

2012 MICHIGAN

reference
for the
2011
tax year

taxpayer's guide

Dear Taxpayer:

This booklet contains information for the 2011 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 4.35%, and the personal exemption for taxpayers and dependents on state income tax returns is \$3,700. The income tax form also has special categories of personal exemptions known as the Michigan special exemptions. These exemption categories are in addition to the allowable federal exemptions and include age 65 or older, deaf, blind or disabled, and unemployment compensation that amounts to 50% or more of adjusted gross income. Taxpayers may exempt \$2,400 of income for each special exemption category that applies to the taxpayer, spouse (if filing jointly), or dependents. There is also a \$300 exemption for taxpayers and each dependent who is a qualified disabled veteran.

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 in 2012 to provide taxpayers with useful information about their 2011 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.

TABLE OF CONTENTS

Michigan Property Tax	1
Property Tax Assessment	1
Appealing a Tax Assessment	2
Property Tax Rates	3
Collection	3
Tax Deferments	3
Farmland and Open Space Tax Relief	4
Significant 2012 Property Tax Dates	5
Michigan Individual Income Tax	8
Tax Information for Tax Year 2011	8
State Income Tax Exemptions	8
Additions and Deductions	8
Tax Calculation	9
State Income Tax Credits	9
Homestead Property Tax Credit	11
Examples of Computing the Credit	13
Filing the Homestead Property Tax Credit	14
Home Heating Credits	15
Standard Method	15
Alternative Method	16
Receiving the Home Heating Credit	16
Earned Income Tax Credits	17
Voluntary Contributions Schedule	17
Important Income Tax Changes for 2012	18
Filing Income Tax Returns	19
2011 Tax Forms	
Individual Income Tax	
Schedule 1	
Schedule 2	
Use Tax	
Voluntary Contributions Schedule	
Homestead Property Tax Credit	
Homestead Property Tax Credit for Veterans and Blind People	
Farmland Preservation Tax Credit	
Home Heating Credit	
Energy Efficient Qualified Home Improvement Credit	

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Prepared by the
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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.

The "assessed value" of property is the value placed upon the property by the local assessment officer. The Michigan Constitution requires that property be assessed uniformly at a rate not to exceed 50% 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% 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% 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% 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. The taxable value is capped at the rate of inflation or 5%, whichever is less. Historically, a property's true cash value rose faster than inflation, resulting in taxable values below SEV. However, in recent times, falling housing values may sometimes result in taxable values higher than SEV. A property's taxable value will increase by the rate of inflation (or decrease by the rate of deflation) regardless of whether or not the SEV remains the same or decreases.

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%. 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.

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.

A TAXPAYER'S GUIDE

PRINCIPAL RESIDENCE EXEMPTION

A principal residence is exempt from taxes levied by a local school district for operating purposes. 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.

To be eligible for the homeowner's principal residence property exemption in 2012, a taxpayer must have claimed an exemption by filing an affidavit with the local tax collecting unit on or before May 1, 2011. Exemptions filed in prior years are valid until revoked.

HOMESTEAD INCOME TAX CREDIT

Homeowners or renters who pay more than 3.5% 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. Poverty exemption denials may be appealed to the July or December board of review. 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.

APPEALING A TAX ASSESSMENT

THE LOCAL BOARD OF REVIEW

If, for any reason, a taxpayer disagrees with the assessed value, taxable value, or assessment classification 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, and initial qualified agricultural property exemptions.

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 appealed an assessment locally. 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.

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; (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, and 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 32×100 , 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, and all counties, now 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 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.

A TAXPAYER'S GUIDE

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% 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 April 30 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. This law 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% of the land must be primarily devoted to an agricultural use, except for specialty farms.

SIGNIFICANT 2012 PROPERTY TAX DATES

- December 31, 2011** Tax day for 2012 property tax assessments.
- February 1, 2012** Notice by certified mail to all properties that are **delinquent on their 2010 taxes**.
- February 14** Last day to pay property taxes without the imposition of a **late penalty charge** equal to 3% of the tax in addition to the property tax administration fee, if any.
- 3% penalty may be added to 2011 tax** if authorized by the governing body of a city or township. 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% late penalty charge.
- February 15** A local unit of government that collects a summer property tax shall **defer the collection** until this date for property which qualifies.
- February 21** **Deadline for taxpayer filing of personal property statement** with assessor.
February 20 is a Holiday
- February 28** **Last day for local treasurers to collect 2011 taxes.**
- March 1** Properties with **delinquent 2010 taxes forfeit** to the county treasurer.
- Local units to turn over 2011 delinquent taxes 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.
- County property tax **Administration Fee of 4% added to unpaid 2011 taxes** and interest at 1% per month.
- March 12** **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 2009 delinquent taxes, interest, penalties and fees, unless an extension has been granted by the circuit court. If unpaid, title to properties foreclosed for 2009 real property taxes vests solely in the foreclosing governmental unit.**
- April 2** **Last day for March BOR** protest 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 Homeowner's Principal Residence affidavits** (form 2368) for exemption from the 18-mill school operating tax.
- 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.

A TAXPAYER'S GUIDE

SIGNIFICANT 2012 PROPERTY TAX DATES (CONTINUED)

May 1 (<i>continued</i>)	<p>Deadline for filing the initial request (first year) of a Conditional Rescission of Principal Residence Exemption (form 4640).</p> <p>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.</p> <p>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.</p>
May 31	<p>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.</p>
By June 1	<p>First notice sent to all properties that are delinquent on 2011 taxes.</p>
June 4	<p>Deadline for notifying protesting taxpayer in writing of BOR action.</p>
July 2 June 30 is a Saturday	<p>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.</p>
July 2 July 1 is a Sunday	<p>Taxes due and payable in those jurisdictions authorized to levy a summer tax. (Charter units may have a different due date.)</p>
July 16	<p>The July BOR may be convened to correct a qualified error.</p> <p>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.</p> <p>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.</p> <p>July BOR may hear appeals for current year only for poverty exemptions, <u>but not</u> poverty exemptions denied by the March BOR.</p>
July 31	<p>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.</p> <p>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.</p>
August 20	<p>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% of true cash value.</p>
September 4 September 1 is a Saturday	<p>Second notice by first class mail to all properties that are delinquent on 2011 taxes.</p>
September 14	<p>Summer Taxes Due: Summer taxes due, unless property is located in a city with a separate charter due date.</p> <p>Last day of deferral period for summer property tax levies, if the deferral for qualified taxpayers was authorized by the county board of commissioners.</p>
September 15	<p>Interest of 1% per month will accrue if the payment is late for the taxes that are part of the summer tax collection. Note: date may be different depending on the city charter.</p>
October 1	<p>County treasurer adds \$15 for each parcel of property for which the 2011 real property taxes remain unpaid.</p>

SIGNIFICANT 2012 PROPERTY TAX DATES (CONTINUED)

- December 1** **2012 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 11** **Special BOR meeting may be convened by assessing officer to correct qualified errors.**
- 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 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 31, 2012** **Tax day for 2013 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 (currently 4.35%), 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. Generally, the subtractions are called exemptions—everyone generally gets at least one personal exemption—or deductions. After all appropriate exemptions, deductions, and additions are applied, an individual's tax liability is determined by multiplying their income by 4.35%. 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 2011

The following sections of the Taxpayer's Guide provide general information on Michigan Individual Income tax exemptions, deductions, and credits for tax year 2011 (i.e., for tax returns filed in April 2012). In 2011, lawmakers made several changes to the individual income tax. These changes, many of which are noted, will not affect tax returns filed in April 2012. 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:

- \$3,700 Personal Exemption.
- \$3,700 for each dependent - Taxpayers may take an additional exemption of \$600 for each child who is 18 years or younger on December 31, 2011. Note: The additional \$600 per child will not be available in the next tax year.

