



TAXATION IN MICHIGAN

Corporate Income Tax (1/2)

- Under the Corporate Income Tax (CIT), taxpayer means a C Corporation, insurance company, financial institution, or a Unitary Business Group (UBG) is liable for tax, interest, or penalty.
- All taxpayers other than financial institutions and insurance companies with apportioned or allocated gross receipts equal to USD 350,000 or more and whose CIT liability is greater than USD 100 must file a CIT Annual Return.
- The primary form used for Michigan Corporate Income Tax is Form 4891, Corporation Annual Return.
- The Corporate Income tax rate is 6 percent.
- The due date for filing the Michigan Corporate Income Tax return is generally the last day of the fourth month following the close of the tax year.
- If additional time is needed to file an annual tax return, request a Michigan extension by filing an Application for Extension of Time to File Michigan Tax Returns (Form 4).

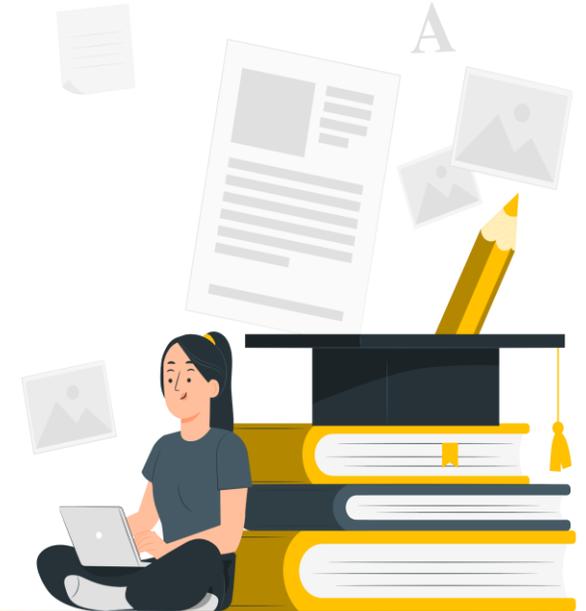


Corporate Income Tax (2/2)

A

Estimated Tax Payments

If estimated liability for the year is reasonably expected to exceed USD 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. Payments of tax are due to be filed on or before the 15th day of the 4th, 7th, 10th and 1st months of the taxable year.



B

Penalty and Interest

The penalty for late filing of CIT returns is 5% of the total unpaid tax due for the first two months. After two months, 5% of the unpaid tax amount is assessed each month. The maximum late penalty is equal to 25% of the unpaid tax owed. Interest is calculated by multiplying the unpaid tax owed by the current interest rate.

Flow through entity Tax (1/2)

A Pass-through entity is defined as an S corporation or a partnership under the internal revenue code for federal income tax purposes. The Michigan PTE tax is levied and imposed on certain electing pass-through entities with business activity in Michigan.

The following types of common pass-through entities may elect to pay the Michigan PTE tax:

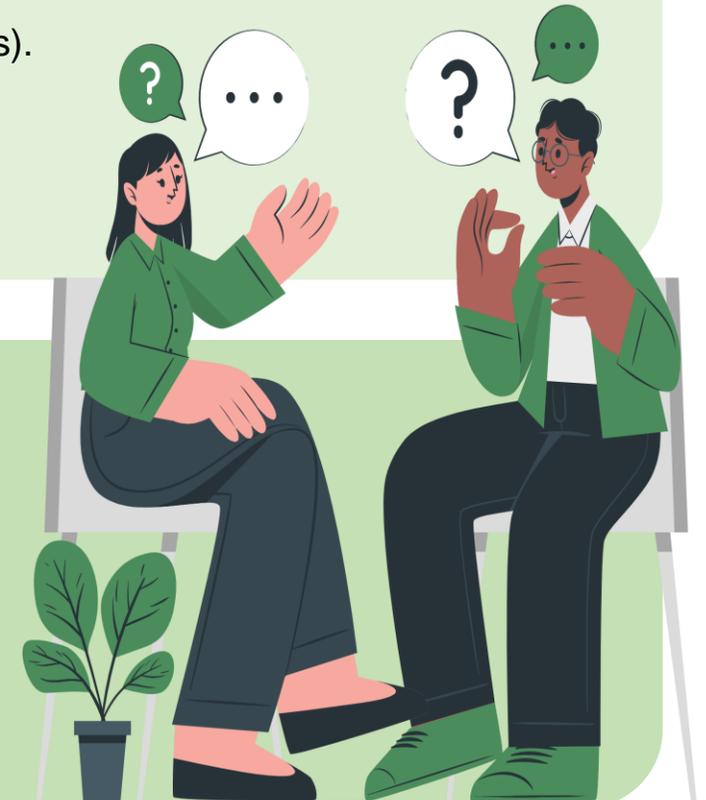
- Limited liability companies (LLCs) that file federal income tax returns as partnerships.
- Partnerships (including limited partnerships, limited liability partnerships, and general partnerships).
- S Corporations.

