Combine lines 14 and 15.....

# 2014 MICHIGAN Adjustment of Capital Gains and Losses

Issued under authority of Public Act 281 of 1967.

Attach this form to the fiduciary income tax return MI-1041. Type or print in blue or black ink.

or 2	014 or taxable year beginning	,	2014 and ending	g		_,			
Name of Estate or Trust								dentification N	lumber (FEIN)
PAF	RT 1: SHORT-TERM CAPITAI (ASSETS HELD ONE Y				Fed	D eral Gain (Loss	s)	Michig	E an Gain (Loss)
1.	Short-term totals, if any, from M Schedule D, line 1a								
				Γ	fro	eral Gain (Loss om Column h of 1041 Schedule	•	from Col	ain (Loss) umn D subject to an income tax
2.	Short-term capital gain or (loss) 8824				0.0.	TOTT GONOGUIO			
3.	Enter net short-term gain/loss frother estates or trusts								
4.	Short-term capital loss carryove	er		4.			)	(	)
5.	Net short-term gain/loss. Comb on line 14, column A								
PAF	RT 2: LONG-TERM CAPITAL (ASSETS HELD MORE			Γ	Fed	D eral Gain (Loss	·)	Michig	E an Gain (Loss)
6.	Long-term totals, if any, from MI Schedule D line 8a	I-8949, line 4 an	d U.S. Form <i>104</i>						
						al Gain (Loss) fr mn h of U.S. 104 Schedule D			s) from Column D lichigan income tax
7.	Long-term capital gain or (loss) and 8824								
8.	Enter net long-term gain/loss fro other estates or trusts	om partnerships,	S corporations	and					
9.	Capital gain distributions			9.					
10.	Enter gain, if applicable, from U	J.S. Form <i>4797</i> .		10.					
11.	Net gain/loss. Combine lines 6	through 10		11.					
12.	Long-term capital loss carryove	r		12.			)	(	)
13.	Net long-term gain/loss. Combine Enter here and on line 15, colur			13.					
PAR	T 3: SUMMARY OF PARTS 1	I AND 2							
		A. Gain/Loss		В	B. Fiduciar			C. Ber	eficiary
		Federal	Michigan	Federal		Michigan	F	ederal	Michigan
14.	Net short-term gain/loss from line 5								
15.	Net long-term gain/loss from line 13								
16.	Total net gain/loss.								

If line 16, column A is a net gain, for resident estates and trusts complete Part 5. If line 16, column A is a net loss, (1) for resident estates and trusts complete Part 5; or (2) for nonresident estates and trusts carry line 16, column B, Michigan column to Form MI-1041, Schedule 4, line 67 and then complete Part 4.

# PART 4: COMPUTATION OF CAPITAL LOSS LIMITATION

			Federal	Michigan
17.	If line 16 column A, shows a net loss, enter the smaller of:  (a) the fiduciary's share of net loss on line 16, column B; or			
	(-) (-)	17.	nositivo	
	Note: When figuring whether 17a or 17b is smaller, treat both numbers as if they w		•	olumn to Form
	For resident estates and trusts complete Part 5. For nonresident estates and trusts MI-1041, Schedule 4, line 70.			
	If the net loss on line 16, column A, is more than \$3,000, or if the taxable income cless, complete Part 6 to determine the loss carryover.	on U	.S. Form <i>1041</i> , page <sup>2</sup>	1, line 22, is zero or
PAR Gain	T 5: COMPUTATION OF CAPITAL ADJUSTMENT - FOR RESIDENT EST	TAT	ES OR TRUSTS	
	Enter the fiduciary's share of net gain from line 16, column B, federal column, as a negative number. If no gain shows or there is a loss, enter zero "0"	18.	(	)
19.	Enter the fiduciary's share of net gain from line 16, column B, Michigan column, as a positive number. If no gain shows or there is a loss, enter zero "0"	19.		
Loss	•			
20.	Enter loss from line 17, federal column, as a positive number.  If no loss shows, enter zero "0"	20.		
21.	Enter loss from line 17, Michigan column, as a negative number.  If no loss shows, enter "0"			
Adiu	stment	<b>-</b> 1.		
-	Combine lines 18 through 21. Enter the total here and on MI-1041 page 1,	22.		
PAR	T 6: COMPUTATION OF CAPITAL LOSS CARRYOVERS FROM 2014 TO	20	15	
Sect	ion A. Carryover Limit		Federal	Michigan
23.	Enter taxable income/loss from 2014 U.S. Form 1041, line 22, or U.S. Form 990-T, line 34	23.		
24.	Enter the loss from line 17 as a positive amount	24.		
25.	Enter the amount from U.S. Form 1041, line 20, or U.S. Form 990-T, line 33	25.		
26.	Adjusted taxable income. Combine lines 23, 24 and 25. If less than zero, enter "0"	26.		
27.		27.		
Sect	ion B. Short-Term Capital Loss Carryover			
	plete this section only if there is a loss shown on line 5 and line 16, column A.			
		28.		
29.				
		29.		
30.	Enter the amount from line 27, above.	30.		
		31.		
32.	Subtract line 31 from line 28. If less than zero, enter "0"	32.	<u> </u>	<u> </u>
Sect	ion C. Long-Term Capital Loss Carryover			
	plete this section only if there is a loss shown on line 13 and line 16, column A.			
	•	33.		
34.	Enter the gain, if any, from line 5. If that line is blank or shows a loss,	34.		
35.		3 <del>4</del> .		
36.		36.		
37.		37.		
38.		38.		
39.		39.		