Special Exemptions

- \$2,400 for each person or dependent in the household who is a senior citizen (65 years or older). Note: This exemption will not be available to seniors in the next tax year.
- \$2,400 for each person or dependent in the household who is deaf, paraplegic, quadriplegic, hemiplegic, totally and permanently disabled, or blind.
- Seniors who are disabled, as described above, may claim only one special exemption (i.e., either the senior special exemption or the disabled special exemption).
- An additional \$300 for each disabled veteran in the household.
- \$2,400 if the taxpayer's state income tax return includes unemployment compensation that amounts to 50% or more of the AGI. Note: This exemption will not be available in the next tax year.

ADDITIONS AND DEDUCTIONS

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 “deductions” 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 deductions from income include the following:

- Pension or retirement benefits received from a Michigan or U.S. government public retirement system may be subtracted from adjusted gross income. Note: Depending on a taxpayer’s age, the deduction for pension or retirement benefits may be reduced or eliminated beginning in tax year 2012.
- Pension or retirement benefits from a private pension are deductible to a maximum of \$45,842 (\$91,684 on a joint return). The amount of this deduction is reduced by the amount of any public or military pension benefits deducted. Note: Depending on a taxpayer’s age, the deduction for pension or retirement benefits may be reduced or eliminated beginning in tax year 2012.
- Senior citizens can deduct up to \$10,218 (\$20,437 on a joint return) of their dividend, interest, or capital gain income. The amount of this deduction is reduced by the amount of the deduction taken for retirement or pension benefits, if any.
- Michigan taxpayers who bought a Michigan Education Trust contract are entitled to deduct the full amount of the contract from their income in the year of purchase. If a loan was taken out to purchase the contract, a deduction can still be made for the full amount paid for the contract, but not for any interest paid on the loan. A taxpayer may also claim a deduction for contributions made to an education savings account established under the Michigan Education Savings Program. The deduction for annual contributions is limited to \$5,000 (\$10,000 on a joint return).

In addition to the deductions described above, deductions may be taken for Armed Forces compensation; income from an out-of-state business or rental income from out-of-state property; gains realized from certain investments; any refund of state or city income tax that is included as income on federal Income Tax Form 1040; charitable contributions made from a retirement account; prizes won in bingo, raffle, or charity games; or political contributions. This is the last time many of these deductions will be available, as they will be eliminated in the next tax year.

TAX CALCULATION

After all applicable exemptions, additions, and deductions are applied the Michigan individual income tax is calculated. The Michigan income tax rate is 4.35% for the 2011 tax year. It will remain at 4.35% in 2012 and then decrease to 4.25% beginning January 1, 2013.

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.

A TAXPAYER'S GUIDE

NON-REFUNDABLE CREDITS

Non-refundable tax credits available to Michigan taxpayers for tax year 2011 include city income tax payments; contributions to food kitchens, food banks, and shelters for homeless persons or other entities whose primary purpose is to provide overnight accommodations, food, or meals to indigent persons. Contributions to community foundations, public contributions, and vehicle donations may also qualify for tax credits.

Tax year 2011 will be the last year many of these non-refundable credits are available.

REFUNDABLE CREDITS

Two of the major refundable tax credits offered by Michigan, the homestead property tax credit and the home heating credit, are discussed on the following pages.

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 household income 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 is household income?

Household income is not the same as an individual's federal or Michigan AGI. For the purposes of the homestead property tax credit, household income includes many things that are not included in either the federal or the Michigan AGI.

Household income includes the following:

- 1. Social Security and railroad retirement benefits.
- 2. Veterans pensions and disability payments.
- 3. Other pensions and annuities.
- 4. Interest on state and local obligations.
- 5. Worker's compensation benefits.
- 6. Cash public assistance and other payments on your behalf (FIP or DHS benefits).
- 7. Child support payments.
- 8. Gifts in cash or kind in excess of \$300.
- 9. Sick pay.
- 10. Scholarship, stipend, grant, or GI bill benefits.
- 11. Compensation for damages to character or personal injury or sickness.
- 12. An inheritance, other than an inheritance from your spouse.
- 13. Proceeds of a life insurance policy paid on the death of the insured, other than a policy on your spouse.
- 14. Reimbursements from dependent care and/or medical care spending accounts.

Not included are the following:

- 1. Amounts received from a governmental unit for repair or improvement of your homestead.
- 2. Surplus foods.
- 3. Chore service payments (such payments are income to the provider but not to the person receiving the benefits).
- 4. State and local income tax refunds, including homestead property tax credits (farmland preservation tax credits or refunds must be included in household income).
- 5. Amounts deducted from Social Security or railroad retirement benefits for Medicare premiums.
- 6. Health, life, and accident insurance premiums paid by your employer.

A TAXPAYER'S GUIDE

- 7. The first \$300 of income from gambling, bingo, lottery, or prizes and awards.
- 8. Energy assistance grants and energy assistance tax credits.
- 9. The first \$300 in gifts, cash, or expenses paid on your behalf by a family member or friend.
- 10. Government payments to a third party, such as your doctor.
- 11. Stipends received by a person 60 years of age or older for acting as a foster grandparent or a senior companion.
- 12. Loan proceeds.
- 13. Inheritance from a spouse.
- 14. Life insurance benefits from a spouse.

Taxpayers may reduce household income by subtracting:

- 1. Federal adjustments to income, including:
 - Educator expenses.
 - Certain business expenses of reservists, performing artists, and fee-based government officials.
 - IRA, SEP, SIMPLE, or Keogh plan deductions.
 - Student loan interest deductions.
 - Moving expenses into or within Michigan.
 - Deductions of self-employment tax.
 - Self-employment health insurance deductions.
 - Tuition and fees.
 - Penalties on early withdrawal of savings.
 - Alimony paid.
 - Medical savings account deductions.
- 2. Medical insurance or HMO premiums you paid for yourself and your family (not Medicare), including medical insurance premiums paid through payroll deduction.

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

Property taxes used to calculate the credit are those for which the taxpayer received a bill in 2011, regardless of when the taxes were paid. Administration fees of 1% 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.

- Renters may count 20% of the rent paid, except renters of tax-exempt housing, who pay service fees instead of property taxes, may only count 10% of their rent.
- Persons living in a mobile home park may count 20% of the amount they pay for lot rental along with the \$3.00 per month specific tax on trailer lots.
- 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.

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% of their household income are not eligible for the credit.
- Taxpayers with income of \$82,650 or more are not eligible for the credit.
- Persons whose household income 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 household income against property taxes, rent, or other fees as described above. The credit is available to taxpayers with household income of \$82,650 or less, whose home is in Michigan, who resided in Michigan for at least six months in 2011, and whose property taxes (or 20% of rent, etc.) comprised more than 3.5% of their household income in 2011.

For those who qualify, the amount of the credit is adjusted based on income and other factors. For instance, the computed credit is reduced by 10% for every \$1,000 (or part of \$1,000) that a taxpayer's household income exceeds \$73,650. On the other hand, the credit is increased for senior citizens, veterans, the disabled, surviving spouses of veterans, and those in the active military.

For most people, the credit is equal to 60% of the amount by which their property taxes, eligible rent, or other fees, exceed 3.5% of their household income, up to a maximum of \$1,200.

EXAMPLES OF COMPUTING THE CREDIT

Example 1: The following is an example of how the credit would be figured:
Mr. and Mrs. Smith's household income was \$45,000. Their property tax bill for 2011 was \$2,000.

The credit is computed by multiplying the household income (\$45,000) by 3.5%. If the property tax is more than 3.5% of the household income, the excess is multiplied by 60% to determine the credit, as follows:

$$\begin{aligned} & \$45,000 \times 3.5\% = \$1,575 \\ & \text{Are property taxes greater than this amount? Yes} \\ & \text{What is the difference between property taxes and } \$1,575? \quad \$425 \\ & \text{Multiply } \$425 \text{ by } 60\% \\ & \text{The tax credit is: } \$255 \end{aligned}$$

Example 2: Another example is provided for a taxpayer with household income of \$77,000 and property taxes of \$3,300.

$$\begin{aligned} & \$77,000 \times 3.5\% = \$2,695 \\ & \text{Are property taxes greater than this amount? Yes} \\ & \text{What is the difference between property taxes and } \$2,695? \quad \$605 \\ & \text{Multiply } \$605 \text{ by } 60\% \quad \$363 \\ & \text{Amount Household Income exceeds } \$73,650? \quad \$3,350 \\ & \text{Reduce credit by } 40\% \text{ (10\% for each } \$1,000 \text{ or part of } \$1,000 \text{ of income over } \$73,650) \\ & \text{Amount of Credit: } \$363 - (40\% \times \$363) = \$217.80 \end{aligned}$$

EXAMPLES OF COMPUTING THE CREDIT (CONTINUED)

Example for Seniors: In the case of seniors (age 65 and older) and deaf, blind, disabled, paraplegic, hemiplegic, quadriplegic, or totally and permanently disabled persons, the credit is equal to 100% of the amount by which their property taxes or eligible rent or other fees exceed 3.5% of their household income, up to a maximum of \$1,200.