The Michigan FTE tax is levied on qualifying/electing entities at the same rate as Michigan individual income tax(IIT) is levied on individuals.

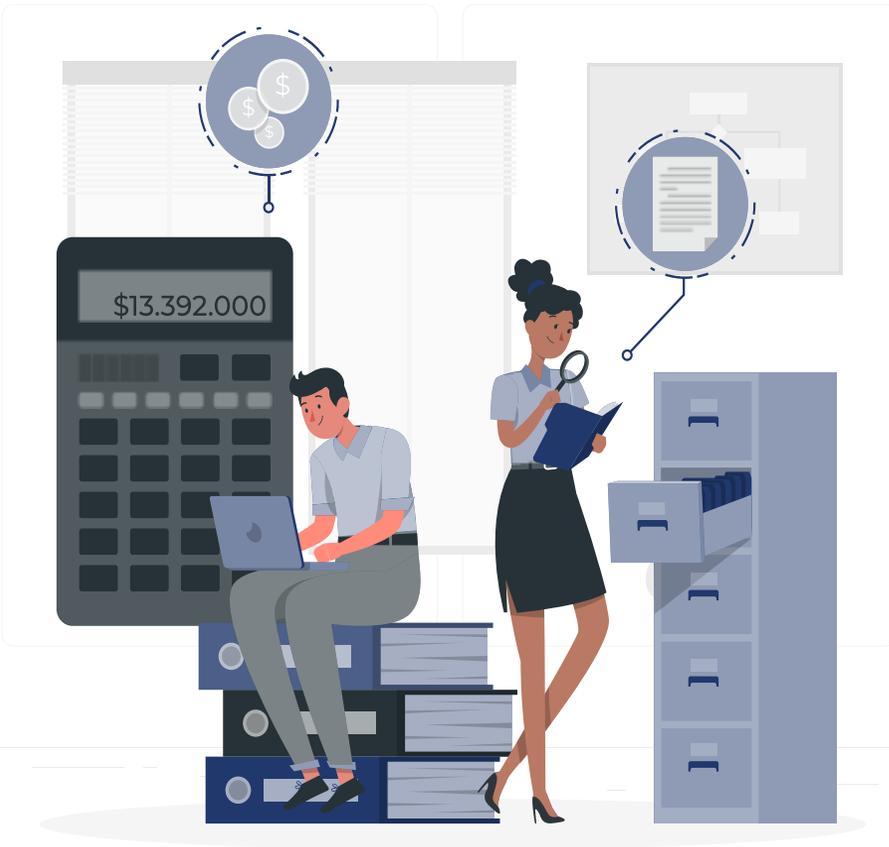
The Pass - through entity return is due on the last day of the third month after the end of the tax year.

The flow-through entity will be required to file Form 5772 (Flow-Through Entity [FTE] Tax Return) along with supporting schedules in Form 5773 (Schedule for Reporting Non-electing Flow-Through Entity Income) and Form 5774 (Schedule for Reporting Member Information for a Flow-Through Entity).

The flow-through entity may request and receive a 6-month extension to file the annual return, provided that it was requested before the due date.



Flow through entity Tax (2/2)



Estimated Tax Payment

Flow-through entities that elect to pay the Michigan FTE tax are required to make estimated payments each year that their annual tax liability is reasonably expected to exceed USD 800. The estimates must generally be made in equal installments on or before April 15, June 15, September 15, and January 15.

