

06/22 final draft

FEIN or TR Number

UBG Member FEIN or TR Number


### Gross Receipts Worksheet

Complete the appropriate parts below based on the person's organization type. Part 1 is for an Individual or Fiduciary; Part 2 is for a C Corporation (or a person filing federal returns as a C Corporation); and Part 3 is for a Partnership or S Corporation (or a person filing a federal return as a Partnership or an S Corporation). Parts 4 and 5 apply to all filers, independent of their organization type.

Gross receipts is not necessarily derived entirely from the federal return, however, this worksheet will calculate gross receipts as defined by law in most circumstances. Taxpayers and tax professionals are expected to be familiar with uncommon situations within their experience, which produce gross receipts not identified by specific lines on this worksheet, and report that amount on the most appropriate line. The Michigan Department of Treasury may adjust the figure resulting from this worksheet to account properly for such uncommon situations. Complete and attach this worksheet to your return. Unitary Business Groups (UBGs) must complete and attach a worksheet for each member.

Gross receipts, before applying the statutory exceptions, consists solely of positive amounts derived from transactions or events. Therefore, if any of the federal return items utilized in Part 1, Part 2 or Part 3 is a net result of both negative and positive transactions, it must be recalculated for use here by counting only the positive elements represented in that net figure.

#### INFORMATION DIRECTLY FROM SPECIFIC FEDERAL RETURNS

##### PART 1: INDIVIDUALS AND FIDUCIARIES

- 1. U.S. Form 1040, Schedule C or C-EZ gross receipts (net of returns) ..... 1. 

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- 2. U.S. Form 1040, Schedule C, other income ..... 2. 

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- 3. U.S. Form 1040, Schedule D, short- and long-term sales price\* ..... 3. 

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- 4. U.S. Form 1040, Schedule E
  - a. Part I, total rents received ..... 4a. 

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  - b. Total royalties received ..... 4b. 

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- 5. U.S. Form 4797, gross sales price,\* business assets ..... 5. 

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- 6. **Gross Receipts from Federal Return for Individuals and Fiduciaries.**  
Add lines 1 through 5. Carry amount to line 19 ..... 6. 

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##### PART 2: C CORPORATIONS

- 7. U.S. Form 1120, balance of gross receipts or sales less returns and allowances ..... 7. 

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- 8. U.S. Form 1120, sum of dividends, interest, gross rents and gross royalties ..... 8. 

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- 9. U.S. Form 1120, other income ..... 9. 

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- 10. U.S. Form 1120, Schedule D, short- and long-term sales price\* ..... 10. 

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- 11. U.S. Form 4797, gross sales price\* ..... 11. 

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- 12. **Gross Receipts from Federal Return for C Corporations.**  
Add lines 7 through 11. Carry amount to line 19 ..... 12. 

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##### PART 3: PARTNERSHIPS AND S CORPORATIONS

- 13. U.S. Form 1065, or U.S. Form 1120S
  - a. Gross receipts (net of returns) ..... 13a. 

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  - b. Other income/receipts ..... 13b. 

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- 14. U.S. Form 8825, gross income from real estate rentals ..... 14. 

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- 15. U.S. Form 1065, or 1120S, Schedule D, short- and long-term sales price\* ..... 15. 

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- 16. U.S. Form 1065, or 1120S, Schedule K
  - a. Gross other rental income ..... 16a. 

	00
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  - b. Interest, dividend, royalty income ..... 16b. 

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  - c. Other income ..... 16c. 

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- 17. U.S. Form 4797, gross sales price\*, business assets ..... 17. 

	00
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- 18. **Gross Receipts from Federal Return for Partnerships and S Corporations.**  
Add lines 13 through 17. Carry amount to line 19 ..... 18. 

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\* See the definition of Gross Receipts under MCL § 208.1111.

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Empty input boxes for FEIN or TR Number and UBG Member FEIN or TR Number.

ADJUSTMENTS TO FEDERAL GROSS RECEIPTS

19. Gross Receipts as recorded on line 6, 12 or 18 ..... 19. [ ] 00

PART 4: ADDITIONS TO GROSS RECEIPTS

To the extent EXCLUDED or DEDUCTED in arriving at the number used in line 19, include the following:

20. Proceeds from the sale of assets used in a business activity ..... 20. [ ] 00
21. Dividend and interest income ..... 21. [ ] 00
22. Receipts from gratuities stipulated on a bill ..... 22. [ ] 00
23. Receipts from gross commissions earned ..... 23. [ ] 00
24. Receipts from client reimbursed expenses not obtained in an agency capacity ..... 24. [ ] 00
25. Gross proceeds from intercompany sales ..... 25. [ ] 00
26. Rents ..... 26. [ ] 00
27. Royalties ..... 27. [ ] 00
28. Sales of scrap and other similar items ..... 28. [ ] 00
29. Other receipts not included in previous lines ..... 29. [ ] 00
30. Add lines 20 through 29 ..... 30. [ ] 00
31. SUBTOTAL Add line 19 and line 30 ..... 31. [ ] 00

PART 5: EXCLUSIONS FROM GROSS RECEIPTS

To the extent INCLUDED in arriving at line 31, enter the following receipts:

