

2025 General Information for Insurance Companies

Standard Taxpayers and Financial Institutions: See the *Michigan Business Tax (MBT) Instruction Booklet for Standard Taxpayers* (Form 4600) or the *MBT Instruction Booklet for Financial Institutions* (Form 4599) at www.michigan.gov/taxes.

This booklet is intended as a guide to help complete the CIT return. It does not take the place of the law.

Who Files an Insurance Return?

All insurance companies, except those authorized under chapter 46 or 47 of the insurance code of 1956, that are engaged in the business of writing, or that are authorized to write, insurance or surety contracts within the State of Michigan file the *Insurance Company Annual Return for Corporate Income and Retaliatory Taxes* (Form 4905).

An *insurance company* is defined to mean an authorized insurer as defined in section 108 of the insurance code of 1956, 1956 PA 218, MCL 500.108. **Public Act 276 of 2016 amended the insurance code effective July 1, 2016, which now includes a health maintenance organization (HMO) as an “insurer.” If an HMO is an “authorized” “insurer” under the insurance code, is not otherwise exempt from tax, that HMO is required to file a CIT insurance return.** In the case that an HMO would file as a CIT standard taxpayer for a federal tax year that straddles PA 276’s effective date, two short-year returns (one short-year standard return and one insurance return) will be required for that year.

All insurers, domestic and foreign, must submit copies of the [Michigan Business Page of Schedule T when filing this return.](#)
Using This Booklet

This CIT booklet includes forms and instructions for all insurance filers. Read the General Information first. It is recommended that taxpayers and tax preparers also review the instructions for all forms.

There are both nonrefundable and refundable credits available for insurance companies to help reduce the calculation of tax.

The Michigan Association and Facilities Credit and the Michigan Examination Fees Credit are claimed on Form 4905. In addition, the Workers’ Disability Supplemental Benefit (WDSB) Credit is a refundable credit that is also claimed on Form 4905. When claiming the WDSB Credit the taxpayer will need to attach the document provided by the grantor to the return to substantiate the claim of this credit.

Overview of CIT for Insurance Companies

The CIT imposes a tax on insurance companies equal to 1.25 percent of gross direct premiums written on property or risk located in Michigan. There is no filing threshold for insurance companies.

Direct premiums do not include:

- Premiums on policies not taken
- Returned premiums on canceled policies
- Receipts from the sale of annuities
- Receipts on reinsurance premiums if the tax had been paid on the original premiums

- The first \$190,000,000 of disability insurance premiums written in Michigan. This exemption is reduced by two dollars for every dollar that an insurance company’s gross direct premiums everywhere (both within and outside of Michigan) exceed \$280,000,000.

An insurance company is subject to tax as calculated under the CIT or the retaliatory tax under Michigan Compiled Law (MCL) 500.476a, whichever is greater. The tax imposed under the Income Tax Act is in lieu of all other privilege and franchise fees or taxes, except for real and personal property taxes and sales and use taxes.

Filing CIT Quarterly Tax Estimates

If estimated liability for the year is reasonably expected to exceed \$800, a taxpayer must file estimated returns. A taxpayer may remit quarterly estimated payments by check with a *Corporate Income Tax Quarterly Return* (Form 4913) or may remit monthly or quarterly estimated payments electronically by Electronic Funds Transfer (EFT). When payments are made by EFT, Form 4913 is not required. A taxpayer also may remit monthly or quarterly estimated payments online. When payments are made online, Form 4913 is not required. Visit Michigan Treasury Online (MTO) at mto.treasury.michigan.gov, log in or create a user profile, and follow fast pay instructions to make your payment.

Estimated returns and payments for calendar year taxpayers are due to Treasury by April 15, July 15, October 15, and January 15 of the following year. The sum of estimated payments for each quarter must always reasonably approximate the liability for the quarter.

NOTE: Your debit transaction will be ineligible for EFT if the bank account used for the electronic debit is funded or otherwise associated with a foreign account to the extent that the payment transaction would qualify as an International ACH Transaction (IAT) under NACHA Rules. Contact your financial institution for questions about the status of your account. Contact the Michigan Department of Treasury’s (Treasury) Business Tax Customer Service Center at 517-636-6925 for alternate payment methods.

