2015

Reference for the 2014 tax year

Michigan

TAXPAYER'S

Guide

Dear Taxpayer:

This booklet contains information for the 2014 tax year on Michigan property taxes, homestead property tax credits, farmland and open space tax relief, the home heating credit program, and individual income taxes. The information contained in this booklet may ease the burden of filling out state tax forms and may even save some taxpayers money. However, this booklet is not designed to provide line-by-line instructions for filling out state income tax forms. That information is provided by the Michigan Department of Treasury in the income tax instruction booklets that include tax forms.

This year, the income tax rate is 4.25%, and the personal exemption for taxpayers and dependents on state income tax returns is $4,000. There is also a special exemption for each person or dependent in the household who is deaf, paraplegic, quadriplegic, hemiplegic, totally and permanently disabled or blind, a $2,500 exemption. Additionally, there is a $300 exemption for each disabled veteran in the household.

Most taxpayers may request that their income tax refund be directly deposited into a U.S. financial account of their choice. To request direct deposit, fill out the direct deposit portion of the MI-1040, MI-1040CR, or MI-1040CR-2 or file Form 3174 and attach it to the state income tax form.

This booklet was prepared with useful information about 2014 state taxes. It is not meant as a substitute for Michigan Department of Treasury tax instruction booklets.

Please Note:

The tax forms have been included as an example for taxpayers. Anyone using these forms to file their state income tax and property tax credits should consult the department's instruction booklets. Any references on these forms to page numbers refer to pages in the department's instruction booklets and not to pages in this Taxpayer's Guide.

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MICHIGAN PROPERTY TAX

The general property tax has traditionally been an important part of our state's tax structure. Money raised through property taxes goes toward financing local services, such as police and fire protection; public education; the operation of city, village, township, and county governments; and special projects such as sewers, streets, and parks. All property taxes collected by local units of government, other than the state education tax which is sent to the state School Aid Fund for distribution, are kept locally, and no other part of that revenue is sent to or used by the state.

PROPERTY TAX ASSESSMENT

Property subject to taxation by local units of government is classified as either real or personal property. Real property consists of land and any improvements to the land, such as buildings and water and sewer facilities. Personal property includes tangible items such as furniture, machines, and equipment belonging to a business, and those items not permanently attached to land or buildings. Generally, residential personal property is exempt from taxation.

The "assessed value" of real property is the value placed upon the property by the local assessment officer. There are three valuations used in assessing real property in Michigan: assessed value, state equalized value, and taxable value. The Michigan Constitution requires that property be assessed uniformly at a rate not to exceed 50 percent of true cash value. True cash value is what the property would bring on the local housing market.

Property assessment is an annual, three-step process.

- First, the local assessor determines the *assessed value* of property based on the condition of the property on December 31 of the previous year. This is 50 percent of what the assessor determines to be the market price.
- Second, the board of commissioners in each county equalizes, or applies an adjustment factor, to ensure that property owners in all cities, townships, villages, or school districts in the county pay their fair share of that unit's taxes. Equalization serves to bring the total valuation across assessing units as close to the 50 percent level as possible.
- Third, the State Tax Commission applies an adjustment factor to the county assessments to bring the total valuation across counties as close to the 50 percent level as possible. This process produces the property's *state equalized value*, or SEV.

While equalization results in the determination of the property's state equalized value, the *taxable value* is what is used to calculate property taxes. For newly acquired property, the SEV is the property's taxable value. For each continued year of ownership, taxable value is the previous year's taxable value minus losses, adjusted for inflation, and plus new property improvements. The taxable value increase is capped at the rate of inflation or 5 percent, whichever is less, except for new construction. Historically, a property's true cash value rose faster than inflation, resulting in taxable values below SEV. In recent times, even though some housing values have fallen, taxable value can never be more than SEV. The inflation rate used to calculate 2015 taxable values is 1.6 percent.

When a property is transferred, however, the following year's SEV becomes the property's taxable value, eliminating the cap of the rate of inflation or 5 percent. This triggers a "pop-up" in taxes due. A transfer of ownership occurs when a title or present interest in the property is transferred through conveyance by deed, land contract, trust, distribution under a will, certain leases, or other mechanisms. Transfers of property from one spouse to the other or from a decedent to a surviving spouse, among other exceptions, are not considered a transfer of ownership. Beginning December 31, 2013, transfers of residential property to an immediate family member are exempted from the pop-up if the use of the property does not change following the transfer.

The pop-up from taxable value to SEV does not apply when eligible farmland is transferred to new owners. When someone purchases eligible farmland and files an affidavit testifying that the property would remain in agricultural use for at least seven years, the transfer will not trigger the pop-up. Transfers of land subject to a conservation easement are also exempted from the pop-up.

PRINCIPAL RESIDENCE EXEMPTION

A principal residence is exempt from taxes levied by a local school district for operating purposes of up to 18 mills. A homeowner's principal residence is defined as "the one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established." Property owners may claim only one exemption. A husband and wife, filing income tax returns jointly, are generally entitled to no more than one principal residence exemption, although the law allows a temporary, additional exemption for up to 3 years on an unsold homestead, and allows members of the armed forces to retain their exemption if they rent their home while away on active duty. Homeowners with a principal residence exemption currently residing in a nursing home or assisted living facility may maintain the exemption so long as they continue to own and maintain the property, it is not occupied and they do not establish a new primary residence.

To be eligible for the homeowner's principal residence property exemption in 2015, a taxpayer must have claimed an exemption by filing an affidavit with the local tax collecting unit on or before June 1, 2015 for the immediately succeeding summer tax levy and October 30, 2015 for the immediately succeeding winter tax levy. Exemptions filed in prior years are valid until rescinded. A denial of this exemption may be appealed to the Michigan Tax Tribunal within 35 days from date of notice.

HOMESTEAD PROPERTY TAX CREDIT

Eligible homeowners or renters who pay more than 3.5 percent of their household income in property taxes can receive a credit or rebate on their state income tax. See the income tax section later in this booklet for more details.

POVERTY EXEMPTION

A person may be eligible to request a poverty exemption from property taxes if they, at a minimum, own and occupy the property as their homestead, demonstrate evidence of ownership and identification, and meet poverty income standards. The local board of review makes the determination if the exemption should be granted or denied based on the guidelines for both income and asset levels adopted by the local unit of government. To be eligible for an exemption, a homeowner must apply to the local assessing unit after January 1 but before the day prior to the last day of the board of review. Poverty exemption denials may be appealed to the Michigan Tax Tribunal.

DISABLED VETERANS EXEMPTION

Beginning November 12, 2013, property owned and used as a homestead by a disabled and honorably discharged veteran is exempt from Michigan property taxes. This exemption is also available to an unremarried surviving spouse of a disabled veteran. An affidavit to qualify for this exemption must be filed annually with the local tax unit. A denial of this exemption may be appealed to the Michigan Tax Tribunal.

APPEALING A TAX ASSESSMENT

THE LOCAL BOARD OF REVIEW

If, for any reason, a taxpayer disagrees with the assessed value, taxable value, or taxable status of property, he/she may appeal to the local governmental board of review. Township boards of review

are comprised of three, six, or nine voters who are appointed by the township board. Township review boards meet in the week containing the second Monday in March to hear protests. Boards of review also meet in July and in December to correct qualified errors in the roll, including adjustments for property incorrectly listed as having had a transfer of ownership or certain other errors regarding the taxable status of the property. These meeting dates are also used for disputes over claims for the homeowner's principal residence, poverty, disabled veterans status, and initial qualified agricultural property exemptions. Corrections may be made for the year in which the appeal was filed and, in some cases, for the three immediately preceeding years.

The size, composition, appointment, and meeting times of city boards of review vary according to requirements of their respective charters. Places and times of their meetings should be posted in the local newspaper.

THE MICHIGAN TAX TRIBUNAL

To make an appeal at the state level, a taxpayer must have first locally appealed an assessment of residential or agricultural property. If not satisfied with the judgment of the board of review, a taxpayer may appeal the decision to the Michigan Tax Tribunal, an independent body which has the power to hear appeals of judgments of the local boards of review. The tribunal has seven members appointed by the Governor and confirmed by the Michigan Senate. To appeal an assessment to the Michigan Tax Tribunal, an appeal must be filed on or before July 31 of the tax year involved for residential or agricultural property and by May 31 for other property.

The Residential and Small Claims Division of the Michigan Tax Tribunal hears appeals of agricultural and homeowner's principal residence exemptions. An appeal must be filed within 35 days after the assessor, county treasurer, or county equalization director denies a claim for exemption. An appeal of a claim for a poverty exemption must be filed by June 30, if the claim was denied at the March board of review. A claim must be filed within 30 days if the July or December board of review (meetings held to correct errors in the roll) denies a claim of exemption.

There is no fee for the filing of a homeowner's principal residence property tax appeal. The fees for filing other property tax appeals are on a scale determined by the amount of SEV in contention, with a minimum of $25.00.

An initial letter of appeal to the Michigan Tax Tribunal should be addressed to the Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909. The letter should state: (1) that the assessed value has been protested this year at the local board of review (if residential or agricultural property); (2) the number of assessments which are being appealed; and (3) the location of the property by village, city, or township and county.

PROPERTY TAX RATES

The tax rate, or millage, is the number of tax dollars the taxpayer must pay for each $1,000 of taxable value. This rate varies by local unit, but certain statewide constitutional and statutory restrictions exist. The rate may not exceed 15 mills ($15 per $1,000) except in counties in which voters have approved rates of up to 18 mills. Excluded from these limitations are:

- debt service taxes for all debts of local units approved by the electorate;
- extra-voted millage rates up to 50 mills for not more than 20 years; and
- taxes imposed by those units having tax limitations provided by charter or general law (cities, villages, charter townships, charter counties, community colleges, intermediate school districts (for special education and vocational education mills only) and other charter authorities).

Property taxes can be determined by multiplying the total local millage rate by the taxable value of property. A mill equals one one-thousandth of a dollar ($1 of tax for each $1,000 of taxable value). For example, if the local millage rate is 32 mills ($32 per $1,000 of taxable value) and the taxable value is $100,000, the formula would be $32 x 100, for a property tax of $3,200. The Michigan Department of Treasury has a property tax estimator on its website (www.michigan.gov/treasury).

COLLECTION

Property taxes may be collected in the summer or the winter, or in some combination. Townships traditionally collect property taxes in the winter, but most cities collect property taxes in the summer. The six-mill state education tax is collected in the summer. School boards or intermediate school districts can request that a city or township collect half or all of their school taxes in the summer. County allocated millage is collected in the summer and county extra-voted millage is collected in the winter.

TAX DEFERMENTS

There are several instances in which a taxpayer may have their payments for special assessments or summer or winter property taxes deferred.

SPECIAL ASSESSMENTS

A homeowner who is 65 years of age or older or who is totally and permanently disabled, and who is a citizen of the United States, a resident of this state for five or more years, the sole owner of a homestead for five or more years, and who meets household income standards, is eligible to defer special assessments on that homestead. The total amount of the special assessment to be deferred, exclusive of interest, cannot be less than $300.

For those who qualify for a special assessment deferment, the payment of the deferred special assessment by the owner, or the owner's estate, will include an interest charge of 1 percent per month or fraction of a month. Special assessments will be deferred until one year after the owner's death or until the homestead is sold, conveyed, or transferred to someone else. Death of a spouse, however, will not terminate the deferment for the surviving spouse, unless the surviving spouse remarries.