# Instructions for Form MI-1041D Adjustments of Capital Gains and Losses

#### When To File

Use this form to adjust Michigan taxable income if the estate or trust has capital gains or losses that are attributable to:

- 1. Gains or losses from certain types of property located outside of Michigan or from business property subject to allocation and/or apportionment.
- 2. Periods before October 1, 1967 (Section 271 adjustment). If U.S. Forms *1041 Schedule D* or *4797* were filed, and an election to adjust under Section 271 of the Michigan Income Tax Act was made, file the equivalent Michigan forms (MI-1041D or MI-4797). All items of gain or loss realized during the tax year must be included.
- 3. Gains or losses from the sale or exchange of U.S. obligations that cannot be taxed by Michigan.

Form MI-1041D must be attached to the *Michigan Fiduciary Income Tax Return* (MI-1041).

#### **General Information**

Page 1 of Form MI-1041D follows the pattern of page 1 of the U.S. Form 1041 Schedule D and all the information necessary for completing it should be taken from the U.S. Form 1041 Schedule D.

# **Rounding Off**

Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. If cents are entered on the form, they will be treated as whole dollar amounts.

#### Identification

Enter the name of the estate or trust and the Federal Employer Identification Number (FEIN) at the top of the MI-1041D.

### Parts 1 and 2: U.S. Information

If U.S. Form 8949 Sales and Other Dispositions of Capital Assets was filed, complete Form MI-8949 in the same manner. Transfer the information to MI-1041D, following the instructions on Form MI-1041D. If the U.S. Form 8949 discloses capital assets reported under Sections 1245 and 1250, these assets must be reported on MI-8949. Also, if capital assets are allocated to another state, they are excluded from the portion subject to Michigan income tax. A capital loss carryover from preceding years is entered as a short-term loss on line 4 or as a long-term loss on line 12.

#### **Federal Information**

**Line 1.** Combine the amount from MI-8949, line 2, and the amount from U.S. Form *1041 Schedule D* line 1a.

For lines 2, 3, 4, 5, 7, 8, 9, 10, 12 and 13 column D, enter the amounts from U.S. Form 1041 Schedule D, for the corresponding line numbers listed on the top of the next column.

Corre	Corresponding lines on MI-1041D and U.S 1041 Schedule D									
MI-1041D	2	3	4	5	7	8	9	10	12	13
U.S. 1041 Schedule D	4	5	6	7	11	12	13	14	15	16

**Line 6.** Combine the amount from MI-8949, line 4, and the amount from U.S. Form *1041 Schedule D*, line 8a.

## Michigan Gain or Loss

Enter the portion of federal gain and loss subject to Michigan income tax on lines 2, 3, 4, 5, 7, 8, 9, 10, 11, 12 and 13 column E.

# Michigan Gain or Loss

**Section 271.** To apportion under Section 271, multiply the gain (loss) in column E by the number of months the property was held after September 30, 1967. Divide the result by the total number of months held. Enter the result in Michigan column E. For the purpose of this computation, the first month is excluded if acquisition took place after the 15th, and the last month is excluded if disposal took place on or before the 15th.

Gains from installment sales made before October 1, 1967, must show the federal gain in federal column D and zero in Michigan column E. Gains or losses from installment sales made after October 1, 1967, are subject to Michigan tax but may be apportioned under Section 271.

Distributions from employee's pension, stock bonus or profitsharing trust plans that are considered to be long-term capital gains (under Section 402 of the Internal Revenue Code) and capital gains distributions are not eligible for Section 271 treatment. Enter the total gain in both the federal and state columns.

**U.S. Obligations.** Gains from the sale or exchange of some U.S. obligations are not subject to tax and losses are not deductible. Enter a zero in the Michigan column for gains or losses realized from the sale of these non-taxable U.S. obligations.

**Note:** Any interest expense and other expenses incurred in the production of income from U.S. obligations should be entered on MI-1041, line 31. (See MI-1041 instruction booklet for line 31 on page 4.)

Capital gains or losses from the sale or exchange of municipal bonds are taxable for Michigan residents.

**Out-of-State Property.** Gains from the sale of property located in another state are not subject to Michigan tax, and losses are not deductible. Enter in the Michigan column the gain or loss from the sale or exchange of (1) real property located in Michigan, or (2) tangible personal property located in Michigan at the time of the sale or if the taxpayer was a Michigan resident estate or trust, or (3) intangible personal property sold by a Michigan resident estate or trust.

# Part 3: Lines 14, 15, and 16

**Column A.** Enter the corresponding net short-term or long-term gain (loss) from column D (federal) and column E (Michigan) in the appropriate boxes. Combine lines 14 and 15 and enter the result on line 16.

Column B. Enter the share of short-term and long-term gains and losses retained by the fiduciary. Follow the instructions on the form for resident and nonresident estates and trusts.

**Column C.** Enter the share of short-term and long-term gains (losses) distributed to the beneficiaries. Totals on line 16 should equal the totals on Form MI-1041, Schedule 5, line 73.

# Part 6

If the net loss on line 16, column A, is more than \$3,000, or if the taxable income on U.S. Form *1041*, page 1, line 22 or U.S. Form *990-T*, Unrelated Business Taxable Income is zero or less, complete this section to determine the capital loss carryover.