

2016 MICHIGAN Business Tax Credits for Compensation, Investment, and Research and Development

Revised 2016, with additions of Public Act 26 of 2017.

Taxpayer Name	Federal Employer Identification Number (FEIN) or TIN Number
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1. Tax liability before the Compensation and Investment Tax Credits less Part 4007, line 2 _____ 1

PART 1: COMPENSATION CREDIT (Do not change the credit, go to Part 2)

2. Michigan Compensation _____ 2

3. Multiply line 2 by 0.25% (0.0025) _____ 3

PART 2: INVESTMENT TAX CREDIT

Read instructions to ensure eligibility before claiming the credit. First claiming the credit only amounts from line 1 to line 7.

Capital Investments

4. Total eligible depreciable tangible assets located in Michigan that were acquired during the tax year (from line 3) _____ 4

5. Total eligible depreciable tangible assets purchased or acquired by you outside of Michigan in a tax year beginning after December 31, 2007, that were transferred into Michigan during the tax year (from line 3) _____ 5

6. Total eligible depreciable intangible tangible assets that were acquired during the tax year (from line 3) _____ 6

7. **Write Tangible Assets.** If subject to apportionment, multiply line 4 by the percentage from Part 4007, line 10. If not subject to apportionment, enter amount from line 4 _____ 7

8. **Write Capital Investments.** Add lines 4, 5 and 7 _____ 8

9. Total cost paid in excess of all depreciable real and personal property located everywhere that was acquired during the tax year (withheld under 360, 365, 370, 375, 380) _____ 9

LINK to a Michigan Statistical Publication (SA-1) 4007 (2017) with the 2016-2017 CALCULATIONS on this form.

Recapture of Capital Investments Acquired or Transferred into Michigan During the Tax Year

10. Adjusted Proceeds from transfers of eligible depreciable tangible assets located in Michigan that were acquired or transferred into Michigan during the tax year and were also sold or otherwise disposed of during the tax year (from line 9) _____ 10

If subject to apportionment, complete lines 11 and 12, otherwise, go to line 13.

11. Apportioned proceeds, multiply line 10, column 1, by the percentage from Part 4007, line 10 _____ 11

12. Apportioned Adjusted Proceeds. If line 11 is a gain, subtract it from line 10, column 2. If line 11 is a loss, add it (positioned in line 10, column 2) _____ 12

13. Adjusted Proceeds from transfers of eligible depreciable intangible tangible assets acquired during the tax year that were sold or otherwise disposed of during the tax year (from line 9) _____ 13

If subject to apportionment, complete line 14, otherwise, go to line 15.

14. Apportioned Adjusted Proceeds. Multiply line 12 by percentage from Part 4007, line 10 _____ 14

15. Adjusted Federal Basis of eligible depreciable tangible assets other than intangible tangible assets acquired during the tax year that are eligible for the Investment Tax Credit and are transferred outside Michigan during the tax year (from line 4) _____ 15

16. **Sum of Capital Investments.** Add lines 15, 16 and 15. Do Proceeds in another state, add lines 12, 14, and 15 _____ 16