For example: Mr. and Mrs. Jones are senior citizens whose household income was \$35,000. They paid \$600 rent per month for 12 months. If 20% of the total rent they paid in 2011 is more than 3.5% of their household income, the excess is multiplied by 100% to determine the credit, as follows:

$$\$35,000 \times 3.5\% = \$1,225$$

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 100%

The tax credit is: \$215

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 2011 Michigan income tax return is due April 17, 2012.

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 2011 homestead property taxes and household income are known.

Note: The Homestead Property Tax Credit will be significantly different when taxes are filed in 2013. Taxpayers with household income over \$50,000 will no longer be eligible for the credit and other credits may be smaller.

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. The credit is available to renters or homeowners, including mobile home renters or owners, whose household income is at or below certain limits based on the number of exemptions the taxpayer is allowed. Household income is calculated the same as it is 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 a senior citizen, 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 incomes 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 household income 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 Income Ceiling
0 or 1	\$420	\$11,986
2	\$567	\$16,186
3	\$714	\$20,387
4	\$861	\$24,587
5	\$1,009	\$28,815
6	\$1,156	\$33,014

For each additional exemption, \$4,200 is added to household income and \$147 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% of the household income. 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, 2011 credits will be multiplied by a proration factor of 52% for homeowners and 50% for renters. 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 a household income of \$21,000. They were entitled to four exemptions.

Standard Allowance	\$861.00
Less: 3.5% of household income (.035 x \$21,000)	<u>-\$735.00</u>
Home Heating Credit Subtotal	126.00
Proration Factor	<u>x .52</u>
Credit Available	\$ 65.52

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	\$12,973
2	\$17,458
3	\$21,946
4 or more	\$22,782

To compute the alternative credit, total heating costs for the 12 consecutive monthly billing periods from November 2010 to October 2011 must be determined (maximum heating costs allowed in 2011 is \$2,506). Then the total heating costs are reduced by 11% of household income. The home heating credit will be 70% of this amount. For the 2011 tax year, credits will be multiplied by a proration factor of 52%. 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 .52
Home Heating Credit (rounded to the nearest dollar)	\$ 245.70

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, 2012 through September 30, 2012.

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 2011, the Michigan EITC is worth 20% of the federal EITC.

Note: In tax years after 2011, the value of the Michigan EITC will be reduced to 6% 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 2011, contributions can be made to following charitable entities:

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.

Girl Scouts of Michigan Fund – to provide funds for donation to any Girl Scout organization located in Michigan.

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

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.

IMPORTANT INCOME TAX CHANGES FOR 2012

In 2011, the Michigan Legislature made several important changes to the Michigan Individual Income Tax. **These changes are not in effect for the 2011 tax year so they do not affect income tax returns that are due in April 2012.** Instead, returns that will be due in April 2013 will be the first income tax returns impacted by these changes. Some of the important changes include the following:

Exemptions

- The \$600 per child 18 and under exemption will be eliminated.
- The \$2,400 special exemption for seniors will be eliminated.
- The \$2,400 special exemption for unemployment compensation greater than 50% of AGI will be eliminated.

Deductions

- Certain pension and retirement income deductions will be reduced or eliminated.
- Certain miscellaneous deductions (political donations; prizes won in state-regulated bingo, raffle, or charity games) will be eliminated.

Credits

- Tax credits for city income taxes, public contributions, contributions to homeless shelters, food banks, and community foundations will be eliminated.
- Tax credits for automobile donations and college tuition and fees will be eliminated.
- The Earned Income Tax Credit (EITC) will be reduced from 20% to 6%.
- The excess adoption expense credit and the stillbirth credit will be eliminated.
- The homestead property tax credit will be available only for homes with taxable value of less than \$135,000 and will be eliminated for taxpayers with incomes of \$50,000 or more.

These changes do not impact the 2011 tax year or tax returns due in April 2012. The first returns that will be impacted by these changes will be tax returns filed in April 2013 for tax year 2012. Taxpayers should review their tax situation with their tax advisor to ensure they have the proper income tax withholding or, if necessary, make appropriate estimated payments.

FILING INCOME TAX RETURNS

The individual income tax filing deadline is April 17, 2012. Forms may be filed by mail or electronically. The Michigan Department of Treasury encourages electronic filing, called e-file, because it costs 83% 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 17, 2012.

Home heating credit forms can be filed up until September 30, 2012, 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 17 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.
- Automated Information Service: (517) 636-4486.
- Printed material in an alternate format may be obtained by calling (517) 636-4486.
- Email: treasIndTax@michigan.gov.
- Website: <http://www.michigan.gov/taxes>.

HOW TO GET HELP WITH TAXES

- 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.
- 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.

2011 MICHIGAN Individual Income Tax Return MI-1040

Return is due April 17, 2012.

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: 0147

1. Filer's First Name	M.I.	Last Name	2. Filer's Social Security No. (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	— —
Home Address (No., Street, P.O. Box or Rural Route)			3. Spouse's Social Security No. (Example: 123-45-6789)
			— —
City or Town	State	ZIP Code	4. School District Code (5 digits - see p. 49)

5. STATE CAMPAIGN FUND

Check this box if you (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.

	Yes	No
a. You	<input type="checkbox"/>	<input type="checkbox"/>
b. Spouse	<input type="checkbox"/>	<input type="checkbox"/>

6. FARMERS, FISHERMEN OR SEAFARERS

Check this box if 2/3 of your income is from farming, fishing or seafaring.

7. 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 name below:

8. RESIDENCY. 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

a. Number of exemptions you claimed on your 2011 federal return.....	▶ 9a.		x \$3,700		00
b. Number of individuals 65 or older who qualify for a special exemption.....	▶ 9b.		x \$2,400		00
c. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled	▶ 9c.		x \$2,400		00
d. Number of children ages 18 and under you claimed as Michigan exemptions	▶ 9d.		x \$600		00
e. Number of qualified disabled veterans	▶ 9e.		x \$300		00
f. If your unemployment compensation is 50% or more of your Adjusted Gross Income (amount claimed on line 10) check (X) the box and enter \$2,400.....	▶ 9f.	<input type="checkbox"/>	\$2,400		00
g. If someone else can claim you as a dependent, check (X) the box, complete Worksheet 2 on p.10, and enter the amount from the worksheet	▶ 9g.	<input type="checkbox"/>	9g.		00
h. Add lines 9a, 9b, 9c, 9d, 9e, 9f and 9g. Enter here and on line 15	▶ 9h.				

10. Adjusted Gross Income from your U.S. Forms 1040, 1040A, 1040EZ or 1040NR (see p. 10)....	▶ 10.				
11. Additions from Michigan Schedule 1, line 7. Attach Schedule 1.....	▶ 11.				
12. Total. Add lines 10 and 11.....	▶ 12.				
13. Subtractions from Michigan Schedule 1, line 21. Attach Schedule 1	▶ 13.				
14. Income subject to tax. Subtract line 13 from line 12. If line 13 is greater than line 12, enter "0".	▶ 14.				
15. Exemption allowance. Amount from line 9h or Schedule NR, line 20.....	▶ 15.				
16. Taxable income. Subtract line 15 from line 14. If line 15 is greater than line 14, enter "0"	▶ 16.				
17. Tax. Multiply line 16 by 4.35% (0.0435)	▶ 17.				
18. Total Nonrefundable Credits. Amount from Schedule 2, line 11. Attach Schedule 2	▶ 18.				
19. Income Tax. Subtract line 18 from line 17. If line 18 is greater than line 17, enter "0"	▶ 19.				