SUMMER OR WINTER PROPERTY TAX

A taxpayer who is a senior citizen (age 62 or over, including the unremarried surviving spouse of a person who was 62 years of age or older at the time of death), paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, or who is totally and permanently disabled or blind may be able to delay paying summer or winter taxes on his or her homestead if total household income in the prior taxable year did not exceed $40,000. Winter taxes may be deferred until May 1 of the first year of delinquency and summer taxes may be deferred until the following February 15. Subject to the approval of county boards of commissioners, property taxes deferred under this procedure shall not be subject to penalties or interest for the period of the deferment. This allows taxpayers to apply for and receive the homestead property tax rebate before the taxes are due. Taxpayers can contact the county treasurer to determine if the deferment has been made available and to check qualifications.

FARMLAND AND OPEN SPACE TAX RELIEF

In 1974, the Michigan Legislature passed the Farmland and Open Space Preservation Act to alleviate the rapid and often premature conversion of land, uniquely suited for agriculture and open space, to more intensive uses. Updated in 1995, this program enables a landowner to voluntarily enter into a developmental rights agreement or a developmental rights easement with the state.

These agreements or easements ensure that enrolled lands (active farmland or certain open space lands are eligible) remain in a particular use for an agreed-upon period of time. In return for maintaining the land in a particular use, the landowner is entitled to certain property tax benefits.

To be eligible, the agricultural land must be actively farmed and must generally meet one of the following qualifications: be 40 or more acres in size; five to 40 acres in size with a minimum per-acre gross income of $200 per year; or a Department of Agriculture and Rural Development-designated "specialty farm" with a minimum gross annual income of $2,000. At least 51 percent of the land must be primarily devoted to an agricultural use, except for specialty farms.

SIGNIFICANT 2015 PROPERTY TAX DATES

December 31, 2014	Tax day for 2015 property tax assessments.
January 30, 2015 February 1 is a Sunday	Notice by certified mail to all properties that are **delinquent on their 2012 taxes**.
February 17 February 15 is a Sunday February 16 is a state holiday	Last day to pay property taxes without the imposition of a **late penalty charge** equal to 3 percent of the tax in addition to the property tax administration fee, if any. The governing body may waive the penalty for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible service person, eligible veteran, eligible widow or widower, totally and permanently disabled or blind persons, if that person has filed a claim for a homestead property tax credit with the state treasurer before February 15. Also applies to a person whose property is subject to a farmland/development rights agreement if they present a copy of the development rights agreement or verification that the property is subject to the development rights agreement before February 15. If statements are not mailed by December 31, the local unit may not impose the 3 percent late penalty charge. A local unit of government that collects a summer property tax shall **defer the collection** until this date for property which qualifies.
February 20	**Deadline for taxpayer filing of personal property statement** with assessor.
February 27	**Last day for local treasurers to collect 2014 taxes on real property**.
March 1	Properties with **delinquent 2013 taxes forfeit** to the county treasurer. County property tax **administration fee of 4 percent added to unpaid 2014 taxes** and interest at 1 percent per month.
March 2	Local units to turn over 2014 delinquent taxes on real property to the county treasurer. On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. However, if March 1 is on a Saturday, Sunday or legal holiday, the last day taxes are due and payable before being returned as delinquent is on the next business day.
March 9	**The local Board of Review (BOR) must meet on the second Monday in March**. This meeting must start not earlier than 9 a.m. and not later than 3 p.m. The BOR must meet one additional day during this week and shall hold at least three hours of its required sessions during the week of the second Monday in March after 6 p.m. **Note:** The governing body of a city or township may authorize an alternative starting date for the second meeting of the March BOR, which can be either the Tuesday or the Wednesday following the second Monday in March.
March 31	**Last day to pay all forfeited 2012 delinquent taxes, interest, penalties and fees, unless an extension has been granted by the circuit court. If unpaid, title to properties foreclosed for 2012 real property taxes vests solely in the foreclosing governmental unit.**

SIGNIFICANT 2015 PROPERTY TAX DATES (CONTINUED)

April 6	**On or before the first Monday in April,** the March BOR must complete their review of protests of assessed value, taxable value, property classification or denial by assessor of continuation of qualified agricultural property exemption.
May 1	**Last day of deferral period for winter** (December 1) property tax levies, if the deferral for qualified taxpayers was authorized by the county board of commissioners.
	Deadline for filing a PRE Active Duty Military affidavit to allow military personnel to retain a PRE for up to three years if they rent or lease their principal residence while away on active duty.
	Deadline for filing the Farmland affidavit (form 2599) with the local assessor if the property is NOT classified agricultural or if the assessor asks an owner to file it to determine whether the property includes structures that are not exempt.
By June 1	**First notice sent to all properties that are delinquent on 2014 taxes**.
June 1 May 31 is a Sunday	**Appeals of property** classified as commercial real, industrial real, developmental real, commercial personal, industrial personal or utility personal must be made by filing a written petition with the **Michigan Tax Tribunal** on or before May 31 of the tax year involved.
	Deadline for filing Homeowner's Principal Residence Exemption affidavits (form 2368) for exemption from the summer tax levy of 18-mill school operating tax.
	Deadline for filing the initial request (first year) of a **Conditional Rescission of Principal Residence Exemption** (form 4640) for the summer tax levy.
	Denial of a Homeowner's Principal Residence exemption (PRE) may be appealed by the owner to the Small Claims Division of the Michigan Tax Tribunal (MTT) within 35 days after the date of the notice of denial.
	Deadline for notifying protesting taxpayer in writing **of BOR action**.
June 30	**Deadline for classification appeals** to the **State Tax Commission (STC)**. A classification appeal must be filed with the STC in writing on or before June 30. BORs must provide the taxpayer with the form to appeal their classification.
July 1	**Taxes due and payable in those jurisdictions authorized to levy a summer tax**. (Charter units may have a different due date.)
July 21	**The July BOR may be convened to correct a qualified error**.
	An owner of property that is a **"Principal Residence"** on May 1 **may appeal to the July BOR** in the year for which an exemption was claimed or in the immediately succeeding 3 years if the exemption was not on the tax roll. For taxes levied after December 31, 2011 an owner who owned and occupied a principal residence on June 1 or November 1 for which the exemption was not on the tax roll may file an appeal with the July or December Board of Review in the year for which the exemption was claimed or in the immediate succeeding three years if the exemption was not on the tax roll.
	An owner of property that is **Qualified Agricultural Property** on May 1 **may appeal to the July BOR** for the current year and the immediately preceding year if the exemption was not on the tax roll.
	July BOR may hear appeals for current year only for poverty exemptions, <u>but not</u> poverty exemptions denied by the March BOR.
July 31	**Appeals of property classified as residential real, agricultural real, timber-cutover real or agricultural personal** must be made by filing a written petition with the MTT on or before July 31 of the tax year involved.
	A protest of assessed valuation or taxable valuation or the percentage of Qualified Agricultural Property exemption subsequent to BOR action, must be filed with the MTT, in writing on or before July 31.

SIGNIFICANT 2015 PROPERTY TAX DATES (CONTINUED)

August 17	**Deadline for taxpayer to file appeal directly with the MTT** if final equalization multiplier exceeds tentative multiplier and a taxpayer's assessment, as equalized, is in excess of 50 percent of true cash value. (By the third Monday in August.)
September 1	**Second notice by first class mail to all properties that are delinquent on 2014 taxes**.
September 14	**Summer Taxes Due:** Summer taxes due, unless property is located in a city with a separate charter due date. **Last day of deferral period for summer** property tax levies, if the deferral for qualified taxpayers was authorized by the county board of commissioners. **Interest of 1 percent per month will accrue if the payment is late** for taxes that are part of the summer tax collection. Note: date may be different depending on the city charter.
October 1	**County treasurer adds $15 for each parcel of property for which the 2014 real property taxes remain unpaid**.
October 30 October 31 is a Saturday November 1 is a Sunday	**Deadline for filing Homeowner's Principal Residence affidavits** (form 2368) for exemption from the winter tax levy of 18-mill school operating tax. **Deadline for filing the initial request** (first year) of a Conditional Rescission of Principal Residence exemption (form 4640) for the winter tax levy.
December 1	**2015 taxes due and payable to local unit treasurer are a lien** on real property. Charter cities or villages may provide for a different day.
MTT Note:	Appeal to the MTT of a contested tax bill must be filed within 60 days after the mailing of the tax bill that the taxpayer seeks to contest. (Limited to arithmetic errors.)
December 15	**Special BOR meeting may be convened by assessing officer to correct qualified errors**. (Tuesday after the second Monday in December.) An owner of property that is a **"Principal Residence"** on May 1 **may appeal to the December BOR** in the year for which an exemption was claimed or in the immediately succeeding three years if the exemption was not on the tax roll. An owner cannot appeal to the December Board of Review if property was owned and occupied as a principal residence some time from May 2 to November 1 but form 2368 was not timely filed. An owner of property that is **Qualified Agricultural Property** on May 1 **may appeal to the December BOR** for the current year and the immediately preceding year if the exemption was not on the tax roll. **December BOR to hear appeals for current year poverty exemptions only,** but not poverty exemptions denied by the March BOR.
December 30, 2015 December 31 is a state holiday	**Tax day for 2016 property taxes**.

MICHIGAN INDIVIDUAL INCOME TAX

The Michigan individual income tax was first adopted in 1967. It is a direct flat-rate tax, which means that everyone is assessed the same tax rate (4.25 percent for 2014), regardless of their level of income.

The basis, or starting point, of calculating the Michigan income tax is an individual's adjusted gross income (AGI) as determined on federal income tax forms, such as the 1040, 1040A, 1040EZ, or 1040NR. Various amounts are subtracted from, or added to, the federal AGI before Michigan income taxes are determined. After all appropriate exemptions, subtractions, and additions are applied, an individual's tax liability is determined by multiplying their income by 4.25 percent. After the tax is calculated, an individual's tax liability may be reduced—sometimes even beyond zero—by various tax credits. Tax credits are subtracted after taxes are calculated, while tax deductions are subtracted from income before taxes are determined.

TAX INFORMATION FOR TAX YEAR 2014

The following sections of the Taxpayer's Guide provide general information on Michigan Individual Income tax exemptions, deductions, and credits for tax year 2014 (i.e., for tax returns filed in April 2015). The information provided here is meant only to supplement information provided by the Michigan Department of Treasury. Taxpayers should still consult with the official tax instruction booklets when calculating their state individual income tax liability.

STATE INCOME TAX EXEMPTIONS

Michigan taxpayers are allowed to take a number of exemptions, depending on the number of people in the taxpayer's household, their ages, and other factors. These exemptions include:

- $4,000 personal exemption; and
- $4,000 for each dependent.

Special Exemptions

- $2,500 for each person or dependent in the household who is deaf, paraplegic, quadriplegic, hemiplegic, totally and permanently disabled, or blind; and
- An additional $300 for each disabled veteran in the household.

ADDITIONS AND SUBTRACTIONS

Michigan law provides that some things that are not counted as income at the federal level and which, therefore, are not included in the federal AGI, must be counted as income in Michigan. Similarly, some things included in the federal AGI are not counted as income under Michigan law. These "additions" and "subtractions" from income are listed on the form entitled, "Michigan Schedule 1." Additions to Michigan income include gross interest and dividends from obligations issued by other states, losses attributable to other states, and gains from Michigan.

