

2013 MICHIGAN Corporate Income Tax Affiliated Group Election to File as a Unitary Business Group

Issued under authority of Public Act 266 of 2013.

Designated Member Name	Designated Member FEIN
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NOTE: The Designated Member (DM) name and Federal Employer Identification Number (FEIN) above must match the DM name and FEIN used on the *Corporate Income Tax (CIT) Annual Return* (Form 4891), *CIT Amended Return* (Form 4892), *CIT Annual Return for Financial Institutions* (Form 4908), or *CIT Amended Return for Financial Institutions* (Form 4909).

CERTIFICATION

<i>On behalf of the taxpayer named above, I am making the affiliated group election to file as a Unitary Business Group under the CIT, effective with the 2013 tax year.</i>	
Authorized Signature for Tax Matters	
Authorized Signer's Name (print or type)	Date
Title	Telephone Number

Complete and mail this form to:

**Tax Processing Bureau
Business Taxes Division
Michigan Department of Treasury
PO Box 30427
Lansing, MI 48909**

Retain a copy for your records.

Instructions for the Corporate Income Tax Affiliated Group Election to File as a Unitary Business Group (Form 5114)

Purpose

A taxpayer wishing to make the affiliated group election to file as a Unitary Business Group (UBG) under the Corporate Income Tax (CIT) must file this form with the Michigan Department of Treasury (Treasury). The election allows a group of persons that satisfy the definition of "affiliated group," (see below) to elect to be treated as a UBG even if those persons do not satisfy the relationship test. This election, once made, is irrevocable and binding for the tax year of the election and the subsequent nine tax years (a total of 10 years).

Instructions

For purposes of this form, "affiliated group" means that term as defined in section 1504 of the internal revenue code except that it shall include all United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, that are commonly owned, directly or indirectly, by any member of such affiliated group and other members of which more than 50 percent of the ownership interests with voting rights or ownership interests that confer comparable rights to voting rights of the member is directly or indirectly owned by a common owner or owners.

A group of persons that satisfies the definition of an affiliated group may elect to have all persons included in that group treated as a UBG, within the definition, for purposes of filing the CIT, even if those persons do not satisfy the relationship test of MCL 206.611(6). For more information on the relationship test see the *Michigan CIT Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers* (Form 4896) or go online to www.michigan.gov/treasury. The group of persons need not request permission from Treasury to make the election but must file this form.

Each person in the affiliated group is deemed to have agreed to be bound by the election and any renewal of that election and is considered to have waived any objection to that person's inclusion in the affiliated group. Any person that subsequently enters the affiliated group during the period of an election is also deemed to have consented and is bound by the election.

This election is irrevocable and binding for the tax year for which it is made and the subsequent nine tax years (a total of 10 tax years). A taxpayer may not amend to rescind the affiliated group election. The election may be renewed at the expiration of ten years by filing this form anew with Treasury. If however, the group chooses not to renew at the expiration of ten years, it will be prohibited from creating a new election for a period of three tax years.

Control Test

The control test is satisfied when one person owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting or comparable rights of the other person or persons. A person owns or controls more than 50 percent of the ownership interest with voting rights or ownership interest that confer comparable rights to voting rights of another person if that person owns or controls:

- More than 50 percent of the total combined voting power of all ownership interests with voting (or comparable) rights, or
- More than 50 percent of the total value of all ownership interests with voting (or comparable) rights.

Filing Procedures for UBGs

By definition, a UBG can include standard taxpayers, insurance companies, and financial institutions. (Note that an entity that would otherwise be standard but is owned by and unitary with a financial institution is defined by statute to be a financial institution.) In some cases, however, not all members of the UBG will be included on the same return. Standard members (not owned by and unitary with a financial institution in the UBG) file a combined return on the *Corporate Income Tax Annual Return* (Form 4891). The *Data on UBG Members* (Form 4897) must be filed in support of that return. Financial institution members will report and combine their data using the *UBG Combined Filing Schedule for Financial Institutions* (Form 4910), which supports the lead financial form, *CIT Annual Return for Financial Institutions* (Form 4908). Insurance Companies file stand-alone returns on the *Insurance Company Annual Return for Corporate Income and Retaliatory Taxes* (Form 4905).

Mailing Address

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Michigan Department of Treasury
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