DIRECT DEPOSIT
Deposit your refund directly to your financial institution! See p. 11 and complete a, b and c.

a. Routing Transit Number ▶		b. Type of Account ▶	(1) <input type="checkbox"/> Checking (2) <input type="checkbox"/> Savings
c. Account Number ▶			

Filer's Social Security Number

—	—
---	---

20. Enter amount of Income Tax from line 19.....	20.		00
21. Voluntary Contributions from Form 4642, line 7. Attach Form 4642.....	21.		00
22. USE TAX Use tax due on Internet, mail order or other out-of-state purchases from Worksheet 1, line 3, p. 9.	▶ 22.		00
23. Add lines 20, 21 and 22.....	23.		00

REFUNDABLE CREDITS AND PAYMENTS

24. Property Tax Credit. Attach MI-1040CR or MI-1040CR-2.....	▶ 24.		00
25. Farmland Preservation Credit. Attach MI-1040CR-5.....	▶ 25.		00
26. Qualified Adoption Expenses. Attach U.S. Form 8839 and MI-8839.....	▶ 26.		00
27. Stillbirth Credit. Amount from Worksheet 3, line B, p. 11.....	▶ 27.		00
28. a. Federal Earned Income Tax Credit.....	▶ 28a.	00	
b. Michigan Earned Income Tax Credit. Multiply line 28a by 20% (0.20).....	▶ 28b.		00
29. Energy Efficient Qualified Home Improvement Credit. Attach Form 4764.....	▶ 29.		00
30. Michigan Historic Preservation Tax Credit (refundable). Attach Form 3581.....	▶ 30.		00
31. Michigan tax withheld from Schedule W, line 3. Attach Schedule W (do not submit W-2's).....	▶ 31.		00
32. Estimated tax, extension payments and 2010 credit forward.....	▶ 32.		00
33. Total refundable credits and payments. Add lines 24 through 27, 28b, and 29 through 32.....	33.		00

REFUND OR TAX DUE

34. If line 33 is less than line 23, subtract line 33 from line 23. Include interest <input type="text"/> and penalty <input type="text"/> if applicable (see p. 11).... YOU OWE	▶		00
35. Overpayment. If line 33 is greater than line 23, subtract line 23 from line 33.....	35.		00
36. Credit Forward. Amount of line 35 to be credited to your 2012 estimated tax for your 2012 tax return.....	▶ 36.		00
37. Subtract line 36 from line 35..... REFUND	▶ 37.		00

<p>Deceased Taxpayer. If Filer and/or Spouse died after December 31, 2010, check the appropriate box below.</p> <p>▶ <input type="checkbox"/> Filer is Deceased ▶ <input type="checkbox"/> Spouse is Deceased</p>	<p>Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</p> <p>▶ Preparer's PTIN, FEIN or SSN</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>▶ Preparer's Business Name (print or type)</p>				
<p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Filer's Signature</td> <td style="width: 30%;">Date</td> </tr> <tr> <td>Spouse's Signature</td> <td>Date</td> </tr> </table> <p>▶ I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	Filer's Signature	Date	Spouse's Signature	Date	<p>▶ Preparer's Business Address (print or type)</p>
Filer's Signature	Date				
Spouse's Signature	Date				

Refund, credit, or zero returns. Mail your return to: **Michigan Department of Treasury, Lansing, MI 48956**
Pay amount on line 34. Mail your check and return to: **Michigan Department of Treasury, Lansing, MI 48929**

Make your check payable to "State of Michigan." Print your **Social Security number** and "2011 income tax" on the front of your check. If paying on behalf of another taxpayer, **write the taxpayer's name and Social Security number** on the check. Do not staple your check to the return. Keep a copy of your return and all supporting schedules for six years. To check the status of your refund, have a copy of your MI-1040 available when you visit: www.michigan.gov/it

2011 MICHIGAN Schedule 1 Additions and Subtractions

Issued under authority of Public Act 281 of 1967.

Type or print in blue or black ink. Print numbers like this : 0123456789 - NOT like this: 0 1 4 7
Attach to Form MI-1040.



Attachment 1A

Filer's First Name	M.I.	Last Name	▶ Filer's Social Security Number (Example: 123-45-6789) ____ - ____
If a Joint Return, Spouse's First Name	M.I.	Last Name	▶ Spouse's Social Security Number (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 p. 12).....	▶ 2.		00
3. Gains from Michigan column of MI-1040D and MI-4797.....	▶ 3.		00
4. Losses attributable to other states (see p. 12).....	▶ 4.		00
5. Net loss from federal column of your Michigan MI-1040D or MI-4797.....	▶ 5.		00
6. Other (see p. 12). Describe: _____	▶ 6.		00
7. Total additions. Add lines 1 through 6. Enter here and on MI-1040, line 11.....	▶ 7.		00

Subtractions from Income (all entries must be positive numbers)

8. Income from U.S. government bonds and other U.S. obligations included in MI-1040, line 10. Attach U.S. <i>Schedule B</i> or U.S. <i>1040A Schedule 1</i> if over \$5,000.....	▶ 8.		00
9. Military pay from U.S. Armed Forces included in MI-1040, line 10. Attach Schedule W. (Report military retirement pay on line 12.).....	▶ 9.		00
10. Gains from federal column of Michigan MI-1040D and MI-4797.....	▶ 10.		00
11. Income attributable to another state. Explain type and source: _____	▶ 11.		00
12. Retirement or pension benefits included in MI-1040, line 10. (Include military retirement here.) See exceptions, p. 13. Name of payer: _____	▶ 12.		00
13. Dividend/interest/capital gains deduction for senior citizens age 65 and older (see p. 13).....	▶ 13.		00
14. Social Security benefits included in MI-1040, line 10.....	▶ 14.		00
15. Income earned while a resident of a renaissance zone. Name of zone: _____	▶ 15.		00
16. Michigan state and local income tax refunds received in 2011 and included in 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. Venture Capital Deduction. Not available for 2011.....	▶ 19.		00
20. Miscellaneous subtractions (see p. 14). Describe: _____	▶ 20.		00
21. Total subtractions. Add lines 8 through 20. Enter here and on MI-1040, line 13.....	▶ 21.		00

2011 MICHIGAN Schedule 2 Nonrefundable Credits

Issued under authority of Public Act 281 of 1967.

Attach to Form MI-1040.

Attachment 1B

Filer's First Name	M.I.	Last Name	▶ Filer's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>

	Amount		Credit	
1. City Income Tax Credit (see p. 15)..... ▶ 1a.	00		00	1b.
2. Public Contribution Credit (see p. 15)..... ▶ 2a.	00		00	2b.
3. Community Foundation Credit. Enter code from p. 48 ▶ <input style="width: 30px; height: 15px;" type="text"/> ▶ 3a.	00		00	3b.
4. Homeless Shelter/Food Bank Credit (see p. 15)..... ▶ 4a.	00		00	4b.
5. Credit for Income Tax Imposed by Government Units Outside Michigan. Attach a copy of the return..... 5a.	00	▶ 5b.	00	
6. Michigan Historic Preservation Tax Credit (nonrefundable). For a refund of any unused credit, see Form 3581 inst. Attach Form 3581 .. ▶ 6a.	00	▶ 6b.	00	
7. College Tuition and Fees Credit. Attach Schedule CT ▶ 7.			00	
8. Vehicle Donation Credit. Enter code from list below.. ▶ <input style="width: 30px; height: 15px;" type="text"/> ▶ 8a.	00		00	8b.
9. Individual or Family Development Account Credit and/or Small Business Investment Tax Credit. Attach applicable certificate.. 9a.	00	▶ 9b.	00	
10. Renewable Energy Surcharge Credit ▶ 10a.	00	10b.	00	
11. Total nonrefundable credits. Add lines 1b, 2b, 3b, 4b, 5b, 6b, 7, 8b, 9b and 10b. Enter here and carry amount to your MI-1040, line 18..... 11.			00	

VEHICLE DONATION CREDIT CODES	
604	Carlink, Inc.
505	CarsINC
304	Collex Wheels of Hope Outreach, Inc.
105	Goodwill Industries of Mid-Michigan, Inc.
705	Goodwill Industries of Northern Michigan, Inc.
905	Goodwill Industries of Southeast Michigan, Inc.
803	Goodwill Industries of West Michigan, Inc.
601	Goodwill of Southwestern Michigan, Inc.
202	Goodwill Wheels to Work

Use Tax

Every state that has a sales tax has a companion tax for purchases made outside that state by catalog, telephone, or Internet. In Michigan, that companion tax is called “use tax,” but might be described more accurately as a remote sales tax because it is a 6 percent tax owed on purchases made outside of Michigan.

