



Identifying Number

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**PART 3: Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254 and 1255**

19. Description of Sections 1245, 1250, 1252, 1254 and 1255 property	Date Acquired (MM-DD-YYYY)	Date Sold (MM-DD-YYYY)	Percentage of Gain Subject to Michigan Income Tax (divide number of months after 10-01-1967 by total number of months)
(A)			
(B)			
(C)			
(D)			

Relate lines 19(A) through 19(D) to these columns:

	Property (A)	Property (B)	Property (C)	Property (D)	<b>TOTAL</b>
20. Enter amounts from U.S. Form 4797, line 24 .....					
21. Enter portion of gain subject to Michigan tax. (Multiply gain on line 20 by percentage computed on line 19.) .....					
22. Enter from U.S. Form 4797 the total of lines 25(b), 26(g), 27(c), 28(b) and 29(b) in columns A through D.....					
23. Enter portion of gain subject to Michigan tax. (Multiply gain on line 22 by percentage computed on line 19.) .....					

- 24. Enter in column F the total from line 20; enter in column G the total from line 21.....
- 25. Enter in column F the total from line 22 and carry to line 13, column D.  
Enter in column G the total from line 23 and carry to line 13, column E.....
- 26. Subtract line 25 from line 24. Enter portion in columns F and G from other  
than casualty or theft on Part 1, line 6, columns D and E.....

F Federal	G Michigan

# Instructions for Form MI-4797 *MICHIGAN Adjustments of Gains and Losses From Sales of Business Property MI-4797*

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## General Information

**Only use this form to adjust your Michigan taxable income if you have capital gains or losses attributable to one of the following:**

- Gains or losses from the sale of certain types of properties located in other states and/or subject to Michigan's allocation provisions. Gains or losses subject to Michigan's apportionment provisions, refer to the MI-1040H.
- Periods before October 1, 1967 (Section 271 adjustment). If you file U.S. *Schedule D* or Form *4797* and you elect to adjust under Section 271 of the Michigan Income Tax Act, you must file the equivalent Michigan forms (MI-1040D or MI-4797). You must include all items of gain or loss realized during the tax year.

Michigan business income (loss) includes the distributive share of income (loss) from a flow-through entity, including net short-term and long-term capital gain (loss). Michigan business income subject to apportionment is to be reported on the MI-1040H or included on Form MI-461 (if applicable), do not use this form to apportion those gains or losses.

Nonresidents and part-year residents, that are allocating capital gains or losses, see instructions for Schedule NR, line 8.

**Section 271.** To apportion under Section 271, multiply the gain or loss in column D 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 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 federal gain in column D and zero in column E. Gains from installment sales made after October 1, 1967, are subject to Michigan tax but may be apportioned under Section 271.

**Identification:** For individual income tax filers, enter the filer's name and full nine-digit Social Security number at the top of the form. For fiduciary filers, enter the name of the estate or trust and full Federal Employer Identification Number (FEIN).

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## Line-by-Line Instructions

*Lines not listed are explained on the form.*

**Line 2:** Enter in columns A, B, C, and D the corresponding information from your U.S. Form *4797*. For column E, enter the gain or loss subject to Michigan income tax.

**Line 3:** Enter in column D any gain from U.S. Form *4684*, line 39. In column E enter the gain subject to Michigan income tax. If the gain was realized from more than one casualty or theft and some or all of the property was acquired prior to October 1, 1967, include a copy of U.S. Form *4684* and a schedule showing the computation of gain subject to Michigan income tax.

**Line 6:** Enter in column D the gain from column F, line 26. Enter in column E the gain from column G, line 26.

**Line 10:** Enter other ordinary gains and losses from your U.S. Form *4797*. Enter federal gain or loss in column D. Enter portion of gain or loss subject to Michigan income tax in column E.

**Line 13:** Enter in column D the amount from line 25, column F. Enter in column E the amount from line 25, column G.

**Line 14:** Enter gain or loss from U.S. Form *4684*, lines 31 and 38a. If the gain or loss was from more than one casualty or theft, include a copy of U.S. Form *4684* and a schedule showing the computation of gain or loss subject to Michigan income tax.

**Line 17:** Enter a federal gain on MI-1041, Schedule 1, line 38. Enter a federal loss as a positive number on MI-1041, Schedule 1, line 33. Enter a Michigan gain on MI-1041, Schedule 1, line 33. Enter a Michigan loss as a positive number on MI-1041, Schedule 1, line 38. If the filer is a nonresident estate or trust, carry the Michigan portion to MI-1041, Schedule NR, line 7, column B.

**Line 20:** Enter the total gain for each property from U.S. Form *4797*, line 24 and enter the total gain for all properties in the total column.

**Include your MI-4797 with your MI-1040 or MI-1041. Also include a copy of your U.S. Form 4797 with your return.**