Michigan subtractions from income include the following age-based deductions:

For a person born before 1946:

- The full amount of pension or retirement benefits received from a Michigan or U.S. government public retirement system.
- The full amount of social security benefits received.
- The full amount of retirement benefits received for service in the U.S. armed forces, or Michigan National Guard, and retirement benefits received under the Railroad Retirement Act.

- Pension or retirement benefits from a private pension are deductible to a maximum of $49,027 ($98,504 for a joint return). The amount of this deduction is reduced by the amount of any public or military pension benefits deducted.

For a person born in 1946:

- A standard deduction equal to $20,000 ($40,000 for a joint return). The standard deduction is increased by $15,000 if the taxpayer or spouse received retirement or pension benefits due to employment with a governmental agency that was exempt from the Social Security Act.
- The full amount of social security benefits received.
- The full amount of retirement benefits received for service in the U.S. armed forces or Michigan National Guard, and retirement benefits received under the Railroad Retirement Act.

For a person born in 1947-1952:

- The sum of pension or retirement benefits received from a private, a Michigan, and a U.S. government public retirement system may be subtracted up to $20,000 ($40,000 for a joint return). The deduction is increased by $15,000 if the taxpayer or spouse received retirement or pension benefits due to employment with a governmental agency that was exempt from the Social Security Act.
- The full amount of social security benefits received.
- The full amount of retirement benefits received for service in the U.S. armed forces or Michigan National Guard, and retirement benefits received under the Railroad Retirement Act.

For a person born after 1952:

- The full amount of retirement benefits received for service in the U.S. armed forces and retirement benefits received under the Railroad Retirement Act.
- The full amount of social security benefits received.

Please see the appropriate official tax instruction booklet for a list of all the available deductions that may be subtracted from a taxpayer's adjusted gross income.

TAX CALCULATION

After all applicable exemptions, additions, and subtractions are applied the Michigan individual income tax is calculated. The Michigan income tax rate is 4.25 percent for the 2014 tax year.

STATE INCOME TAX CREDITS

Michigan offers a number of tax credits that allow taxpayers to reduce their tax bill. Tax credits are subtracted after calculating the amount of taxes due. Depending on whether or not the credit is considered refundable, tax credits may even result in the state making a payment to the individual. Non-refundable credits can only reduce a taxpayer's tax bill to zero, but cannot go beyond this. Refundable credits, however, can go beyond zero. For example, a taxpayer calculates that they owe $500 in taxes. However, they qualify for a non-refundable tax credit worth $700. Since the credit is non-refundable, they will reduce their tax liability to zero and the state will not owe them any money. If, on the other hand, the tax credit is refundable, the state will pay, or refund, the difference between the tax bill (i.e., $500, and the amount of the credit, $700). This will result in the state sending the taxpayer a check for $200.

There are several nonrefundable tax credits available to Michigan income tax filers. These include credit for income taxes imposed and remitted to governments outside Michigan and charitable contributions made on the voluntary contributions schedule. More information on making voluntary contributions can be found later in this booklet. There are also several refundable tax credits available to filers, including the farmland preservation credit. Three of Michigan's major refundable tax credits—the homestead property tax credit, home heating credit, and earned income tax credit—are discussed on the following pages. Information on all refundable and nonrefundable tax credits can be found in the Michigan Department of Treasury's official tax booklets.

HOMESTEAD PROPERTY TAX CREDIT

Michigan's homestead property tax credit program is a way the state of Michigan helps offset a portion of the property taxes paid by Michigan homeowners and renters. Homeowners pay property taxes directly and renters pay them indirectly with their rent. The credit, for most people, is based on a comparison between total household resources and the property taxes, rent, or other fees paid on a Michigan homestead.

What is a homestead?

The term "homestead" is the place where an individual lives, whether it is owned or rented, and includes a mobile home or lot in a trailer park. An individual may have only one homestead at any given time, and they must occupy the property for it to be considered their homestead. Permanent occupants of a nursing home, foster care home, or home for the aged that is subject to property taxes, may consider the facility as their homestead.

What are total household resources?

Total household resources are the combined total income (taxable and nontaxable) of both spouses or of a single person maintaining a household. It is federal AGI, excluding net business and farm losses, net rent and royalty losses, and any carryover of a net operating loss, plus all income exempt or excluded from the federal AGI. Gains realized on the sale of a residence should be included, whether or not these gains are exempt from federal income tax.

Total household resources include the following:

- Capital gains on sales of your residence regardless of them being exempt from federal income tax.
- Scholarship, stipend, grant, or GI bill benefits and payments made directly to an educational institution.
- Compensation for damages to character or for personal injury or sickness.
- An inheritance (except an inheritance from your spouse).
- Proceeds of a life insurance policy paid on the death of the insured (except benefits from a policy on your spouse).
- Death benefits paid by or on behalf of an employer.
- Minister's housing allowance.
- Forgiveness of debt, even if excluded from AGI (e.g., mortgage foreclosure).
- Reimbursement from dependent care and/or medical care spending accounts.
- Payments made on your behalf, except government payments, made directly to third parties such as an educational institution or subsidized housing project.

Total household resources do NOT include:

- Net operating loss deductions taken on your federal return.
- Payments received by participants in the foster grandparent or senior companion program.
- Energy assistance grants.
- Government payments to a third party (e.g., a doctor). Note: If payment is made from money withheld from your benefit, the payment is part of total household resources. (For example, the DHS may pay your rent directly to the landlord.)
- Money received from a government unit to repair or improve your homestead.

- Surplus food or food assistance program benefits.
- State and city income tax refunds and homestead property tax credits.
- Chore service payments (these payments are income to the provider of the service).
- The first $300 from gambling, bingo, lottery, awards, or prizes.
- The first $300 in gifts of cash or merchandise received, or expenses paid on your behalf (rent, taxes, utilities, food, medical care, etc.) by parents, relatives, or friends.
- Amounts deducted from Social Security or Railroad Retirement benefits for Medicare premiums.
- Life, health, and accident insurance premiums paid by your employer.
- Loan proceeds.
- Inheritance from a spouse.
- Life insurance benefits from a spouse.
- Payments from a long-term care policy made to a nursing home or other care facility.
- Most payments from The Step Forward Michigan program.

Taxpayers may reduce total household resources by subtracting:

- Payments to IRAs, SEP, SIMPLE, or qualified plans.
- Student loan interest deduction.
- Deduction for self-employment tax.
- Self-employed health insurance deduction.
- Penalty on early withdrawal of savings.
- Alimony paid.
- Jury duty pay you gave to your employer.
- Archer Medical Savings Account (MSA) deduction.
- Medical insurance or HMO premiums you paid for yourself or your family (not Medicare), including medical insurance premiums paid through payroll deduction.
- Any other adjustments to gross income included on 2014 U.S. Form 1040.

For more information on total household resources, visit: www.michigan.gov/taxtotalhouseholdresourses.

What property taxes, rental payments, and other fees are used to calculate the credit?

For Michigan homeowners, property taxes used to calculate the credit are those for which the taxpayer received a bill in 2014, regardless of when the taxes were paid. Administration fees of 1 percent or less may be included, but not penalties or interest. Special assessments may be included only if they are based on taxable value and either applied to the entire taxing jurisdiction, or are levied for police, fire, or advanced life support in an entire township, except for the village portion of a township.

For other tax filers, the following information may be used to calculate the credit:

- Renters may count 20 percent of the rent paid, except renters of tax-exempt housing, who pay service fees instead of property taxes, may only count 10 percent of their rent.
- Persons living in a mobile home park may count the $3 per month specific tax and 20 percent of the amount they pay for lot rental less the specific tax.
- Permanent occupants of a nursing home, foster care home, or home for the aged that is subject to property taxes, may use the allocated share of the property taxes levied on the facility as taxes eligible for credit. Nursing home managers should have this information.

Single occupants of a nursing home or adult care facility who maintain an unrented homestead may claim either their homestead tax or their share of the facility's property tax, but both may not be claimed. Filers who maintain a homestead and their spouse lives in an adult care facility may file a joint credit claim by combining their spouse's share of the facility's property tax and their homestead tax.

Property taxes on a homestead that is bought or sold during the year must be prorated according to the number of days occupied, regardless of any agreement entered into by the parties involved as to who shall pay the taxes.

Who is not eligible for the credit?

- Taxpayers whose property taxes, rent, or other fees as described above do not exceed 3.5 percent of their total household resources.
- Taxpayers with total household resources of more than $50,000.
- Taxpayers whose homestead has a taxable value greater than $135,000 (excluding the portion of a parcel of real property that is unoccupied and classified as agricultural).
- Persons whose total household resources consisted totally of Family Independence Program (FIP) assistance or Department of Human Services (DHS) benefits are not eligible for the credit. For persons who received a part of their income from these programs, their credit will be reduced by the percentage which their total household income was composed of FIP or DHS benefits.

How is the homestead property tax credit calculated?

The value of the Homestead Property Tax Credit is calculated by comparing total household resources against property taxes, rent, or other fees as described above. The credit is available to taxpayers with total household resources of $50,000 or less, whose home is in Michigan, who resided in Michigan for at least six months in 2014, and whose homestead taxable value is not greater than $135,000.

The basis for the credit is the difference between property taxes, eligible rent, or other fees and a percentage (3.5 percent for most filers) of total household resources, up to a maximum of $1,200. Most filers do not receive the full amount of this difference as a credit, however, because the credit is adjusted based on household resources and whether the filer qualifies as a senior citizen or is disabled. The impacts of these adjustments are described in the next few paragraphs.

For most filers, the credit equals 60 percent of the difference between property taxes, eligible rent, or other fees and 3.5 percent of total household resources.

Senior citizens whose total household resources are $21,000 or less may receive 100 percent of the difference as a credit. Senior citizens whose total household resources are more than $21,000, but no more than $30,000, are eligible for a reduced percentage of the difference. The credit percentage is reduced by 4 percent for each $1,000 (or part of $1,000) that total household resources exceed $21,000. For senior citizens whose total household resources are between $30,001 and $41,000, the credit is 60 percent of the difference.

For filers who are permanently disabled, paraplegic, hemiplegic, quadriplegic, or deaf, and whose total household resources are $41,000 or less, the credit is equal to 100 percent of the difference, i.e., 100 percent of the difference between property taxes, eligible rent, or other fees and the appropriate percentage of total household resources (again, generally 3.5 percent).

The credit is reduced for all filers, including senior citizens and the disabled, if the filer's total household resources exceed $41,000. The reduction is equal to 10 percent for each $1,000 (or part of $1,000) above $41,000 until total household resources reach $50,000. Persons with total household resources above $50,000 are not eligible for the homestead property tax credit.

The following examples provide a better illustration of how the Homestead Property Tax Credit is calculated. The official tax booklets provided by the Michigan Department of Treasury should be consulted when applying for this credit.

EXAMPLES OF COMPUTING THE CREDIT

Example 1: The following is an example of how the credit would be figured for a senior citizen whose total household resources in 2014 were $21,000 or less. Mr. and Mrs. Smith's total household resources were $20,000, qualifying them for 100% of the credit. Their property tax bill for 2014 was $1,500.