Use tax is due on catalog, telephone, or Internet purchases made from out-of-state sellers as well as purchases while traveling in foreign countries when the items are to be brought into Michigan. Use tax must be paid on the total price (including shipping and handling charges).

How to Report Use Tax

Use Worksheet 1 below to calculate your tax and enter the amount of tax due on MI-1040, line 22.

Worksheet Calculation

Line 1: For purchases of \$0-\$1,000, multiply your total purchases times 6 percent (0.06) and enter the amount on Line 1, **or**

If you have incomplete or inaccurate receipts to calculate your purchases, you may use Table 1 - Use Tax to estimate your taxes. (See the following example.)

Line 1 should contain a number unless you made no purchases under \$1,000 subject to the use tax. If we later determine that you owe use tax, you may be subject to penalty and interest.

Line 2: In all cases, if a single purchase is \$1,000 or more, you must pay 6 percent use tax on those purchases.

Example: Kurt ordered a computer from a catalog retailer in New York for \$1,437.50. Kurt also purchased items over the Internet for less than \$1,000 during the year, but lost his receipts. He is sure he did not pay Michigan sales tax. Kurt’s AGI is \$46,500. Kurt would complete Worksheet 1 as follows:

Line 1: Kurt selects \$36 from the table based on his AGI..... \$36

Line 2: Kurt enters \$1,437.50 x 6 percent..... \$86.25

Line 3: Total use tax due \$122.25

Kurt would enter \$122 (no cents) on his 2011 MI-1040, line 22.

Estimating your taxes does not preclude Treasury from auditing your account. If additional tax is due, you may receive an assessment for the amount of the tax owed, plus applicable penalty and interest.

TABLE 1 - USE TAX

<u>AGI*</u>	<u>Tax</u>
\$0 - \$10,000	\$4
\$10,001 - \$20,000	\$12
\$20,001 - \$30,000	\$20
\$30,001 - \$40,000	\$28
\$40,001 - \$50,000	\$36
\$50,001 - \$75,000	\$50
\$75,001 - \$100,000	\$70
Above \$100,000.....	Multiply AGI by 0.08% (0.0008)

* AGI from MI-1040, line 10.

Use Tax on the Difference

If you paid at least 6 percent to another state on your purchase, you do not owe use tax to Michigan. If you paid less than 6 percent, you owe the difference.

Note: The full 6 percent use tax is owed on purchases made in a foreign country.

**For more information, visit
www.michigan.gov/taxes.**

WORKSHEET 1 - USE TAX

Line 1: Itemized purchases of \$0 to \$1,000 x 6 percent (0.06) **OR** Use Tax table amount \$ _____

Line 2: Single purchases \$1,000 or more x 6 percent (0.06)... \$ _____

Line 3: Total Use Tax Due (add Lines 1 and 2)..... \$ _____

Enter amount from Line 3 above on your 2011 MI-1040, line 22. If the amount on Line 3 is 0, enter “0” on your 2011 MI-1040, line 22.

2011 MICHIGAN Voluntary Contributions Schedule

Issued under authority of Public Act 281 of 1967.

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: 0147
Attach to Form MI-1040.

Attachment 18

▶ Filer's First Name	M.I.	Last Name	▶ Filer's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>

	A.	B.	C. Other Amount (greater than \$10)		D. Total Contribution
1. Animal Welfare Fund	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 1.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
2. Children of Veterans Tuition Grant Program ..	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 2.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
3. Children's Trust Fund - Preventing Child Abuse in Michigan	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 3.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
4. Girl Scouts of Michigan Fund	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 4.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
5. Military Family Relief Fund	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 5.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
6. United Way Fund	<input type="checkbox"/> \$5	<input type="checkbox"/> \$10	\$ <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00	▶ 6.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00
7. Add column D, lines 1 through 6. Enter total of column D here and carry amount to your MI-1040, line 21.....				▶ 7.	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> 00

This form must be attached to your MI-1040 to ensure your contributions are properly credited to the designated fund(s). Visit www.michigan.gov/taxes for details on voluntary contribution funds.

2011 MICHIGAN Homestead Property Tax Credit Claim MI-1040CR

Issued under authority of Public Act 281 of 1967. Type or print in blue or black ink.

Print numbers like this : 0123456789 - NOT like this: 0147

Attachment 05

▶ 1. Filer's First Name	M.I.	Last Name	▶ 2. Filer's Social Security Number (Example: 123-45-6789)
If a Joint Return, Spouse's First Name	M.I.	Last Name	<input style="width:95%;" type="text"/>
Home Address (Number, Street, or P.O. Box) If using a P.O. Box, you must complete line 36, page 2.			▶ 3. Spouse's Social Security Number (Example: 123-45-6789)
<input style="width:95%;" type="text"/>			<input style="width:95%;" type="text"/>
City or Town	State	ZIP Code	▶ 4. School District Code (5 digits - see p. 49)
<input style="width:95%;" type="text"/>			
▶ 5. Check the box(es) for which you or your spouse qualify (excluding dependents):			
a. <input type="checkbox"/> Age 65 or older; or an unmarried spouse of a person who was 65 or older at the time of death		b. <input type="checkbox"/> Deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled	

6. Homeowners: Enter the 2011 taxable value of your homestead (see p. 20).....	▶ 6.	<input style="width:80%;" type="text"/>	00
7. Property Taxes levied on your home in 2011 (see p. 18) or amount from line 42, 47 and 48	▶ 7.	<input style="width:80%;" type="text"/>	00
8. Renters: Enter rent you paid in 2011 from line 44	▶ 8.	<input style="width:80%;" type="text"/>	00
9. Multiply line 8 by 20% (0.20)	9.	<input style="width:80%;" type="text"/>	00
10. Total. Add lines 7 and 9.....	10.	<input style="width:80%;" type="text"/>	00

HOUSEHOLD INCOME. Include income from both spouses.

11. Wages, salaries, tips, sick, strike and SUB pay, etc.....	▶ 11.	<input style="width:80%;" type="text"/>	00
12. All interest and dividend income (including nontaxable interest).....	▶ 12.	<input style="width:80%;" type="text"/>	00
13. Net business, royalty or rent income (including self-employment).....	▶ 13.	<input style="width:80%;" type="text"/>	00
14. Retirement pension, annuity, and IRA benefits. Name of payer: _____	▶ 14.	<input style="width:80%;" type="text"/>	00
15. Net farm income	▶ 15.	<input style="width:80%;" type="text"/>	00
16. Capital gains less capital losses (see p. 21).....	▶ 16.	<input style="width:80%;" type="text"/>	00
17. Alimony and other taxable income (see p. 21). Describe: _____	▶ 17.	<input style="width:80%;" type="text"/>	00
18. Social Security, SSI and/or railroad retirement benefits	▶ 18.	<input style="width:80%;" type="text"/>	00
19. Child support and foster parent payments (see p. 21)	▶ 19.	<input style="width:80%;" type="text"/>	00
20. Unemployment compensation.....	▶ 20.	<input style="width:80%;" type="text"/>	00
21. Other nontaxable income (see p. 21). Describe: _____	▶ 21.	<input style="width:80%;" type="text"/>	00
22. Workers' compensation, veterans' disability compensation and pension benefits	▶ 22.	<input style="width:80%;" type="text"/>	00
23. FIP and other DHS benefits (do not include Food Assistance Program benefits).....	▶ 23.	<input style="width:80%;" type="text"/>	00
24. SUBTOTAL. Add lines 11 through 23.....	▶ 24.	<input style="width:80%;" type="text"/>	00