Penalty and Interest

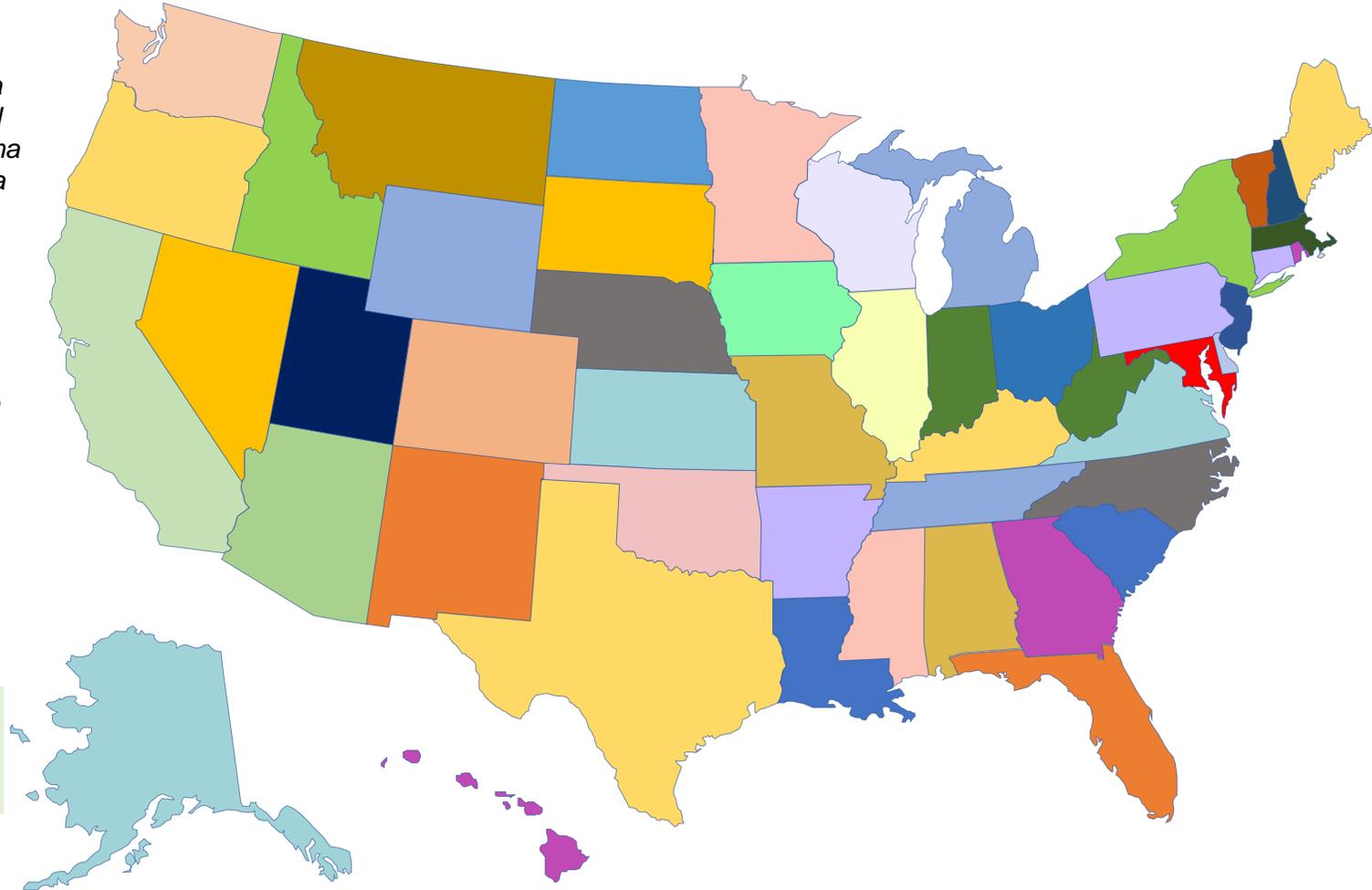
The penalty for late filing of returns is 5% of the total unpaid tax due for the first two months. After two months, 5% of the unpaid tax amount is assessed each month. The maximum late penalty is equal to 25% of the unpaid tax owed. Interest is calculated by multiplying the unpaid tax owed by the current interest rate.

Upcoming Series

Please find below the list of completed alerts from the series. In case you have missed the previous alerts, click on the hyperlink for the completed alerts to refer the same.

- | | | |
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| 1. Delaware | 19. Louisiana | 37. Oregon |
| 2. New Jersey | 20. Maine | 38. Pennsylvania |
| 3. California | 21. Maryland | 39. Rhode Island |
| 4. Alabama | 22. Massachusetts | 40. South Carolina |
| 5. Alaska | 23. Michigan | 41. South Dakota |
| 6. Arizona | 24. Minnesota | 42. Tennessee |
| 7. Arkansas | 25. Mississippi | 43. Texas |
| 8. Colorado | 26. Missouri | 44. Utah |
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