The credit is computed by multiplying total household resources ($20,000) by 3.5% (.035). The credit is worth the amount of property taxes that exceed this amount as follows:

$20,000 x 3.5% = $700

Are property taxes greater than this amount? Yes

What is the difference between property taxes ($1,500) and $700? $800

The tax credit is: $800

Example 2: Another example is provided for a senior citizen with total household resources of $25,000 and property taxes of $2,100, qualifying for less than 100% of the credit but more than 60%.

$25,000 x 3.5% = $875

Are property taxes greater than this amount? Yes

What is the difference between property taxes ($2,100) and $875? $1,225

Amount Total Household Resources exceed $21,000? $4,000

Reduce credit by 16% (4% for each $1,000 of total household resources over $21,000) to 84%

Amount of Credit: $1,225 – (16% x $1,225) = $1,029

Example 3: Mr. and Mrs. Jones are senior citizens whose total household resources were $35,000. They paid $600 rent per month for 12 months. If 20% of the total rent they paid in 2014 is more than 3.5% of their household income, the excess is multiplied by 60% to determine the credit, as follows:

$35,000 x 3.5% = $1,225

What is 20% of their 2014 rent? $1,440

Is 20% of rent paid greater than this amount? Yes

What is the difference between 20% of rent and $1,225? $215

Multiply $215 by 60%

The tax credit is: $129

FILING THE HOMESTEAD PROPERTY TAX CREDIT

There are two forms that may be used to file the homestead property tax credit. Most taxpayers should use form MI-1040CR to calculate the credit. However, taxpayers who are active military, veterans, a surviving spouse of a veteran, or totally blind and own their homestead, may file form MI-1040CR-2, which uses an alternative method to calculate the credit. These taxpayers should use the form that provides the larger credit.

All individuals claiming a refund should file their claim with their Michigan income tax return. The 2014 Michigan income tax return is due April 15, 2015.

The period for amending a claim for a homestead property tax credit is four years from the date set for filing the original claim. Those individuals who do not have to file a Michigan income tax return, but who are eligible for property tax relief, should file the homestead property tax claim as soon as the amounts of 2014 homestead property taxes and household income are known.

HOME HEATING CREDITS

The home heating tax credit is available to households that are at or near the poverty level as defined by the federal government. This credit is different from other credits in that its value must be applied to heating costs, and it is funded federally. The credit is available to renters or homeowners, including mobile home renters or owners, whose total household resources are at or below certain limits based on the number of exemptions the taxpayer is allowed. Household resources are calculated the same as for the Homestead Property Tax Credit. The number of exemptions that should be used to compute the credit include a personal exemption for each person in the household. Additional exemptions are available for each person in the household who is disabled or is a qualified disabled veteran.

There are two methods available for computing a home heating credit: the standard method and, for individuals with very low household resources and high heating costs, an alternative formula.

STANDARD METHOD

In calculating the credit using the standard method, the amount of the home heating tax credit is determined by first figuring the amount of total household resources and the number of exemptions. Then, the following table is used to find the standard allowance (the maximum credit permitted) for the total exemptions claimed.

Number of Exemptions	Standard Allowance	Household Resources Ceiling
0 or 1	$450	$12,842
2	$607	$17,329
3	$763	$21,786
4	$919	$26,243
5	$1,076	$30,728
6	$1,232	$35,186

For each additional exemption, $4,466 is added to household resources and $156 is added to the standard allowance.

Across from the number of exemptions is the standard allowance. The credit is the standard allowance minus 3.5 percent of total household resources. The home heating credit is funded by a block grant from the federal government. In order to limit credits to the available amount of federal funding, 2014 credits will be multiplied by a proration factor of 50 percent. Claimants with heat included in rent are eligible for only 50 percent of the standard credit amount, which is then reduced by the proration factor, i.e., 50 percent. Credits are not available for those whose household income exceeds the amount in the household income ceiling column at the right of the table.

EXAMPLE CALCULATION OF STANDARD CREDIT

John and Mary Smith are both senior citizens who are homeowners. They had total household resources of $12,000. They were entitled to two exemptions.

Standard Allowance	$607.00
Less: 3.5% of household income (.035 x $12,000)	– $420.00
Home Heating Credit Subtotal	187.00
Proration Factor	x 0.50
Credit Available	$ 93.50

ALTERNATIVE METHOD

As stated above, the alternative method is for individuals with very low incomes and high heating costs. Only those whose household income does not exceed the maximums specified in the table below (based on the number of exemptions for which they are eligible) can qualify for the alternative credit formula.

Number of Exemptions	Maximum Household Income
0 or 1	$13,727
2	$18,472
3	$23,222
4 or more	$24,018

To compute the alternative credit, total heating costs for the 12 consecutive monthly billing periods from November 2013 to October 2014 must be determined (maximum heating costs allowed in 2014 is $2,642). Then the total heating costs are reduced by 11 percent of household income. The home heating credit will be 70 percent of this amount. For the 2014 tax year, credits will be multiplied by a proration factor of 50 percent. The alternative credit is not available to those whose heat is included in rent or for claims of less than 12 months.

EXAMPLE CALCULATION OF ALTERNATIVE CREDIT

Bill and Helen Jones had a household income of $7,500 and were entitled to three exemptions. Their total heating cost was $1,500.

Fuel cost	$1,500.00
Less 11% of household income (.11 x $7,500)	– $ 825.00
Balance	$ 675.00
Multiply by 70%	x $ .70
Home Heating Credit Subtotal	$ 472.50
Proration Factor	x 0.50
Home Heating Credit (rounded to the nearest dollar)	$ 236.25

Even if you qualify for the alternative credit, you should also calculate your credit using the standard method and claim the larger credit.

RECEIVING THE HOME HEATING CREDIT

Instead of receiving a credit against taxes owed, or a refund of money from the state, most people receiving the home heating credit receive an energy draft to use as payment toward current and future heating bills. Energy drafts can be used only to pay heating bills in the taxpayer's name and may not be cashed. For some people, the Michigan Department of Treasury will send their credit directly to their heating provider. Those whose heating costs are included in rent or whose heating services are in someone else's name will receive checks. Michigan residents can apply for the home heating credit by filling out form MI-1040CR-7. The home heating credit is available even for those who do not have to file a Michigan tax return. The home heating credit is available January 1, 2015 through September 30, 2015.

EARNED INCOME TAX CREDITS

Michigan's Earned Income Tax Credit (EITC) helps working families keep more of their paycheck. The Michigan EITC is based on the federal Earned Income Tax Credit program. Michigan taxpayers who are eligible for the federal EITC are automatically eligible for the Michigan EITC. For tax year 2014, the Michigan EITC equals 6 percent of the federal EITC.

VOLUNTARY CONTRIBUTIONS SCHEDULE

Michigan's Voluntary Contributions Schedule, found on Form 4642, allows taxpayers to make direct contributions to a number of charities. The contribution will increase the taxpayer's tax liability or reduce their refund. For tax year 2014, contributions can be made to following charitable entities:

ALS of Michigan Fund – to support research to find a cure for ALS and to provide services to ALS patients and their families.

Animal Welfare Fund – to help finance the costs for protecting and caring for animals that have been subjected to cruelty or neglect.

Children's Trust Fund – Prevent Child Abuse Michigan – to prevent child abuse and neglect.

Children of Veterans Tuition Grant Fund – to assist with undergraduate tuition expenses for eligible children of Michigan veterans who died or suffered total and permanent disability in the line of duty.

Michigan Alzheimer's Association Fund – to benefit unpaid caregivers of individuals with Alzheimer's disease.

Michigan Amber Alert Fund – to support and maintain the Michigan Amber Alert Plan.

Military Family Relief Fund – to provide assistance to needy families of Michigan military personnel serving on active duty.

Special Olympics Michigan – to provide year-round sports training to Michigan children and adults with intellectual disabilities.

United Way Fund – to improve the lives of Michigan residents by mobilizing the caring power of communities to provide for basic needs, including, but not limited to, food, clothing, and shelter.

FILING INCOME TAX RETURNS

The individual income tax filing deadline is April 15, 2015. Forms may be filed by mail or electronically. The Michigan Department of Treasury encourages electronic filing, called e-file, because it costs 83 percent less to process than paper forms. Taxpayers who use e-file and are due refunds can get their refunds faster than with a paper return. Taxpayers who have a balance due can file their returns electronically before the filing deadline. However, they do not have to send their payments until April 15, 2015.

Home heating credit forms can be filed up until September 30, 2015, and do not require that the person pay any taxes or even fill out the Michigan Individual Income Tax form.

Most taxpayers have the option of having their income tax refund deposited directly into their bank accounts.

Taxpayers may request a 180-day extension of the deadline to file taxes. An extension of time to file the federal return automatically extends the time to file the Michigan return. An extension of time to file is

not an extension of time to pay, however. Interest and penalties will accrue during the extension. Taxpayers who are unable to submit the entire payment by April 15 can make late or partial payments.

CONTACTING THE MICHIGAN DEPARTMENT OF TREASURY

- Mailing Address: Michigan Department of Treasury
  Lansing, Michigan 48922
- Phone: (517) 373-3200. Assistance is available using TTY through the Michigan Relay Center by calling 1-800-649-3777 or 711.
- Printed material in an alternate format may be obtained by calling (517) 636-4486.
- Website: http://www.michigan.gov/taxes.

HOW TO GET HELP WITH TAXES

- Automated Information Service: (517) 636-4486.
- A list of places that provide free help with taxes is available by calling **2-1-1**, or by calling 1-800-552-1183 if 2-1-1 is unavailable.
- Email: treasIndTax@michigan.gov.
- Help with taxes may also be available from the Michigan Statewide Earned Income Tax Credit Coalition at www.michiganeic.org/taxpayers.
- The Michigan Department of Treasury website, www.michigan.gov/taxes, provides information about how to choose a tax preparer.

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Individual Income Tax Return MI-1040

Return is due April 15, 2015.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
Home Address (Number, Street, or P.O. Box)			
City or Town	State	ZIP Code	4. School District Code (5 digits – see page 60)

5. **STATE CAMPAIGN FUND**
Check if you (and/or your spouse, if filing a joint return) want $3 of your taxes to go to this fund. This will not increase your tax or reduce your refund.
a. ☐ Filer
b. ☐ Spouse

6. **FARMERS, FISHERMEN, OR SEAFARERS**
☐ Check this box if 2/3 of your income is from farming, fishing, or seafaring.

7. **2014 FILING STATUS.** Check one.
a. ☐ Single
b. ☐ Married filing jointly
c. ☐ Married filing separately*

* If you check box "c," complete line 3 and enter spouse's full name below:

8. **2014 RESIDENCY STATUS.** Check all that apply.
a. ☐ Resident
b. ☐ Nonresident *
c. ☐ Part-Year Resident *

* If you check box "b" or "c," you must complete and attach Schedule NR.