32. Proceeds from sales by a principal collected by the taxpayer in an agency capacity and delivered to the principal .... 32. [ ] 00
33. Amounts received on behalf of a principal that are received and expended by the taxpayer in an agency capacity for the following:
a. Performance of service by third party for the benefit of the principal for service required by law to be performed by a licensed person ..... 33a. [ ] 00
b. Performance of service by a third party for the benefit of the principal that the taxpayer has not undertaken a contractual duty to perform ..... 33b. [ ] 00
c. Payment of principal and interest under a mortgage loan or land contract, lease or rental payments, or taxes, utilities, or insurance premiums relating to real or personal property owned or leased by the principal ..... 33c. [ ] 00
d. Capital asset that is or will become eligible for depreciation, amortization, or accelerated cost recovery by the principal for federal income tax purposes, or real property owned or leased by the principal ..... 33d. [ ] 00
e. Property not described above that is purchased by taxpayer on behalf of the principal, where taxpayer does not take title to or use in the course of performing its contractual business activities ..... 33e. [ ] 00
f. Fees, taxes, assessments, levies, fines, penalties, or other payments established by law that are paid to a governmental entity and that are the legal obligation of the principal ..... 33f. [ ] 00
34. Amounts excluded from gross income of a foreign corporation engaged in the international operation of aircraft under IRC § 883(a) ..... 34. [ ] 00
35. Amounts received by advertising agency used to acquire advertising media time, space, production, or talent on behalf of another person ..... 35. [ ] 00
36. Amounts received by a newspaper to acquire advertising space not owned by that newspaper in another newspaper on behalf of another person, excluding any consideration received by taxpayer for acquiring that advertising space ..... 36. [ ] 00
37. Amounts received by taxpayer that manages real property owned by a third party that are deposited into a separate account kept in the name of that third party and that are not reimbursements to the taxpayer and are not indirect payments for management services that the taxpayer provides to that third party ..... 37. [ ] 00
38. For taxpayers that during tax year do NOT both buy and sell any receivables, proceeds from the taxpayer's transfer of an account receivable, if the sale that generated that receivable was included in Gross Receipts for Federal Income Tax purposes ..... 38. [ ] 00
39. Proceeds from original issue of stock or equity instruments or equity issued by a regulated investment company as defined in IRC § 851 ..... 39. [ ] 00
40. Proceeds from the original issue of debt instruments ..... 40. [ ] 00
41. Refunds from returned merchandise ..... 41. [ ] 00
42. Cash and in-kind discounts ..... 42. [ ] 00

PART 5: EXCLUSIONS FROM GROSS RECEIPTS — CONTINUED

Table with 48 rows of tax exclusion items (43-58) and their corresponding amounts. Items include trade discounts, tax refunds, security deposits, loan payments, property exchanges, capital asset proceeds, hedging transactions, insurance proceeds, and mortgage/mortgage company proceeds. Each item has a description, a line number, and a value field (often '00').

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PART 5: EXCLUSIONS FROM GROSS RECEIPTS (CONT.)

Table with 3 columns: Line number, Description, and Amount. Rows 59-65. Amounts are 00.

To the extent INCLUDED in arriving at line 31, and to the extent NOT deducted as purchases from other firms on the MBT Annual Return, Form 4567, lines 13, 14 or 15, (or, for UBG standard members, the MBT UBG Combined Filing Schedule for Standard Members, Form 4580, lines 18, 19 or 20) enter:

Table with 3 columns: Line number, Description, and Amount. Rows 66-74. Amounts are 00.

GROSS RECEIPTS FOR MBT PURPOSES

Table with 3 columns: Line number, Description, and Amount. Row 75. Amount is 00.

## Additional instructions

a) For purposes of this provision, a hedging transaction is one entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily to manage (i) risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. Transfer of title of real or tangible personal property is not a hedging transaction. "Hedging transaction" means that term as defined under IRC § 1221 regardless of whether the transaction was identified by the taxpayer as a hedge for federal income tax purposes, provided, however, that transactions not identified as a hedge for federal income tax purposes shall be identifiable to the department by the taxpayer as a hedge in its books and records.

b) For purposes of this provision, a person principally engaged in the trade or business of purchasing and selling investment and trading assets is not performing a treasury function. "Treasury function" means the pooling and management of investment and trading assets for the purpose of satisfying cash flow or liquidity needs of the taxpayer's trade or business.

c) "Mortgage company" means a person that is licensed under MCL § 445.1651 to 445.1684, or MCL § 493.51 to 493.81, and has greater than 90 percent of its revenues, in the ordinary course of business, from the origination, sale, or servicing of residential mortgage loans.

d) Professional employer organization is not the same thing as a staffing company, and it means an organization that provides the management and administration of the human resources of another entity by contractually assuming substantial employer rights and responsibilities through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

- Maintaining a right of direction and control of employees' work, although this responsibility may be shared with the other entity.
- Paying wages and employment taxes of the employees out of its own accounts.
- Reporting, collecting, and depositing state and federal employment taxes for the employees.
- Retaining a right to hire and fire employees.

e) For purposes of this provision, a person is related to an individual if that person is a spouse, brother or sister, whether of the whole or half blood or by adoption, ancestor, lineal descendent of that individual or related person, or a trust benefiting that individual or one or more persons related to that individual.

f) For this provision, the following definitions apply: Cooperative Corporation means those organizations described under subchapter T of the IRC; Pass-through entity means a partnership, subchapter S Corporation, or other person, other than an individual, that is not classified for Federal Income Tax purposes as an association taxed as a corporation; Real estate investment trust means the term defined under IRC § 856; and Regulated investment company means the term defined under IRC § 851.