

2025 MICHIGAN Corporate Income Tax Loss Adjustment for the Small Business Alternative Credit

Issued under authority of Public Act 38 of 2011.

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| Taxpayer Name | Federal Employer Identification Number (FEIN) |
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Use this form to qualify for an otherwise disallowed or reduced Small Business Alternative Credit by adjusting current year adjusted business income (ABI) and/or allocated income. This is available only if a taxpayer had a negative adjusted business income in any of the five tax years ("loss year") immediately preceding this tax year and received a Michigan Business Tax Small Business Alternative Credit or Corporate Income Tax Small Business Alternative Credit in the loss year. Unitary Business Groups (UBGs), see instructions.

PART 1: CURRENT YEAR AMOUNTS FOR ABI DISQUALIFIER

Use this section to determine amount of loss adjustment to business income needed to qualify for the Small Business Alternative Credit.

Adjusted Business Income Disqualifier

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| 1. Adjusted Business Income from Form 4893, line 9 | 1. | | 00 |
| 2. Business Income Disqualifier | 2. | 1,795,300 | 00 |
| 3. Loss adjustment needed. Subtract line 2 from line 1. If less than zero, enter zero | 3. | | 00 |

PART 2: AVAILABLE LOSS FOR ABI DISQUALIFIER

Read instructions before completing Part 2. Use Part 2 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amounts in lines 5 through 10.

Complete line 4 with the end dates of the five preceding tax periods (oldest to the left). Then complete lines 5 through 10, one column at a time beginning with the oldest, but completing only those columns representing periods that reported a loss (either generated or used) AND received a Small Business Alternative Credit. UBGs, see instructions.

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|--|--|--|--|--|--|
| 4. Tax year end date (MM-DD-YYYY) | | | | | |
| 5. Adjusted business income | | | | | |
| 6. Loss used on prior returns | | | | | |
| 7. Loss available for current return | | | | | |
| 8. Loss adjustment needed for current return | | | | | |
| 9. Additional loss adjustment needed | | | | | |
| 10. Loss adjustment carryforward | | | | | |

PART 3: CURRENT YEAR AMOUNTS FOR SHAREHOLDER ALLOCATED INCOME DISQUALIFIER

UBGs, see special instructions on using member data to complete Part 3 and the "Loss Adjustment for a Shareholder with Multiple Allocations" worksheet.

Shareholder Allocated Income Disqualifier: \$180,000

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| 11. Enter the amount from Form 4893, line 6 (see instructions) | 11. | | 00 |
| 12. Shareholder Allocated Income Disqualifier (See chart in instructions)..... | 12. | | 00 |
| 13. Enter compensation and director fees from Form 4894, line 3, column L, of the shareholder creating the disqualifier or reduction* | 13. | | 00 |
| 14. Subtract line 13 from line 12. If less than zero, see instructions | 14. | | 00 |
| 15. Divide line 14 by the percent of ownership from Form 4894, line 3, column G, for the shareholder on line 13 | 15. | | 00 |
| 16. Loss adjustment needed. Subtract line 15 from line 11 | 16. | | 00 |

*** Note:** If compensation exceeds \$180,000 for any shareholder or officer, a Small Business Alternative Credit cannot be claimed nor can a loss adjustment be used to reduce compensation from Form 4894, line 3, column L. A shareholder of a UBG member must combine all items paid or allocable by all members of the UBG.

PART 4: AVAILABLE LOSS FOR SHAREHOLDER ALLOCATED INCOME DISQUALIFIER

Read instructions before completing Part 4. Use Part 4 to determine the loss available from the five preceding periods. Do not enter a negative sign in front of the loss amounts in lines 18 through 23. UBGs, see special instructions on using member data to complete Part 4 and the "Loss Adjustment for a Shareholder with Multiple Allocations" worksheet.

Complete line 17 with the end dates of the five preceding tax periods (oldest to the left). Then complete lines 18 through 23, one column at a time beginning with the oldest, but completing only those columns representing periods that reported a loss (either generated or used) AND received a Small Business Alternative Credit.

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| 17. Tax year end date (MM-DD-YYYY) | | | | | |
| 18. Adjusted business income..... | | | | | |
| 19. Loss used on prior returns..... | | | | | |
| 20. Loss available for current return..... | | | | | |
| 21. Loss adjustment needed for current return..... | | | | | |
| 22. Additional loss adjustment needed..... | | | | | |
| 23. Loss adjustment carryforward | | | | | |