9. **EXEMPTIONS. NOTE:** If someone else can claim you as a dependent, check box 9d, enter 0 on line 9a and enter $1,500 on line 9d (see instr.).

a. Number of exemptions claimed on 2014 federal return	9a.		x $4,000	9a.		00
b. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled	9b.		x $2,500	9b.		00
c. Number of qualified disabled veterans	9c.		x $400	9c.		00
d. Claimed as dependent, see line 9 NOTE above	9d.	☐		9d.		00
e. Add lines 9a, 9b, 9c and 9d. Enter here and on line 15				9e.		00

10.	**Adjusted Gross Income** from your U.S. Forms *1040, 1040A, 1040EZ* or *1040NR* (see instructions)	10.	00
11.	Additions from Schedule 1, line 9. Attach Schedule 1	11.	00
12.	**Total.** Add lines 10 and 11	12.	00
13.	Subtractions from Schedule 1, line 27. Attach Schedule 1	13.	00
14.	**Income subject to tax.** Subtract line 13 from line 12. If line 13 is greater than line 12, enter "0"	14.	00
15.	**Exemption allowance**. Enter amount from line 9e or Schedule NR, line 19	15.	00
16.	**Taxable income.** Subtract line 15 from line 14. If line 15 is greater than line 14, enter "0"	16.	00
17.	**Tax.** Multiply line 16 by 4.25% (0.0425)	17.	00

NON-REFUNDABLE CREDITS

			AMOUNT		CREDIT	
18.	Income Tax Imposed by government units outside Michigan. Attach a copy of the return (see instructions)	18a.		00	18b.	00
19.	Michigan Historic Preservation Tax Credit carryforward and/or Small Business Investment Tax Credit (see instructions)	19a.		00	19b.	00
20.	**Income Tax.** Subtract the sum of lines 18b and 19b from line 17. If the sum of lines 18b and 19b is greater than line 17, enter "0"				20.	00

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Continue on page 2. This form cannot be processed if page 2 is not completed and attached.

Filer's Full Social Security Number — —

21.	Enter amount of Income Tax from line 20	21.	00
22.	Voluntary Contributions from Form 4642, line 10. Attach Form 4642	22.	00
23.	**USE TAX.** Use tax due on Internet, mail order or other out-of-state purchases from Worksheet 1 (see instructions)	23.	00
24.	**Total Tax Liability.** Add lines 21, 22 and 23	24.	00

REFUNDABLE CREDITS AND PAYMENTS

25.	**Property Tax Credit.** Attach MI-1040CR or MI-1040CR-2	25.	00
26.	**Farmland Preservation Credit.** Attach MI-1040CR-5	26.	00
27.	a. Federal Earned Income Tax Credit	27a.	00
	b. Michigan Earned Income Tax Credit. Multiply line 27a by 6% (0.06)	27b.	00
28.	Michigan Historic Preservation Tax Credit (refundable). Attach Form 3581	28.	00
29.	Michigan tax withheld from Schedule W, line 7. Attach Schedule W **(do not submit W-2s)**	29.	00
30.	Estimated tax, extension payments and 2013 credit forward	30.	00
31.	Total refundable credits and payments. Add lines 25, 26, 27b, 28, 29 and 30	31.	00

REFUND OR TAX DUE

Office Use Only

32.	If line 31 is less than line 24, subtract line 31 from line 24. Include interest ____ and penalty ____ if applicable (see instr.) **YOU OWE**	32.	00
33.	**Overpayment.** If line 31 is greater than line 24, subtract line 24 from line 31	33.	00
34.	**Credit Forward.** Amount of line 33 to be credited to your 2015 estimated tax for your 2015 tax return	34.	00
35.	Subtract line 34 from line 33. **REFUND**	35.	00

DIRECT DEPOSIT

Deposit your refund directly to your financial institution! See instructions and complete a, b and c.

a. Routing Transit Number	b. Account Number	c. Type of Account
		1. ☐ Checking 2. ☐ Savings

Deceased Taxpayer. If Filer and/or Spouse died after December 31, 2013, enter dates below. ***ENTER DATE OF DEATH ONLY.*** Example: 04-15-2014 (MM-DD-YYYY)

Filer — — Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

☐ By checking this box, I authorize Treasury to discuss my return with my preparer.

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

Preparer's PTIN, FEIN or SSN

Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

Refund, credit, or zero returns. Mail your return to: **Michigan Department of Treasury, Lansing, MI 48956**

Pay amount on line 32. Mail your check and return to: **Michigan Department of Treasury, Lansing, MI 48929**

Make your check payable to "**State of Michigan**." Print the last four digits of your **Social Security number** and "**2014 Income Tax**" on the front of your check. If paying on behalf of another taxpayer, **write the filer's name and the last four digits of their Social Security number** on the check. Do not staple your check to the return. You can pay electronically using Michigan's e-Payments service. Keep a copy of your return and supporting schedules for six years. For more information and to check your refund status, have a copy of your MI-1040 available when you visit **www.michigan.gov/iit.**

✚ 0000 2014 05 02 27 9

2014 MICHIGAN Schedule 1 Additions and Subtractions

Issued under authority of Public Act 281 of 1967, as amended.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 01

Attach to Form MI-1040.

Filer's First Name	M.I.	Last Name	Filer's Full Social Security No. (Example: 123-45-6789)
			— —

Additions to Income (all entries must be positive numbers)

1. Gross interest and dividends from obligations issued by states (other than Michigan) or their political subdivisions	1.		00
2. Deduction for taxes on, or measured by, income including self-employment tax taken on your federal return (see instructions)	2.		00
3. Gains from Michigan column of MI-1040D and MI-4797	3.		00
4. Losses attributable to other states (see instructions)	4.		00
5. Net loss from federal column of your Michigan MI-1040D or MI-4797	5.		00
6. Oil, gas, and nonferrous metallic mineral expenses deducted to arrive at Adjusted Gross Income (AGI)	6.		00
7. Federal Net Operating Loss deduction	7.		00
8. Other (see instructions). Describe: _____	8.		00
9. **Total additions. Add lines 1 through 8. Enter here and on MI-1040, line 11**	9.		00

Continue on page 2.

2014 MICHIGAN Schedule 1 Additions and Subtractions

Filer's First Name	M.I.	Last Name	Filer's Full Social Security No. (Example: 123-45-6789)
			— —

Subtractions from Income (all entries must be positive numbers)

10.	Income from U.S. government bonds and other U.S. obligations included in MI-1040, line 10. Attach U.S. *Schedule B* if over $5,000	10.	00
11.	Amount included in MI-1040, line 10, from military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard, or taxable railroad retirement benefits	11.	00
12.	Gains from federal column of Michigan MI-1040D and MI-4797	12.	00
13.	Income attributable to another state. **Explain type and source:**_____	13.	00
14.	Taxable Social Security benefits or military pay (not retirement) included on MI-1040, line 10	14.	00
15.	Income earned while a resident of a Renaissance Zone (see instructions).	15.	00
16.	Michigan state and local income tax refunds received in 2014 and included on MI-1040, line 10.	16.	00
17.	Michigan Education Savings Program and MI 529 Advisor Plan	17.	00
18.	Michigan Education Trust	18.	00
19.	Oil, gas, and nonferrous metallic minerals income included in AGI.	19.	00
20.	Resident tribal member income exempted under a State/Tribal tax agreement or pursuant to *Revenue Administrative Bulletin 1988-47*.	20.	00
21.	Michigan Net Operating Loss Deduction	21.	00
22.	Miscellaneous subtractions (see instructions). **Describe:**_____	22.	00

Deduction Based on Year of Birth

Complete this section if you are eligible to claim the Michigan Standard Deduction, the deduction for retirement benefits or the deduction for senior investment income on lines 24, 25 or 26. If you complete line 24, 25 or 26, lines 23A through 23F must be completed for you and your spouse, if married.

NOTE: See instructions before continuing with this section.

23.

FILER			SPOUSE		
A. Year of Birth (19xx)	**B.** Age (as of 12-31-2014)	**C.** Check if SSA Exempt	**D.** Year of Birth (19xx)	**E.** Age (as of 12-31-2014)	**F.** Check if SSA Exempt
		☐			☐

24.	**Michigan Standard Deduction.** Complete this line ONLY if the older of you or your spouse (if married) was born during the period January 1, 1946, through January 1, 1948, and reached age 67 on or before December 31, 2014. **Do not complete lines 25 and 26.**	24.	00
25.	**Retirement benefits.** Enter amount from line 15, 26, or 27 of Form 4884, *Michigan Pension Schedule.* **Attach Form 4884**	25.	00
26.	Dividend/interest/capital gains deduction for taxpayers **69 years and older**. Deduction is limited to $10,929 for single or married filing separately filers and $21,857 for joint filers, less any deduction for retirement benefits (see instructions).	26.	00

☐ Check this box if you are the unremarried surviving spouse claiming a dividend, interest or capital gains deduction for someone born before 1946 who was at least age 65 at the time of death.

27.	**Total subtractions. Add lines 10 through 26. Enter here and on MI-1040, line 13**	27.	00

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Attach to Form MI-1040 and Schedule 1.

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Pension Schedule (Form 4884)

NOTE: If the filer and spouse (and deceased spouse from whom a surviving spouse is receiving benefits) were born after December 31, 1952, STOP; you are not entitled to a pension subtraction.

If the older of you or your spouse was born during the period January 1, 1946, through January 1, 1948, and reached age 67 on or before December 31, 2014, do not complete this form. Instead, complete Schedule 1, line 24.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 23

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
			— —

PART 1: FILER'S AGE

Failure to complete Part 1 will result in your pension subtraction being denied.

4. Primary Filer Year of Birth (ex. 19xx)	5. If a Joint Return, Spouse Year of Birth (ex. 19xx)

If you are receiving retirement and pension benefits from a deceased spouse who was born prior to January 1, 1953, complete lines 6a through 6c.

6a. Deceased Spouse Name	6b. Deceased Full Spouse Social Security No.	6c. Deceased Spouse Year of Birth (ex. 19xx)

PART 2: RETIREMENT AND PENSION BENEFITS (see instructions)

Do not enter Social Security, military or railroad retirement benefits here (see Schedule 1).

7. Retirement and pension benefits. List all that apply for filer (and spouse if filing jointly) including benefits from a deceased spouse.

A Enter "X" for **Private or Public**		B Enter "X" for Deceased Spouse	C – Payer FEIN (from 1099-R) (Example: 38-1234567) (see instructions)	D Distribution Code	E Name of Payer	F Pension Amount Included in AGI	
							00
							00
							00
							00
							00
							00
							00
							00
							00

☐ **Check this box and complete the *Michigan Pension Continuation Schedule* (Form 4973) if you have more than ten sources of Retirement and Pension Benefits.**

Continue on page 2. This form cannot be processed if page 2 is not completed and attached.
You must also attach a completed MI-1040 and Schedule 1 when filing Form 4884.

+ 0000 2014 04 01 27 3

Filer's Full Social Security Number

PART 3: To determine which section below to complete, review the Questionnaire: Which Section of Form 4884 Should I Complete? on page 16 of the MI-1040 book. Complete only one of the sections below.