25. Other adjustments (see p. 21). Describe: _____	25.	<input style="width:80%;" type="text"/>	00
26. Medical insurance or HMO premiums you paid for you and your family (see p. 21)	26.	<input style="width:80%;" type="text"/>	00

27. Add lines 25 and 26.....	▶ 27.	<input style="width:80%;" type="text"/>	00
28. HOUSEHOLD INCOME. Subtract line 27 from line 24. If more than \$82,650, STOP; you are not eligible	▶ 28.	<input style="width:80%;" type="text"/>	00
29. Multiply line 28 by 3.5% (0.035) or by the percent in Table 2 (see p. 22) (if negative, enter "0")	▶ 29.	<input style="width:80%;" type="text"/>	00
30. Subtract line 29 from line 10. If line 29 is more than line 10, enter "0" and STOP; you are not eligible	▶ 30.	<input style="width:80%;" type="text"/>	00

If you checked a box on line 5, complete line 32 or 33. FIP/DHS recipients, complete line 32. All others must complete line 31.

31. Multiply line 30 by 60% (0.60) (maximum \$1,200). Go to line 34.....	▶ 31.	<input style="width:80%;" type="text"/>	00
32. FIP/DHS recipients, enter amount from Worksheet 5 on p. 22. Seniors who pay rent, complete Worksheet 6 on p. 22 and enter amount from worksheet here (maximum \$1,200). Go to line 34.....	▶ 32.	<input style="width:80%;" type="text"/>	00
33. If you checked a box on line 5 (if you completed line 32, skip this line), enter the amount from line 30 (maximum \$1,200). Go to line 34	▶ 33.	<input style="width:80%;" type="text"/>	00
34. CREDIT. If your household income (line 28) is less than or equal to \$73,650, enter the amount that applies to you from line 31, 32 or 33 here. If household income is more than \$73,650, you must reduce your credit (see instructions on p. 22). If you file an MI-1040, carry this amount to your MI-1040, line 24.....	▶ 34.	<input style="width:80%;" type="text"/>	00

Filer's Social Security Number
— —

▶ 35. Residency Status in 2011: *If you checked box "c," enter dates of Michigan residency in 2011.
Enter dates as MM-DD-YYYY (Example: 04-15-2011)

a. Resident

b. Nonresident

c. Part-Year Resident*

	FROM:	FILER	SPOUSE
	TO:	— — 2011	— — 2011
		— — 2011	— — 2011

PART 1: HOMEOWNERS. Report on lines 36 and 37 the addresses of the homesteads for which you are claiming a credit.

36. Address where you lived on December 31, 2011, if different than reported on line 1.	Taxable Value
37. Address of homestead sold (moved from) during 2011 (Number, Street, City, ZIP Code).	Taxable Value

Homeowners who moved during 2011, complete lines 38 through 42.

		HOMESTEAD	
		A. Moved Into	B. Moved From
38. Number of days occupied (total cannot be more than 365).....	▶ 38.		
39. Divide line 38 by 365 and enter percentage here.....	39.	%	%
40. Property taxes levied and assessed in calendar year 2011	40.		
41. Prorated property taxes. Multiply line 40 by percentage on line 39.....	41.		
42. Taxes eligible for credit. Add line 41, columns A and B. Enter here and on line 7	42.		00

PART 2: RENTERS

43. A Address of Homestead You Rented (No., Street, Apt. #, City, ZIP Code)	B Landowner's Name and Address	C # Months Rented	D Monthly Rent	E Total Rent Paid Less Mobile Home Taxes

44. Total rent you paid (not more than 12 mos). Add total rent for each period. Enter here and on line 8 44. 00

PART 3: ALTERNATE HOUSING FACILITIES

▶ 45. If you lived in one of these types of facilities for all or part of 2011, check the appropriate box and see instructions.

a. **Subsidized Housing**, complete line 46. Enter result on line 8. b. **Service Fee Housing**, complete lines 46 and 47.

46. Enter the total rent you paid in 2011. Do not include amounts paid on your behalf by a government agency 46. 00

47. If you checked 45b, multiply line 46 by 10% (0.10) (see instructions). Enter here and on line 7 47. 00

▶ 48. **Special Housing:** If you lived in one of these facility types for all or part of 2011, check the appropriate box and 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 above and on line 7 48. 00

49. Name and Address (include ZIP Code) of Housing Facility, Landowner, or Care Facility if you completed Part 3

DIRECT DEPOSIT a. Routing Transit Number ▶

Deposit your refund directly to your financial institution! See p. 11 and complete a, b and c. c. Account Number ▶

b. Type of Account: ▶ (1) Checking (2) Savings

<p>Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2010, enter dates below. ENTER DATE OF DEATH ONLY. Example: 04-15-2011 (MM-DD-YYYY).</p> <p>▶ Filer <input type="text"/> ▶ Spouse <input type="text"/></p>	<p>Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</p> <p>▶ Preparer's PTIN, FEIN or SSN</p> <p><input type="text"/></p> <p>▶ Preparer's Business Name (print or type)</p> <p><input type="text"/></p> <p>Preparer's Business Address (print or type)</p> <p><input type="text"/></p>				
<p>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.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Filer's Signature</td> <td style="width: 50%;">Date</td> </tr> <tr> <td>Spouse's Signature</td> <td>Date</td> </tr> </table> <p>▶ I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		Filer's Signature	Date	Spouse's Signature	Date
Filer's Signature	Date				
Spouse's Signature	Date				

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**

2011 MICHIGAN Homestead Property Tax Credit Claim for Veterans and Blind People MI-1040CR-2

Print numbers like this: 0123456789 - NOT like this: 0 1 4 7

Attachment 06

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

▶ 5. Residency Status in 2011:

a. Resident

b. Nonresident

c. Part-Year Resident*

*If you checked box "c," enter dates of Michigan residency in 2011.
Enter dates as MM-DD-YYYY (Example: 04-15-2011)

	FROM:	FILER	SPOUSE
		— — 2011	— — 2011
	TO:	— — 2011	— — 2011

▶ 6. 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 checked "d" or "e" above and your household income (line 29) is more than \$7,500, you cannot claim a credit on this form.

7. Taxable value allowance from Table 2, p.10.....	▶ 7.	00
8. Taxable value of homestead	▶ 8.	00
9. Property taxes levied on your home in 2011 (see p. 4)	▶ 9.	00
10. Percent of tax relief. Divide line 7 by line 8 (not to exceed 100%)	10.	%
11. Multiply line 9 by line 10. Enter the result (maximum \$1,200)	11.	00

HOUSEHOLD INCOME. Include income from both spouses.

12. Wages, salaries, tips, sick, strike and SUB pay, etc.	▶ 12.	00
13. All interest and dividend income (including nontaxable interest).....	▶ 13.	00
14. Net business, royalty or rent income (including self-employment)	▶ 14.	00
15. Retirement pension, annuity, and IRA benefits. Name of payer:	▶ 15.	00
16. Net farm income	▶ 16.	00
17. Capital gains less capital losses (see p. 7).....	▶ 17.	00
18. Alimony and other taxable income (see p. 7). Describe:	▶ 18.	00
19. Social Security, SSI and/or railroad retirement benefits	▶ 19.	00
20. Child support and foster parent payments (see p. 7)	▶ 20.	00
21. Unemployment compensation	▶ 21.	00
22. Other nontaxable income (see p. 8). Describe:	▶ 22.	00
23. Workers' compensation, veterans' disability compensation and pension benefits	▶ 23.	00
24. FIP and other DHS benefits (do not include Food Assistance Program benefits)	▶ 24.	00
25. SUBTOTAL. Add lines 12 through 24	▶ 25.	00

26. Other adjustments (see p. 8). Describe:	26.	00	
27. Medical insurance or HMO premiums you paid for you and your family	27.	00	
28. Add lines 26 and 27	▶ 28.	00	
29. HOUSEHOLD INCOME. Subtract line 28 from line 25. If greater than \$82,650, STOP; you are not eligible	▶ 29.	00	
30. PROPERTY TAX CREDIT. (Maximum \$1,200). Enter one of the following:			
a. FIP/DHS RECIPIENTS, enter amount from the Worksheet on p. 8.			
b. If line 29 is more than \$73,650, see instructions on p. 8 and enter the reduced amount.			
c. ALL OTHERS, enter the amount from line 11.			
If you file an MI-1040, carry this amount to your MI-1040, line 24.....	CREDIT	▶ 30.	00

Filer's Social Security Number
— —

PART 1: HOMEOWNERS. Report on lines 31 and 32 the addresses of the homesteads for which you are claiming credit.

