit Calculation**

10. Small Business Alternative Tax. Multiply line 9 by 1.8% (0.018). If less than zero, enter zero .....	10.		00
11. <b>Small Business Alternative Credit.</b> Subtract line 10 from line 2. If less than zero, enter zero .....	11.		00
12. Allocated income used for reduction (see instructions).....	12.		00
13. Reduction percentage from Reduced Credit Table at bottom of this page (based on amount from line 12) .....	13.		%
14. <b>Reduced Credit.</b> Multiply the percentage on line 13 by the credit on line 11. If gross receipts from line 1 are less than or equal to \$19,000,000, carry amount to Form 4891, line 39 (see instructions).....	14.		00

**Reduction Based on Gross Receipts**

Complete this section if gross receipts are more than \$19,000,000 but not more than \$20,000,000.

15. Excess gross receipts. Subtract \$19,000,000 from line 1 .....	15.		00
16. Excess percentage. Divide line 15 by \$1,000,000 (enter as a percentage).....	16.		%
17. Allowable percentage. Subtract line 16 from 100%.....	17.		%
18. <b>Small Business Alternative Credit.</b> Multiply the percentage on line 17 by the credit on line 14. Carry amount to Form 4891, line 39.....	18.		00

**REDUCED CREDIT TABLE**

If allocated* income is:	The reduced credit is:
\$0 - \$160,000 .....	100% of the Small Business Alternative Credit
\$160,001 - \$164,999 .....	80% of the Small Business Alternative Credit
\$165,000 - \$169,999 .....	60% of the Small Business Alternative Credit
\$170,000 - \$174,999 .....	40% of the Small Business Alternative Credit
\$175,000 - \$180,000 .....	20% of the Small Business Alternative Credit

\* See instructions for tax years less than 12 months.