

Instructions for Form 4896

Corporate Income Tax (CIT) Unitary Business Group Affiliates Excluded from the Return of Standard Taxpayers

Purpose

The purpose of this form is to identify every C Corporation (or entity taxed as such), insurance company, and financial institution that meets the Unitary Business Group (UBG) control test, but is not included on the combined UBG return supported by this form.

Line-by-Line Instructions

Lines not listed are explained on the form.

For guidance on UBGs for the purpose of this form, see the “Supplemental Instructions for Standard Members in UBGs” section in the *CIT Forms and Instructions for Standard Taxpayers* (Form 4890) and the Michigan Department of Treasury Web site at www.michigan.gov/taxes.

Membership in a UBG is determined by a two-part test. One part is based on ownership percentages. The purpose of this form is to identify entities for which the ownership test is satisfied, but which are not included on the combined return supported by this form, either because the relationship test is not satisfied or because the entity is excluded by statute. A member whose business activity is not included in the current combined return because its tax year ends after the filing period of the UBG should also be listed here.

Line 1A: If an entity being listed here is listed on U.S. Form 851, enter the identifying number for that entity that is called “Corp. No.” at the left edge of pages 1, 2, and 3 of U.S. Form 851.

Line 1D: Reason codes for affiliates being excluded from the current combined return:

1	Lacks business activities resulting in a flow of value or integration, dependence or contribution to group.
2	Foreign operating entity.
3	Foreign entity.
4	Member has no CIT tax year (as a member of this UBG) ending with or within this filing period.
5	Insurance company. (Insurance companies always file separately.)
6	Financial institution. (Financial institutions and standard taxpayers generally are not included on the same combined return.)
9	Other.

If you have questions, call Treasury, Technical Services Section, at (517) 636-4230, to discuss an appropriate entry.

Line 1E: If this entity has nexus with Michigan, enter an “X” in this box.

Line 1F: Enter the entity’s six-digit NAICS code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at www.census.gov/eos/www/naics/, or enter the same NAICS code used when filing the U.S. Form 1120, Schedule K; or U.S. Form 1120S.

Include completed Form 4896 as part of the tax return filing.