The estimated payment made with each quarterly return must be computed on the actual CIT for the quarter, or 25 percent of the estimated total liability.

To avoid interest and penalty charges, estimated payments must equal at least 85 percent of the total liability for the tax year and the amount of each estimated payment must reasonably approximate the tax liability for that quarter. If the prior year’s tax under the Income Tax Act was \$20,000 or less, estimated tax may be based on the prior year’s total tax liability paid in four equal installments. (“Four equal installments” describes the minimum pace of payments that will satisfy this safe harbor.) If the prior year’s tax liability was reported for a period less than 12 months, this amount must be annualized for purposes of both the \$20,000 ceiling and calculating the

quarterly payments due under this method. Payments at a more accelerated pace also will qualify. If the year's tax liability is \$800 or less, estimates are not required.

NOTE: Reliance on the tax liability of the prior year as a means to avoid interest and penalty charges is only allowed if you had business activity in Michigan in that prior year and filed a CIT return for that prior year. A return must be filed to establish the tax liability for that prior year, even if gross receipts in the prior year were less than \$350,000. In addition, if your business was not in existence in the preceding year, no safe harbor exists. In such a case, estimates must be based on the CIT liability for the current year. There is no prior-year safe harbor for a taxpayer's first CIT tax period. For a taxpayer's first CIT tax period the estimates must equal at least 85 percent of the total CIT liability.

Amending Estimates

If, after making payments, the estimated tax is substantially different than originally estimated, recompute the tax and adjust the payment in the next quarter.

Electronic Filing CIT Returns

Michigan has an enforced CIT e-file mandate. Software developers producing CIT tax preparation software and computer-generated forms must support e-file for all eligible Michigan forms that are included in their software package. All eligible CIT returns prepared using tax preparation software or computer-generated forms must be e-filed.

Treasury will be enforcing the CIT e-file mandate. The enforcement includes not processing computer-generated paper returns that are eligible to be e-filed. A notice will be mailed to the taxpayer, indicating that the taxpayer's return was not led in the proper form and content and must be e- led. Payment received with a paper return will be processed and credited to the taxpayer's account even when the return is not processed.

Treasury will continue to accept certain PDF attachments with CIT e-filed returns. A current list of defined attachments is available in the CIT "Michigan Tax Preparer Handbook for Electronic Filing Programs," available at www.michigan.gov/taxes/efile by clicking on "Corporate Income Tax-Michigan Business Tax," then "Corporate Income Tax Handbook" for the applicable tax year. Follow your software instructions for submitting attachments with an e-filed return.

If the CIT return includes supporting documentation or attachments that are not on the predefined list of attachments, the return can still be e-filed. Follow your software instructions for including additional attachments. The tax preparer or taxpayer should retain file copies of all documentation or attachments.

For more information and program updates, including exclusions from e-file, visit the e-file Web site at www.MIfastfile.org.

The taxpayer may be required to e-file its federal return. Visit the Internal Revenue Service (IRS) Web site at www.irs.gov for more information on federal e- le requirements and the IRS Federal/State Modernized e-File (MeF) program.

Completing Michigan Forms

Treasury captures the information from paper CIT returns using an Intelligent Character Recognition process. If completing a paper return, avoid unnecessary delays caused by manual processing by following the guidelines below so the return is processed quickly and accurately.

- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **Print using capital letters (UPPER CASE).** Capital letters are easier to recognize.
- **Print numbers like this:** 012345678. Do not put a slash through the zero (Ø) or seven (7).
- **Fill check boxes with an [X].** Do not use a check mark [✓].
- **Leave lines/boxes blank** if they do not apply or if the amount is zero, unless otherwise instructed.
- **Do not enter data in boxes filled with Xs.**
- **Do not write extra numbers, symbols, or notes** on the return, such as cents, dashes, decimal points (excluding percentages), or dollar signs unless otherwise instructed. Enclose any explanations on a separate sheet unless instructed to write explanations on the return.
- **Date format,** unless otherwise specified, should be in the following format: MM-DD-YYYY. Use dashes (-) rather than slashes (/).
- **Enter phone numbers using dashes** (e.g., 517-555-5555); do not use parentheses.
- **Stay within the lines** when entering information in boxes.
- **Report losses and negative amounts** with a negative sign in front of the number (do not use parentheses). For example, a loss in the amount of \$22,459 should be reported as -22,459.
- **Percentages should be carried out four digits** to the right of the decimal point. Do not round percentages. For example, 24.154266 percent becomes 24.1542 percent. When converting a percentage to a decimal number, carry numbers out six digits to the right of the decimal point. For example, 24.154266 percent becomes 0.241542.