SECTION A:

8. Enter $49,027 if single or $98,054 if filing jointly. Reduce this amount by any military or railroad retirement benefits from Schedule 1, line 11.	8.		00
9. Enter total **public** retirement and pension benefits (including public benefits received from a deceased spouse if deceased spouse was born prior to January 1, 1946 and died prior to 2014) .	9.		00
10. **Subtotal.** Subtract line 9 from line 8. If line 9 is more than line 8, enter "0"	10.		00
11. Enter total **private** retirement and pension benefits (including private benefits received from a deceased spouse if deceased spouse was born prior to January 1, 1946 and died prior to 2014) .	11.		00
12. If deceased spouse was born between January 1,1946 and December 31, 1952 and died prior to 2014, enter deceased spouse retirement and pension benefits (maximum $20,000 if single or $40,000 if filing jointly).	12.		00
13. Add lines 11 and 12.	13.		00
14. Enter the smaller of lines 10 or 13	14.		00
15. **Total Retirement and Pension Benefits Subtraction.** Add lines 9 and 14. Carry this amount to Schedule 1, line 25.	15.		00

SECTION B:

16. Enter $49,027 if single or $98,054 if filing jointly. Reduce this amount by any military or railroad retirement benefits from Schedule 1, line 11.	16.		00
17. Enter **public** benefits received from a deceased spouse who died prior to 2014	17.		00
18. **Subtotal.** Subtract line 17 from line 16. If line 17 is more than line 16, enter "0"	18.		00
19. Enter **private** benefits received from a deceased spouse who died prior to 2014	19.		00
20. Enter the smaller of lines 18 or 19	20.		00
21. Add lines 17 and 20.	21.		00
22. Enter total filer and spouse retirement and pension benefits	22.		00
23. Maximum Allowable Pension Deduction. Enter $20,000 if single or $40,000 if filing jointly. If you checked box 23C or 23F on Schedule 1, see instructions.	23.		00
24. Subtract line 21 from line 23. If line 21 is more than line 23, enter "0"	24.		00
25. Enter the smaller of lines 22 or 24	25.		00
26. **Total Retirement and Pension Benefits Subtraction.** Add lines 21 and 25. Carry this amount to Schedule 1, line 25	26.		00

SECTION C:

27. **Total Retirement and Pension Benefits Subtraction.** Enter total retirement and pension benefits, including benefits received from a deceased spouse who died prior to 2014 (maximum $20,000 if single or $40,000 if filing jointly). If you checked box 23C or 23F on Schedule 1, see instructions. Carry this amount to Schedule 1, line 25.	27.		00

NOTE Regarding Section C: If you are subtracting military or railroad retirement benefits on Schedule 1, line 11, see Worksheet 2 in the MI-1040 book.

✚ 0000 2014 04 02 27 1

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Voluntary Contributions Schedule

INSTRUCTIONS: Use this schedule to make a donation from your refund to any of the organizations listed below. If you are not receiving a refund, your donation will increase your tax due. Check the box associated with the dollar amount you wish to contribute in columns A or B or enter a specific dollar amount greater than $10 in the space provided in column C. Enter the total of your contribution for each line in column D. For detailed descriptions of each fund, see the reverse side of this form. Attach completed form to Form MI-1040.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 18

Filer's First Name	M.I.	Last Name	Filer's Social Security No. (Example: 123-45-6789) — —
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security No. (Example: 123-45-6789) — —

		A.	B.	C. Other Amount (greater than $10)		D. Total Contribution	
1.	ALS of Michigan ("Lou Gehrig's Disease") Fund.	☐ $5	☐ $10	$	00	1.	00
2.	Alzheimer's Association of Michigan.	☐ $5	☐ $10	$	00	2.	00
3.	AMBER Alert Fund of Michigan.	☐ $5	☐ $10	$	00	3.	00
4.	Animal Welfare Fund	☐ $5	☐ $10	$	00	4.	00
5.	Children of Veterans Tuition Grant Program	☐ $5	☐ $10	$	00	5.	00
6.	Children's Trust Fund - Preventing Child Abuse in Michigan	☐ $5	☐ $10	$	00	6.	00
	RESERVED			XXXXXXXXXX	XX	XXXXXXXXXXXXXX	XX
7.	Military Family Relief Fund	☐ $5	☐ $10	$	00	7.	00
8.	Special Olympics Michigan	☐ $5	☐ $10	$	00	8.	00
9.	United Way Fund	☐ $5	☐ $10	$	00	9.	00
10.	Add column D, lines 1 through 9. Enter total of column D here and carry amount to your MI-1040, line 22					10.	00

This form must be attached to your MI-1040 to ensure your contributions are properly credited to the designated fund(s).

✚ 0000 2014 82 01 27 9

Instructions for Form 4642, *Voluntary Contributions Schedule*

Michigan taxpayers can contribute $5, $10, or more to any of the following funds on the *Voluntary Contributions Schedule* (Form 4642). **Contributions to these funds will increase your tax liability or reduce your refund.**

ALS of Michigan - (Lou Gehrig's Disease) Fund

ALS of Michigan – Lou Gehrig's Disease is dedicated to helping pALS (person with ALS), their families, and caregivers live life as fully as possible. We meet our mission through a full complement of critically needed programs including: support groups, workshops and seminars; durable medical equipment loan closet; augmentative and alternative speech services; Respite Care Assistance program; professional social work services; information and advocacy services for pALS; and much, much more.

Alzheimer's Association of Michigan

The Alzheimer's Association of Michigan offers life changing support to the nearly 200,000 Michigan individuals and families living with Alzheimer's disease and other dementias. Services include a 24/7 hour helpline, education to professional and family care partners, support groups, care consultations, early stage programming, advocacy and information, and referral services. Safety services are also offered, including Safe Return/Medic Alert and Comfort Zone.

AMBER Alert Fund of Michigan

In the aftermath of the 1996 kidnapping and murder of 9-year-old Amber Hagerman in Arlington, Texas, an emergency plan was created to quickly recover abducted and endangered children. In 2001 the Michigan AMBER Alert program was launched. The program was developed through the cooperation of the members of the Michigan State Police, the Michigan Association of Broadcasters, the Michigan Association of Chiefs of Police, the Michigan Sheriff's Association and the Michigan Department of Transportation. It is inspired by and dedicated to the memory of Amber Hagerman and has helped to recover over 300 children in Michigan.

Animal Welfare Fund

The goal of the Animal Welfare Fund is to support projects that increase the number of Michigan dogs and cats that are sterilized prior to adoption, and that educate the public and animal care personnel on the proper care of animals per Michigan's anti-cruelty laws. The Michigan Department of Agriculture and Rural Development (MDARD) offers grants to promote such activities pursuant to the Animal Welfare Fund Act, including spaying and neutering of Michigan dogs and cats, anti-cruelty and proper care programs, and certain anti-cruelty training for staff at Michigan's registered shelters. Michigan's homeless animals in registered shelters are the primary recipients of these grant dollars.

Children of Veterans Tuition Grant Program

Help send the child of a Michigan veteran to a Michigan college or university! Contributions will be a key source of funding for the undergraduate tuition expenses of children of certain deceased or disabled veterans.

Children's Trust Fund - Preventing Child Abuse in Michigan

Help keep kids safe by preventing child abuse! Contributions are returned to local communities in the form of grants to county-based prevention councils and direct service programs benefitting children and parents. Programs and services funded by these monies include parent education and support groups, home visitation services, local training, and public education and outreach. The Children's Trust Fund is the Michigan chapter of Prevent Child Abuse America.

Military Family Relief Fund

The Military Family Relief Fund provides assistance to qualifying families of military members in either the Michigan National Guard who are serving in the U.S. Armed Forces or those reserve forces called to active duty by the federal government.

Special Olympics Michigan

Special Olympics Michigan provides life changing opportunities for nearly 20,000 children and adults with intellectual disabilities in Michigan to be respected, accepted, included and celebrated for their abilities. Our programs transform lives through the power of sports. Our Project UNIFY is an education based program that uses education and sport to activate young people to develop school communities that foster respect, dignity, and advocacy for people with intellectual disabilities. Our Healthy Athletes Program provides free health screenings to athletes.

United Way Fund

Contributions to the United Way Fund (of America) will be used to improve the lives of Michigan residents by mobilizing the caring power of communities to provide for basic needs, including, but not limited to, food, clothing, and shelter.

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Homestead Property Tax Credit Claim MI-1040CR

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 05

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
Home Address (Number, Street, P.O. Box). If using a P.O. Box, you must complete line 45.			
City or Town	State	ZIP Code	4. School District Code (5 digits - see instructions)

5. Check the box(es) for which you or your spouse qualify (excluding dependents). If you qualify for both, see instructions.

a. ☐ Age 65 or older; or an unremarried spouse of a person who was 65 or older at the time of death.

b. ☐ Deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled.

6. **2014 FILING STATUS:** Check one.

a. ☐ Single

b. ☐ Married filing jointly

c. ☐ Married filing separately (Attach Form 5049)

7. **2014 RESIDENCY STATUS:** Check all that apply.

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident *

*If you checked box "c," enter dates of Michigan residency in 2014. Enter dates as MM-DD-YYYY (Example: 04-15-2014).

	FILER	SPOUSE
FROM:	— — 2014	— — 2014
TO:	— — 2014	— — 2014

8. **Homestead Status**

☐ Check here if the taxable value of your homestead includes unoccupied farmland classified as agricultural by your assessor.

9. **Homeowners:** Enter the 2014 **taxable value** of your homestead (see instructions). **If you did not check box 8 above and your taxable value is greater than $135,000, STOP; you are not eligible. Farmers:** enter the **taxable value** of your homestead, including eligible unoccupied farmland ..... 9. ____ 00

10. Property Taxes levied on your home for 2014 (see instructions) or amount from line 51, 56 and/or 57 10. ____ 00

11. **Renters:** Enter rent you paid for 2014 from line 53 and/or 55 ..... 11. ____ 00

12. Multiply line 11 by 20% (0.20)..... 12. ____ 00

13. **Total.** Add lines 10 and 12 ..... 13. ____ 00

TOTAL HOUSEHOLD RESOURCES. If filing a joint return, include income from both spouses. If married filing separately, you must attach Form 5049 available on Treasury's Web site.

14. Wages, salaries, tips, sick, strike and SUB pay, etc..... 14. ____ 00

15. All interest and dividend income (including nontaxable interest)..... 15. ____ 00

16. Net business income (including net farm income). If negative enter "0" 16. ____ 00

17. Net royalty or rent income. If negative enter "0". ..... 17. ____ 00

18. Retirement pension, annuity, and IRA benefits. ..... 18. ____ 00

19. Capital gains less capital losses, (see instructions). ..... 19. ____ 00

20. Alimony and other taxable income Describe: _____ 20. ____ 00

21. Social Security, SSI, and/or railroad retirement benefits... 21. ____ 00

22. Child support and foster parent payments..... 22. ____ 00

23. Unemployment compensation. ..... 23. ____ 00

24. Gifts or expenses paid on your behalf..... 24. ____ 00

25. Other nontaxable income Describe: _____ 25. ____ 00

26. Workers'/veterans' disability compensation/pension benefits 26. ____ 00

27. FIP and other DHS benefits (Do not include food assistance) 27. ____ 00

28. **SUBTOTAL.** Add lines 14 through 27 ..... **SUBTOTAL** 28. ____ 00

✚ 0000 2014 25 01 27 9

Continue on page 2. This form cannot be processed if pages 2 and 3 are not completed and attached.