31. Address where you lived on December 31, 2011, if different than reported on line 1.
32. Address of homestead sold during 2011 (No., Street, City, ZIP Code).

Homeowners who moved during 2011, complete lines 33 through 41.
If you also rented a homestead during 2011, complete lines 42 through 53.

HOMESTEAD	
A. Moved Into	B. Moved From
33. _____	33. _____
34. _____ %	34. _____ %
35. _____	35. _____
36. _____	36. _____
37. _____	37. _____
38. _____	38. _____
39. _____ %	39. _____ %
40. _____	40. _____
41. _____	41. _____ 00


- 33. Number of days occupied (total cannot be more than 365)..... ▶ 33.
- 34. Divide line 33 by 365 and enter percentage here..... 34.
- 35. Property taxes levied and assessed in calendar year 2011 35.
- 36. Prorated taxes. Multiply line 35 by percentage on line 34 36.
- 37. Taxable value allowance (see Table 2, p. 10)..... 37.
- 38. Taxable value..... 38.
- 39. Divide line 37 by line 38 and enter percentage here 39.
- 40. Prorated credit. Multiply line 36 by line 39..... 40.
- 41. Property tax credit. Add line 40, columns A and B. Enter here and on line 11.

Part-year renters, do not carry to line 11; complete lines 42 through 53 41. _____ 00

PART 2: RENTERS. (Veterans Only)

42.	A Address of Homestead You Rented (No., Street, Apt. #, City, ZIP Code)	B Landowner's Name and Address	C # Months Rented	D Monthly Rent	▶ E Total Rent Paid Less Mobile Home Taxes

- 43. Total rent you paid (not more than 12 months). Add total rent for each period 43. _____ 00
- 44. Multiply line 43 by 20% (0.20). Service fee housing residents use 10% (0.10) (see p. 5).
Full-year renters, enter here and on line 9 44. _____ 00
- 45. Multiply **non-homestead** property tax millage by 0.001 (see p. 10, Credit Computation Examples) 45. _____
- 46. **Full-year renters only**, divide line 44 by line 45 to get your taxable value. Enter here and on line 8.... 46. _____ 00
- Part-year renters, complete lines 47 through 53.**
- 47. Divide line 43 by the number of months you rented 47. _____ 00
- 48. Multiply line 47 by 12 months 48. _____ 00
- 49. Multiply line 48 by 20% (0.20). Service fee housing residents use 10% (0.10) (see p. 5) 49. _____ 00
- 50. Divide line 49 by line 45 to get your taxable value. Enter here and on line 8..... 50. _____ 00
- 51. Percent of tax relief. Divide line 7 by line 50..... 51. _____ %
- 52. Multiply line 44 by line 51 52. _____ 00
- 53. Add lines 41 and 52. Enter here and on line 11..... 53. _____ 00

 DIRECT DEPOSIT Deposit your refund directly to your financial institution! See p. 9 and complete a, b and c.	a. Routing Transit Number ▶ _____	b. Type of Account: ▶ (1) <input type="checkbox"/> Checking (2) <input type="checkbox"/> Savings
	c. Account Number ▶ _____	

<p>Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2010, enter dates below. ENTER DATE OF DEATH ONLY. Example: 04-15-2011 (MM-DD-YYYY).</p> <p>▶ Filer _____ ▶ Spouse _____</p>	<p>Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</p> <p>▶ Preparer's PTIN, FEIN or SSN _____</p> <p>▶ Preparer's Business Name (print or type) _____</p> <p>Preparer's Business Address (print or type) _____</p>				
<p>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.</p> <table border="1"> <tr> <td>Filer's Signature</td> <td>Date</td> </tr> <tr> <td>Spouse's Signature</td> <td>Date</td> </tr> </table> <p>▶ I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	Filer's Signature	Date	Spouse's Signature	Date	
Filer's Signature	Date				
Spouse's Signature	Date				

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**

2011 MICHIGAN Farmland Preservation Tax Credit Claim MI-1040CR-5

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: 0 1 4 7
 Attach to Form MI-1040. Read all instructions before completing this form.

Attachment 03

▶ 1. Filer's First Name	M.I.	Last Name	▶ 2. Filer's Social Security Number (Example: 123-45-6789)
			— —
If a Joint Return, Spouse's First Name	M.I.	Last Name	▶ 3. Spouse's Social Security Number (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. Are all of the taxes that qualify for a homestead property tax credit included in the total on line 4?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
6. If "No," 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. Household income from MI-1040CR, line 28, MI-1040CR-2, line 29 or MI-1040CR-7, line 31	8.	—	00
9. Depletion allowance claimed on your federal return.....	▶ 9.	—	00
10. Total. Add lines 8 and 9	10.	—	00
11. Total taxes on land covered by Farmland Developmental Rights Agreement from line 4	11.	—	00
12. Multiply line 10 by 3.5% (0.035). If negative, enter "0"	12.	—	00
13. Subtract line 12 from line 11	13.	—	00
14. Homestead Property Tax Credit from MI-1040CR or MI-1040CR-2..	14.	—	00
15. Total Property Tax Credits. Add lines 13 and 14.....	15.	—	00

IF LINE 15 IS LESS THAN LINE 7, CARRY THE AMOUNT FROM LINE 13 TO YOUR MI-1040, LINE 25 AND STOP HERE.

16. If line 15 is greater than line 7, enter the amount from line 7	16.	—	00
17. Enter the amount from line 14	17.	—	00
18. Subtract line 17 from line 16. Enter here and on Form MI-1040, line 25.....	▶ 18.	—	00

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.

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

2011 MICHIGAN Home Heating Credit Claim MI-1040CR-7

Issued under authority of Public Act 281 of 1967. Type or print in blue or black ink.

Print numbers like this: 0123456789 - NOT like this: 0147

Attachment 08

PLACE LABEL HERE	▶ 1. Filer's First Name		M.I.	Last Name		▶ 2. Filer's Social Security Number (Example: 123-45-6789)	
	If a Joint Return, Spouse's First Name		M.I.	Last Name		— —	
	Home Address (No., Street, P.O. Box or Rural Route)					▶ 3. Spouse's Social Security Number (Example: 123-45-6789)	
	City or Town			State	ZIP Code	▶ 4. County Code (p. 15)	