Report all amounts in whole dollars. Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

Unitary Business Groups (UBGs) and Combined Filing

Special UBG Instructions for Insurance Companies

By definition, a UBG (as defined below) can include insurance companies, standard taxpayers, and financial institutions. However, in some cases not all members of the UBG will be included on the same return. All standard taxpayer members in a UBG (except those owned by and unitary with a financial institution) file a single combined return on the *CIT Annual Return* (Form 4891). Financial institution members of a UBG (and any standard taxpayer owned by and unitary with a financial institution in the group) file a combined return on the *CIT Annual Return for Financial Institutions* (Form 4908).

Insurance companies are not specifically excluded from the statutory definition of a UBG, and thus may be members of a UBG. However, the tax on authorized insurance companies is equal to 1.25 percent of gross direct premiums written on property or risk located or residing in Michigan. There is no traditional apportionment for insurance companies. Thus, even when an authorized insurance company is unitary with another authorized insurance company, this will have no effect in calculating the tax. As a result, a combined return is not required and each insurance company member of a UBG will file separately on Form 4905.

For further information on the CIT, see the Michigan Department of Treasury (Treasury) Web site at www.michigan.gov/taxes. (Click on “Corporate Income Tax” on the left side of the page.) Treasury will post updates here and via Revenue Administrative Bulletin (available on the “Reports and Legal Resources” link on the left side of the page).

Exemption Guidelines

The tax imposed and levied under the Income Tax Act does not apply to an insurance company authorized under Chapter 46 or 47 of the Insurance Code of 1956, PA 218 of 1956, MCL 500.4601 to 500.4673, and MCL 500.4701 to 500.4747.

Filing the Correct Form

A different primary return and instruction booklet is available for standard taxpayers (Form 4891) and financial institutions (Form 4908).

Due Dates of Annual Returns

The tax year of an insurance company is the calendar year. An insurance company must file the annual return on or before March 1, 2025. The extension that is available to the standard taxpayer under MCL 206.685(4) is not available to insurance companies.

Amending a Return

To amend a current or prior year annual return, complete the *Amended Return for Corporate Income and Retailiary Taxes* (Form 4906) that is applicable for that year, explaining the reason for the changes. Include all schedules or certificates filed with the original return, even if not amending those schedules. Enter the amounts on the amended return as they should be. Do not include a copy of the original return with your amended return.

Current and past year forms are available on at www.michigan.gov/treasuryforms.

To amend a return to claim a refund, file within four years of the original return’s due date. Interest will be paid beginning 45 days after the claim is filed or the due date, whichever is later.

If amending a return to report a deficiency, penalty and interest may apply from the due date of the original return. If any changes are made to a federal income tax return that affect the CIT tax base, filing an amended return is required. To avoid penalty, file the amended return within 180 days after the final determination by the IRS.

Computing Penalty and Interest

Annual and estimated returns filed late or without sufficient payment of the tax due are subject to a penalty of 5 percent of the tax due, for the first two months. Penalty increases by an additional 5 percent per month, or fraction thereof, after the second month, to a maximum of 25 percent.

Compute penalty and interest for underpaid estimates using the *CIT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4899). If a taxpayer prefers not to file this form, Treasury will compute the penalty and interest.

The following chart shows the interest rate that applies to each filing period. A new interest rate is set at 1 percent above the adjusted prime rate for each six-month period.

Beginning Date	Rate	Daily Rate
January 1, 2025	9.47%	0.0002595
July 1, 2025	8.66%	0.0002373
January 1, 2026	8.48%	0.0002324

For a list of interest rates, click on “Reports and Legal” on the Treasury Web site at www.michigan.gov/treasury/. Interest rates are updated in Revenue Administrative Bulletins (RABs).