Filer's Full Social Security Number — —

29. Enter subtotal from line 28 ..... 29. 00

30. Other adjustments (see instructions).
Describe: _____ 30. 00

31. Medical insurance/HMO premiums you paid for you and your family (see instructions) 31. 00

32. Add lines 30 and 31 ..... 32. 00

33. **TOTAL HOUSEHOLD RESOURCES.** Subtract line 32 from line 29.
If more than $50,000, STOP; you are not eligible for this credit. 33. 00

34. Multiply line 33 by 3.5% (0.035) or by the percent in Table 2 (see instructions). If negative, enter "0". 34. 00

35. Subtract line 34 from line 13 and enter the amount here. If line 34 is more than line 13, enter "0" and **STOP;** you are not eligible for this credit. 35. 00

PART 1: ALLOWABLE COMPUTATION **Complete one of the sections below, either A, B, or C (see instructions).**

SECTION A: SENIOR CLAIMANTS (if you checked only box 5a)

36. Enter amount from line 35 ..... 36. 00

37. Percentage from Table A (see instructions) that applies to the amount on line 33 ..... 37. %

38. Multiply line 36 by line 37. Enter amount here and on line 42 (maximum $1,200) 38. 00

SECTION B: DISABLED CLAIMANTS (if you checked only box 5b, or both boxes 5a and 5b)

39. Enter amount from line 35 here and on line 42 (maximum $1,200) 39. 00

SECTION C: ALL OTHER CLAIMANTS (if you did not check box 5a or 5b)

40. Enter amount from line 35. ..... 40. 00

41. Multiply amount on line 40 by 60% (0.60). Enter amount here and on line 42 (maximum $1,200). 41. 00

PART 2: PROPERTY TAX CREDIT CALCULATION **All filers must complete this section.**

42. Enter amount from line 38, 39 or 41, or from Worksheet 3 (see instructions) for **FIP/DHS recipients**. 42. 00

43. Percentage from Table B (see instructions) that applies to the amount on line 33 ..... 43. %

44. **PROPERTY TAX CREDIT.** Multiply amount on line 42 by percentage on line 43. Enter amount here and if you file an MI-1040, carry this amount to MI-1040, line 25. ..... 44. 00

NOTE: Seniors who pay rent: Complete Worksheet 4 in the MI-1040 book and enter amount from worksheet on line 44 (maximum $1,200).

Continue on page 3. This form cannot be processed if pages 2 and 3 are not completed and attached.

Filer's Full Social Security Number — —

PART 3: HOMEOWNERS WHO MOVED IN 2014.

Report on lines 45 and 46 the addresses of the homesteads for which you are claiming a credit. **Homesteads with a taxable value greater than $135,000 are not eligible for this credit.**

45. Address where you lived on December 31, 2014, if different than reported on line 1 (Number, Street, City, State, ZIP Code).	Taxable Value
46. Address of homestead sold (moved from) during 2014 (Number, Street, City, State, ZIP Code).	Taxable Value

Homeowners who moved during 2014, complete lines 47 through 51.

	HOMESTEAD A. Moved Into	HOMESTEAD B. Moved From
47. Number of days occupied (total cannot be more than 365)		
48. Divide line 47 by 365 and enter percentage here	%	%
49. Property taxes levied for calendar year 2014		
50. **Prorated property taxes.** Multiply line 49 by the percentages on line 48		
51. **Taxes eligible for credit.** Add line 50, columns A and B. Enter here and on line 10	51.	00

PART 4: RENTERS (Do not include Alternate Housing Facility information, see Part 5.)

52.

A Address of Homestead You Rented (Number, Street, Apt. #, City, State, ZIP Code)	B Landowner's Name and Address (City, State and ZIP Code)	C # Months Rented	D Monthly Rent	E Total Rent Paid

53. Total rent you paid (not more than 12 months). Add total rent for each period. Enter here and on line 11..... 53. 00

PART 5: ALTERNATE HOUSING FACILITIES (see instructions)

54. If you lived in one of these types of facilities for all or part of 2014, check the appropriate box and see instructions.

a. ☐ Subsidized Housing: complete line 55. Enter result on line 11. b. ☐ Service Fee Housing: complete lines 55 and 56.

55. Enter the total rent you paid in 2014 while a resident of an Alternate Housing Facility. Do not include amounts paid on your behalf by a government agency 55. 00

56. If you checked box 54b, multiply line 55 by 10% (0.10) (see instructions). Enter here and on line 10 56. 00

57. **Special Housing:** If you lived in one of these types of facilities for all or part of 2014, check the appropriate box (see instructions).

a. ☐ Cooperative Housing b. ☐ Home for the Aged c. ☐ Nursing Home

d. ☐ Adult Foster Care Home e. ☐ Paid Room and Board

Enter your prorated share of taxes from the type of facility checked on line 57 here and on line 10. ..... 57. 00

58. Name and Address (including City, State and ZIP Code) of Housing Facility, Landowner, or Care Facility if you completed Part 5.

DIRECT DEPOSIT

Deposit your refund directly to your financial institution! See instructions and complete parts a, b and c.

a. Routing Transit Number	b. Account Number	c. Type of Account
		1. ☐ Checking 2. ☐ Savings

Deceased Taxpayer. If Filer and/or Spouse died after December 31, 2013, enter dates below. ***ENTER DATE OF DEATH ONLY.*** Example: 04-15-2014 (MM-DD-YYYY)

Filer — — Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature	Date
Spouse's Signature	Date

☐ By checking this box, I authorize Treasury to discuss my return with my preparer.

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

Preparer's PTIN, FEIN or SSN

Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

If you are also filing Form MI-1040, attach this form behind it. If not, mail this form to: **Michigan Department of Treasury, Lansing, MI 48956**

✚ 0000 2014 25 03 27 5

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Homestead Property Tax Credit Claim for Veterans and Blind People MI-1040CR-2

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 06

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
Home Address (Number, Street, P.O. Box) If using a P.O. Box, you must complete line 34, p. 2.			
City or Town	State	ZIP Code	4. School District Code (5 digits - see p. 19)

5. 2014 FILING STATUS: Check one.

a. ☐ Single

b. ☐ Married filing jointly

c. ☐ Married filing separately (Attach Form 5049)

6. 2014 RESIDENCY STATUS: Check all that apply.

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident *

*If you checked box "c," enter dates of Michigan residency in 2014. Enter dates as MM-DD-YYYY (Example: 04-15-2014).

	FILER	SPOUSE
FROM:	— — 2014	— — 2014
TO:	— — 2014	— — 2014

7. Check one of the following that applies to you:

a. ☐ Blind and own your homestead

b. ☐ Veteran with service-connected disability or veteran's surviving spouse

Enter percent of disability: ☐ %

c. ☐ Surviving spouse of veteran deceased in service

*d. ☐ Active military, pensioned veteran or his/her surviving spouse

*e. ☐ Surviving spouse of a nondisabled or nonpensioned veteran of the Korean War, World War II, or World War I

* If you check "d" or "e" above and your Total Household Resources (line 32) are more than $7,500, you cannot claim a credit on this form.

8.	Taxable value allowance from Table 2	8.	00
9.	**Taxable Value** of homestead. **Homeowners: If greater than $135,000, STOP; you are not eligible**	9.	00
10.	Property Taxes levied on your home for 2014 (see instructions)	10.	00
11.	**Percent of tax relief.** Divide line 8 by line 9 (not to exceed 100%)	11.	%
12.	Multiply line 10 by line 11. Enter the result (maximum $1,200)	12.	00

TOTAL HOUSEHOLD RESOURCES. If filing a joint return, include income from both spouses. If married filing separately, you must attach Form 5049 available on Treasury's Web site.

13.	Wages, salaries, tips, sick, strike and SUB pay, etc.	13.	00	20.	Social Security, SSI, and/or railroad retirement benefits	20.	00
14.	All interest and dividend income (including nontaxable interest)	14.	00	21.	Child support and foster parent payments received	21.	00
15.	Net business income (including net farm income). If negative enter "0"	15.	00	22.	Unemployment compensation.	22.	00
16.	Net royalty or rent income. If negative enter "0".	16.	00	23.	Gifts or expenses paid on your behalf.	23.	00
17.	Retirement pension, annuity, and IRA benefits.	17.	00	24.	Other nontaxable income Describe: _____	24.	00
18.	Capital gains less capital losses (see instructions).	18.	00	25.	Workers'/veterans' disability compensation/pension benefits	25.	00
19.	Alimony and other taxable income Describe: _____	19.	00	26.	FIP and other DHS benefits (Do not include food assistance)	26.	00

27.	**SUBTOTAL.** Add lines 13 through 26 ..... **SUBTOTAL**	27.	00

✚ 0000 2014 29 01 27 1

Continue on page 2. This form cannot be processed if pages 2 and 3 are not completed and attached.

Filer's Full Social Security Number — —

28.	Enter subtotal from line 27			28.	00
29.	**Other adjustments** (see instructions). Describe:_____	29.	00		
30.	Medical insurance/HMO premiums you paid for you and your family (see instructions).	30.	00		
31.	Add lines 29 and 30			31.	00
32.	**TOTAL HOUSEHOLD RESOURCES.** Subtract line 31 from line 28. **If more than $50,000, STOP; you are not eligible for this credit.**			32.	00
33.	**PROPERTY TAX CREDIT.** (Maximum $1,200). Enter one of the following: a. FIP/DHS RECIPIENTS, enter amount from Worksheet on page 8. b. If line 32 is more than $41,000, see instructions and enter the reduced amount. c. ALL OTHERS, enter the amount from line 12. If you file an MI-1040, carry this amount to MI-1040, line 25			33.	00

PART 1: HOMEOWNERS WHO MOVED IN 2014. Report on lines 34 and 35 the addresses and taxable values of the homesteads for which you are claiming a credit. **Homesteads with a taxable value greater than $135,000 are not eligible for this credit.**

34. Address where you lived on December 31, 2014, if different than reported on line 1.	Taxable Value
35. Address of homestead sold (moved from) during 2014 (Number, Street, City, State, ZIP Code).	Taxable Value

Homeowners who moved during 2014, complete lines 36 through 44. If you also rented a homestead during 2014, complete lines 45 through 56.

			HOMESTEAD A. Moved Into	HOMESTEAD B. Moved From
36.	Number of days occupied (total cannot be more than 365)	36.		
37.	Divide line 36 by 365 and enter percentage here	37.	%	%
38.	Property taxes levied for calendar year 2014	38.		
39.	Prorated taxes. Multiply line 38 by percentage on line 37	39.		
40.	Taxable value allowance (see Table 2)	40.		
41.	Taxable value	41.		
42.	Divide line 40 by line 41 and enter percentage here	42.	%	%
43.	**Prorated credit.** Multiply line 39 by line 42	43.		
44.	**Property tax credit.** Add line 43 columns A and B. Enter here and on line 12. **Part-year renters:** do not carry to line 12; complete lines 45 through 56 instead.	44.		

Veterans who rent or all other individuals who are not required to file an MI-1040 should continue to and complete page 3.