<p>▶ 5. Are your heating costs currently included in your rent or in someone else's name (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>▶ 6. Do you want your name and address referred to other government assistance programs for which you may qualify?.... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>▶ 7. Do you or your spouse now receive Supplemental Security Income (SSI)?..... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>▶ 8. ENTER YOUR AGE if you are age 60 or older... <table style="display: inline-table; border: 1px solid black; margin-left: 20px;"><tr><td style="width: 40px;">You</td><td style="width: 40px;">Spouse</td></tr><tr><td style="text-align: center;"> </td><td style="text-align: center;"> </td></tr></table></p> <p>▶ 9. How much were you billed for heat between 11/1/2010 - 10/31/2011? <table style="display: inline-table; border: 1px solid black; margin-left: 20px;"><tr><td style="width: 60px;"> </td><td style="width: 20px; text-align: center;">00</td></tr></table></p> <p>▶ 10. If you lived in one of these CARE facilities (not a senior apartment complex) for all of 2011, check the box and STOP here, see instructions.</p> <p>a. <input type="checkbox"/> Nursing Home b. <input type="checkbox"/> Adult Foster Care Home</p> <p>c. <input type="checkbox"/> Licensed Home for the Aged d. <input type="checkbox"/> Substance Abuse Center</p>	You	Spouse				00	<p>▶ 11. Exemptions. Enter the number that applies to you, your spouse, or your dependents and complete line 12 below.</p> <p>Personal Exemption (You and your spouse only) ▶ a. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Age 65 or older ▶ b. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Deaf, Disabled or Blind, Qualified Disabled Veteran ▶ c. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Unemployment compensation greater than 50% of AGI ▶ d. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Number of children living with you:</p> <p>• Ages 2 and under ▶ e. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>• Ages 3-5 ▶ f. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>• Ages 6-18 ▶ g. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Dependent adults, other than your spouse, who live with you ▶ h. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p> <p>Add lines 11a through 11h ▶ i. <table border="1" style="width: 40px; height: 20px; border-collapse: collapse;"></table></p>
You	Spouse						
	00						

12. You MUST enter below the name, Social Security number, relationship and age of all dependents you claimed in line 11, e - h above.

Dependent's Name	Dependent's Relationship to You	Social Security Number	Age in Years
a.			
b.			
c.			
d.			

13. Wages, salaries, tips, sick, strike and SUB pay, etc.....	13.		00
14. All interest and dividend income (including nontaxable interest).....	14.		00
15. Net business, royalty or rent income (including self-employment).....	▶ 15.		00
16. Annuity, retirement pension and IRA benefits. Name of Payer: _____	16.		00
17. Net farm income	17.		00
18. Capital gains less capital losses.....	18.		00
19. Alimony and other taxable income (see instructions). Describe: _____	19.		00
20. Social Security, Supplemental Security Income (SSI) and/or railroad retirement benefits	▶ 20.		00
21. Child support and foster parent payments.....	21.		00
22. Unemployment compensation.....	▶ 22.		00
23. Other nontaxable income (see instructions). Describe: _____	23.		00
24. Workers' compensation, veterans' disability compensation and pension benefits	24.		00
25. FIP and other DHS benefits (do not include Food Assistance Program benefits).....	▶ 25.		00
26. Subtotal. Add lines 13 through 25. Enter here and carry amount to line 27..... SUBTOTAL	26.		00

+ 0000 2011 37 01 27 0

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

Filer's Social Security Number
— —

27. Enter amount from line 26 27.

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28. Other adjustments (see instructions). Describe: _____ 28.

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29. Medical insurance or HMO premiums you paid for you and your family 29.

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30. Add lines 28 and 29..... 30.

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31. **HOUSEHOLD INCOME.** Subtract line 30 from line 27 ▶ 31.

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Standard and Alternate Home Heating Credit Computations

32. **STANDARD CREDIT.** Standard allowance from Table A, p.15 32.

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33. Multiply line 31 (Household Income) by 3.5% (0.035) (if negative, enter "0") 33.

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34. Subtract line 33 from line 32 for standard credit amount. If line 33 is greater than line 32, enter "0"..... 34.

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35. If you answered "Yes" to line 5, multiply the amount on line 34 by 50% (0.50). Enter here and on line 40. (If approved, the final amount as shown on line 41 is issued as a check.)..... 35.

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36. **ALTERNATE CREDIT.** Total heating costs from line 9 or \$2,506 (whichever is less) 36.

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37. Multiply line 31 (Household Income) by 11% (0.11) (if negative, enter "0") .. 37.

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38. Subtract line 37 from line 36. If line 37 is greater than line 36, enter "0" 38.

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39. Multiply line 38 by 70% (0.70) for alternate credit amount 39.

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40. If you completed line 35, enter that amount here. Otherwise, enter the larger of lines 34 or 39 here 40.

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41. **HOME HEATING CREDIT.** Multiply line 40 by 52% (0.52) ▶ 41.

	00
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42. RESIDENCY in 2011: *If you checked box "c.," enter dates of Michigan residency in 2011. Enter dates as MM-DD-YYYY (Example: 04-15-2011)

a. Resident

b. Nonresident

c. Part-Year Resident*

FROM:	FILER	SPOUSE
	— — 2011	— — 2011
TO:	— — 2011	— — 2011

IMPORTANT

43. ▶ **You must check this box to receive a refund from your heat provider for any overpayment to your heat account, if eligible. See instructions, p. 8.**

Before you sign, please review your claim. Make sure your name, Social Security number and current mailing address are on the form and that you have answered all the questions that pertain to you.

<p>Deceased Taxpayers. If Filer and/or Spouse died after 12-31-2010, enter dates below. ENTER DATE OF DEATH ONLY. Example: 04-15-2011 (MM-DD-YYYY).</p> <p>▶ Filer <table border="1"><tr><td>— —</td></tr></table> ▶ Spouse <table border="1"><tr><td>— —</td></tr></table></p> <p>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.</p> <table border="1" style="width: 100%;"> <tr> <td>Filer's Signature</td> <td>Date</td> </tr> <tr> <td>Spouse's Signature</td> <td>Date</td> </tr> </table> <p>▶ I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	— —	— —	Filer's Signature	Date	Spouse's Signature	Date	<p>Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</p> <p>▶ Preparer's PTIN, FEIN or SSN</p> <table border="1" style="width: 100%; height: 20px;"><tr><td></td></tr></table> <p>▶ Preparer's Business Name (print or type)</p> <p>Preparer's Business Address (print or type)</p>	
— —								
— —								
Filer's Signature	Date							
Spouse's Signature	Date							

File (postmark) your claim by September 30, 2012. Mail your claim to: Michigan Department of Treasury Lansing, MI 48956

2011 MICHIGAN Energy Efficient Qualified Home Improvement Credit

Issued under authority of Public Act 281 of 1967.

Print numbers like this: 0123456789 - NOT like this: Ø 1 4 7

Attach to Form MI-1040. Type or print in blue or black ink. Enter amounts in whole dollars only.

Attachment 19

Filer's First Name	M.I.	Last Name	▶ Filer's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>
If a Joint Return, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number (Example: 123-45-6789) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>

1. Adjusted gross income (AGI) from your MI-1040, line 10..... 1. 00
AGI must be less than \$37,501 (single or married, filing separately),
or less than \$75,001 (married, filing jointly) to be eligible.

	A. EXPENSE		B. CREDIT	
2. Insulation ▶ 2a.		00		00
3. Furnace ▶ 3a.		00		00
4. Water Heater ▶ 4a.		00		00
5. Windows ▶ 5a.		00		00
6. Refrigerator, clothes washer, and/or dishwasher..... ▶ 6a.		00		00
7. Credit. Add lines 2 through 6, column B. Enter here and carry to your MI-1040, line 29 ▶ 7.				00

Eligibility Requirements

Taxpayers must meet all of the following requirements to be eligible for this credit:

- Adjusted gross income (AGI) is less than \$37,501 (single or married, filing separately), or less than \$75,001 (married, filing jointly).
- Home improvements were Energy Star rated.
- Home improvements were purchased by the taxpayer and installed in calendar year 2011.
- Home improvements were made to a taxpayer's principal residence. The credit is not available to renters, residents of a mobile home park, or for improvements made to a second home.
- Only specific items listed on lines 2 through 6 qualify for this credit.

Line-by-Line Instructions

Lines 2 through 6: Energy Star rated improvements:

- Column A: Enter the purchase amount of eligible home improvement(s), including installation expenses.
- Column B: For each line in column B, enter the LESSER of
 - (a) 10 percent (0.10) of column A, OR
 - (b) \$75 (single or married, filing separately), or \$150 (married, filing jointly).

Treasury may request invoices or receipts to verify purchases and/or Energy Star certification.

*The information in this publication is available,
upon request, in an alternative, accessible format.*



For more information regarding the Michigan Legislature,
scan this QR code with your smartphone.