Signing the Return

All returns must be signed and dated by the taxpayer or the taxpayer’s authorized agent. This may be the owner, partner, corporate officer, or association member. The corporate officer may be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign the corporation’s tax return.

If someone other than the above prepared the return, the preparer must give his or her business address and telephone number.

Print the name of the authorized signer and preparer in the appropriate area on the return.

Assemble the returns and attachments (in sequence order) and use a clip in the upper-left corner or rubber band the pages together. (Do not staple a check to the return.) In an e-filed return, the preparation software will assemble the forms and PDF attachments in the proper order automatically.

IMPORTANT REMINDER: Failure to include all the required forms and attachments will delay processing and may result in reduced or denied refund or credit forward or a bill for tax due.

SIGNING AN E-FILED RETURN: As with any tax return submitted to Treasury on paper, an electronic tax return must be signed by an authorized tax return signer, the Electronic Return Originator (ERO), if applicable, and the paid tax preparer, if applicable.

NOTE: If the return meets one of the exceptions to the e-file mandate and is being filed on paper, it must be manually signed and dated by the taxpayer or the taxpayer’s authorized agent.

The CIT Fed/State e-file signature process is as follows:

Fed/State Returns: Michigan will accept the federal signature method. Michigan does not require any additional signature documentation.

State Stand Alone Returns: State Stand Alone returns must be signed using Form MI-8879 (also called the *Michigan e-file Authorization for Business Taxes MI-8879*, Form 4763), provided in the e-file software. Returns are signed by entering the taxpayer PIN in the software after reading the perjury statement displayed in the software. The taxpayer PIN will be selected by the taxpayer, or the taxpayer may authorize his or her tax preparer to select the taxpayer PIN.

The MI-8879 will be printed and contain the taxpayer PIN. The tax preparer will retain the MI-8879 in his or her records as part of the taxpayer's printed return. CIT State Stand Alone e-filings submitted without a taxpayer PIN will be rejected by Treasury. Do not mail the MI-8879 to Treasury and do not include the MI-8879 as an attachment with the e-file return.

Mailing Addresses

Mail the annual return and all necessary schedules to:

With payment:

Michigan Department of Treasury
PO Box 30804
Lansing MI 48909

Without payment:

Michigan Department of Treasury
PO Box 30803
Lansing MI 48909

Mail CIT quarterly estimate payments (Form 4913) to:

Michigan Department of Treasury
PO Box 30774
Lansing MI 48909-8274

Courier delivery service mail should be sent to:

Michigan Department of Treasury
7285 Parsons Dr.
Dimondale MI 48821

Make all checks payable to "State of Michigan." Print taxpayer's FEIN, the tax year, and "CIT" on the front of the check. Do not staple the check to the return.

Correspondence

An address change or business discontinuance can be reported online by using Michigan Treasury Online (MTO), Business Tax Services. See www.michigan.gov/mtobusiness for information. In the alternative, *Notice of Change or Discontinuance* (Form 163), can be found online at www.michigan.gov/treasuryforms.

Mail correspondence to:

Michigan Department of Treasury
Business Taxes Division, CIT Unit
PO Box 30059
Lansing MI 48909

To Request Forms

Internet

Current and past year forms are available at www.michigan.gov/treasuryforms.

Alternate Format

Printed material in an alternate format may be obtained by calling (517) 636-6925.

TTY

Assistance is available using TTY through the Michigan Relay Center by calling 1-800-649-3777 or 711.

Revenue Administrative Bulletins (RABs)

Treasury provides updates via RABs under "Reports and Legal" at www.michigan.gov/treasury/. Currently relevant RABs for the CIT are:

- 2013-9, CIT Definition of "Actively Solicits"
- 2013-1, CIT Unitary Business Group Control Test and Relationship Tests
- 2014-5, Michigan CIT Nexus Standards
- 2024-10, Corporate Income Tax (CIT) Penalty and Interest for Underpaid Estimated Tax
- Interest Rates: For a list of interest rates updated and published in April and October, go to www.michigan.gov/treasury/ and click on "Reports and Legal."