Filer's Full Social Security Number — —

PART 2: RENTERS (Veterans Only)

45. A Address of Homestead You Rented (Number, Street, Apt. #, City, State, ZIP Code)	B Landowner's Name and Address (City, State and ZIP Code)	C # Months Rented	D Monthly Rent (see instructions)	E Total Rent Paid

46. Total rent you paid (not more than 12 months). Add total rent for each period.	46.		00
47. Multiply line 46 by 20% (0.20). Service fee housing residents use 10% (0.10) (see instructions). Full-year renters, enter here and on line 10.	47.		00
48. Multiply **non-homestead** property tax millage by 0.001 (see Credit Computation Examples in instructions)	48.		
49. **Full-year renters only,** divide line 47 by line 48 to get your taxable value. Enter here and on line 9	49.		00

Part-year renters, complete lines 50 through 56

50. Divide line 46 by the number of months you rented	50.		00
51. Multiply line 50 by 12 months	51.		00
52. Multiply line 51 by 20% (0.20). Service fee housing residents use 10% (0.10) (see instructions)	52.		00
53. Divide line 52 by line 48 to get your taxable value. Enter here and on line 9	53.		00
54. Percent of tax relief. Divide line 8 by line 53	54.		%
55. Multiply line 47 by line 54	55.		00
56. Add lines 44 and 55. Enter here and on line 12.	56.		00

DIRECT DEPOSIT

Deposit your refund directly to your financial institution. See instructions and complete a, b and c.

a. Routing Transit Number	b. Account Number	c. Type of Account
		1. ☐ Checking 2. ☐ Savings

Deceased Taxpayer. If Filer and/or Spouse died after December 31, 2013, enter dates below. ***ENTER DATE OF DEATH ONLY.*** Example: 04-15-2014 (MM-DD-YYYY)

Filer — — Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature | Date

Spouse's Signature | Date

☐ By checking this box, I authorize Treasury to discuss my return with my preparer.

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

Preparer's PTIN, FEIN or SSN

Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

If you are also filing Form MI-1040, attach this form behind it. If not, mail this form to: **Michigan Department of Treasury, Lansing, MI 48956**

✚ 0000 2014 29 03 27 7

2014 MICHIGAN Farmland Preservation Tax Credit Claim MI-1040CR-5

Issued under authority of Public Act 281 of 1967, as amended.

Attach to Form MI-1040. Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attachment 03

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
			— —

PART 1: COMPUTATION OF CREDIT — Complete a Schedule CR-5 before completing Part 1.

4. Total taxes for all agreements from Schedule CR-5, line 3, column F ..... 4. ____ 00

5. ☐ Check this box if all of your taxes that qualify for a Homestead Property Tax Credit are included in line 4.

6. If you did not check the box on line 5, enter the taxes on your home and farmland that qualify for a property tax credit but are not under a Farmland Developmental Rights Agreement ..... 6. ____ 00

7. **Total.** Add lines 4 and 6 ..... 7. ____ 00

8. Total Household Resources from MI-1040CR, line 33, MI-1040CR-2, line 32 or MI-1040CR-7, line 34 ..... 8. ____ 00

9. Total Loss Adjustment from line 26, page 2 (must be less than zero) ..... 9. ____ 00

10. Total Household Income, combine lines 8 and 9 ..... 10. ____ 00

11. Depletion allowance claimed on your federal return ..... 11. ____ 00

12. **Total.** Add lines 10 and 11 ..... 12. ____ 00

13. Total taxes on land covered by Farmland Developmental Rights Agreement from line 4 ..... 13. ____ 00

14. Multiply line 12 by 3.5% (0.035). If negative, enter "0" ..... 14. ____ 00

15. Subtract line 14 from line 13 ..... 15. ____ 00

16. Homestead Property Tax Credit from MI-1040CR, line 44 or MI-1040CR-2, line 33. ..... 16. ____ 00

17. **Total Property Tax Credits.** Add lines 15 and 16 ..... 17. ____ 00

IF LINE 17 IS LESS THAN LINE 7, CARRY THE AMOUNT FROM LINE 15 TO YOUR MI-1040, LINE 26, AND STOP HERE.

18. If line 17 is greater than 7, enter the amount from line 7 ..... 18. ____ 00

19. Enter the amount from line 16 ..... 19. ____ 00

20. Subtract line 19 from line 18. Enter here and on Form MI-1040, line 26 ..... 20. ____ 00

Continued on Page 2.

Filer's Full Social Security Number

PART 2: SIGNED DISTRIBUTION STATEMENT FOR JOINT OWNERS

Complete only if you are a joint owner with someone other than your spouse. Part 2 **must** be signed by all joint owners.

A			B	C		D		E
County Code (2 digits)	Agreement Number: Contract Number	Agreement Number: Expiration Date *(Enter as MM-DD-YY)*	Partner's or Joint Owner's Social Security Number	Partner's or Joint Owner's Percentage of Income		Partner's or Joint Owner's Percentage of Ownership		Signatures are required of all partners or joint owners other than your spouse.
					%		%	
					%		%	
					%		%	
					%		%	
					%		%	

PART 3: NET BUSINESS/FARM LOSS

Taxpayers that had a net loss from business or farm on MI-1040CR line 16, MI-1040CR-2 line 15, MI-1040CR-7 line 18

21.	Business income or (loss) from U.S. Form 1040	21.	00
22.	Farm income or (loss) from U.S. Form 1040	22.	00
23.	Net business income/farm loss, combine lines 21 and 22 (must be less than zero)	23.	00

PART 4: NET ROYALTY/RENT LOSS

Taxpayers that had a net loss from royalty or rent on MI-1040CR line 17, MI-1040CR-2 line 16, MI-1040CR-7 line 19

24.	Rental, Real Estate, Royalty Loss from U.S. Form 1040 (must be less than zero)	24.	00

PART 5: NET OPERATING LOSS

25.	Enter the lesser of your federal net operating loss deduction or federal modified taxable income (as a negative number)	25.	00
26.	**Total Loss Adjustment.** Combine lines 23, 24, and 25. Carry to line 9, page 1 (must be less than zero)	26.	00

Issued under authority of Public Act 281 of 1967, as amended.

2014 MICHIGAN Home Heating Credit Claim MI-1040CR-7

Type or print in blue or black ink. Print numbers like this : 0123456789 - NOT like this: Ø 1 4 7

Attachment 08

1. Filer's First Name	M.I.	Last Name	2. Filer's Full Social Security No. (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	3. Spouse's Full Social Security No. (Example: 123-45-6789)
Home Address (Number, Street or P.O. Box)			
City or Town	State	ZIP Code	4. County Code (see instr.)

5. **2014 FILING STATUS:** Check one.

a. ☐ Single

b. ☐ Married filing jointly

c. ☐ Married filing separately (Attach Form 5049)

6. **2014 RESIDENCY STATUS:** Check all that apply.

a. ☐ Resident

b. ☐ Nonresident

c. ☐ Part-Year Resident*

*If you checked box "c," enter dates of Michigan residency in 2014. Enter dates as MM-DD-YYYY (Example: 04-15-2014).

	FILER	SPOUSE
FROM:	— — 2014	— — 2014
TO:	— — 2014	— — 2014

7. Check the box if your heating costs are currently included in your rent (see instructions)..... ☐

8. Check the box if you want your name and address referred to other government assistance programs for which you may qualify. ☐

9. Check the box if you or your spouse now receive Supplemental Security Income (SSI)..... ☐

10. ENTER YOUR AGE if you are age 60 or older... Filer ____ Spouse ____

11. Amount you were billed for heat between 11/1/2013 and 10/31/2014 ..... ____ 00

12. If you lived in one of these **CARE** facilities (not a senior apartment complex) for all of 2014, check the box and STOP here, see instructions.

a. ☐ Nursing Home b. ☐ Adult Foster Care Home

c. ☐ Licensed Home for the Aged d. ☐ Substance Abuse Center

13. **Exemptions.** Enter the number that applies to you, your spouse, or your dependents and complete line 14 below. See instructions if you are over age 66.

Personal Exemption (You and your spouse only)	a.	
Deaf, Disabled or Blind.....	b.	
Qualified Disabled Veteran	c.	
Number of children living with you: • Ages 2 and under.....	d.	
• Ages 3-5.....	e.	
• Ages 6-18.....	f.	
Dependent adults, other than your spouse, who live with you.....	g.	
Add lines 13a through 13g.....	h.	

14. You MUST enter below the name, relationship, Social Security number, and age of all dependents you claimed in lines 13d - 13g above.

A. Dependent's Name	B. Dependent's Relationship to You	C. Social Security Number	D. Age in Years

If you have more than six (6) dependents, complete Home Heating Credit Claim *MI-1040CR-7 Supplemental* (Form 4976).

15. ☐ **You must check this box to receive a refund from your heat provider for any overpayment to your heat account, if eligible (see instructions).**

✚ 0000 2014 37 01 27 4

Filer's Full Social Security Number — —

TOTAL HOUSEHOLD RESOURCES. If filing a joint return, include income from both spouses. If married filing separately, you must attach Form 5049 available on Treasury's Web site.

16.	Wages, salaries, tips, sick, strike and SUB pay, etc.	16.	00	23.	Social Security, SSI, and/or railroad retirement benefits	23.	00
17.	All interest and dividend income (including nontaxable interest)	17.	00	24.	Child support and foster parent payments	24.	00
18.	Net business income (including net farm income). If negative, enter "0"	18.	00	25.	Unemployment compensation	25.	00
19.	Net royalty or rent income. If negative, enter "0"	19.	00	26.	Gifts or expenses paid on your behalf	26.	00
20.	Retirement pension, annuity, and IRA benefits.	20.	00	27.	Other nontaxable income. Describe:_____	27.	00
21.	Capital gains less capital losses (see instructions)	21.	00	28.	Workers'/veterans' disability compensation/pension benefits	28.	00
22.	Alimony and other taxable income. Describe:_____	22.	00	29.	FIP and other DHS benefits (Do not include food assistance)	29.	00

30. Add lines 16 through 29 ..... **SUBTOTAL** 30. 00

31. **Other adjustments.** Describe:_____ 31. 00

32. Medical insurance or HMO premiums paid 32. 00

33. Add lines 31 and 32 ..... 33. 00

34. Subtract line 33 from line 30 ..... **TOTAL HOUSEHOLD RESOURCES.** 34. 00

Standard and Alternate Home Heating Credit Computations

35. **STANDARD CREDIT.** Standard allowance from Table A (see instr.) 35. 00

36. Multiply line 34 by 3.5% (0.035) (if negative, enter "0") 36. 00

37. Subtract line 36 from line 35 for standard credit amount. If line 36 is greater than line 35, enter "0" 37. 00

38. If you checked the box on line 7, multiply the amount on line 37 by 50% (0.50). Enter here and on line 43. (If approved, the final amount as shown on line 44 is issued as a check.) 38. 00

39. **ALTERNATE CREDIT.** Total heating costs from line 11 or $2,642 (whichever is less) 39. 00

40. Multiply line 34 by 11% (0.11) (if negative, enter "0") 40. 00

41. Subtract line 40 from line 39. If line 40 is greater than line 39, enter "0". 41. 00

42. Multiply line 41 by 70% (0.70) for alternate credit amount 42. 00

43. If you completed line 38 enter that amount here. Otherwise enter the larger of lines 37 or 42 here.. 43. 00

44. **HOME HEATING CREDIT.** Multiply line 43 by 50% (0.50) 44. 00

Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2013, enter dates below. ***ENTER DATE OF DEATH ONLY.*** *Example: 04-15-2014 (MM-DD-YYYY).*

Filer — — Spouse — —

Taxpayer Certification. *I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.*

Filer's Signature | Date

Spouse's Signature | Date

☐ By checking this box, I authorize Treasury to discuss my return with my preparer.

Preparer Certification. *I declare under penalty of perjury that this return is based on all information of which I have any knowledge.*

Preparer's PTIN, FEIN or SSN

Preparer's Business Name (print or type)

Preparer's Business Address (print or type)

File (postmark) your claim by September 30, 2015. Mail your claim to: Michigan Department of Treasury Lansing, MI 48956

✚ 0000 2014 37 02 27 2

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