Tribal-State Tax Agreement

- Tax Agreement negotiated jointly by representatives of all Tribes and the State between 2000 and 2002.

- Tribes and the State agreed on terms December 20, 2002.

- The term “Resident Tribal Member” (RTM) is the term that defines who is entitled to the tax exemptions recognized in the Tax Agreement whose primary residence is a home that is located inside the Tax Agreement Area, and for certain State tax purposes, treated as living on an Indian Reservation or trust lands.
Requirements for Being Considered a Resident Tribal Member

- A qualifying Resident Tribal Member (RTM) is a Tribal Member whose principal place of residence is located within their Tribe’s Tax Agreement Area and whose name appears on the Tribe’s RTM list submitted to the State.

- The Tribe updates the Michigan Department of Treasury monthly of changes to the Resident Tribal Member list.

- Please contact the Tribe’s Tax Officer to confirm the Tribal Member taxpayer is a Resident Tribal Member prior to filing using the Resident Tribal Member tax exemption on the Schedule 1 Subtraction and for the Tribal 4013 credit.
Michigan Tax Agreement

Income Tax Exemptions for Resident Tribal Members

- Only the NHBP Resident Tribal Member income is exempt. If filing a joint return, a non-RTM spouse’s income may not be subtracted from AGI as exempt and is subject to Michigan Income Tax.

- Limited to: wages/salaries/per capita/pension (see Agreement)

- If an RTM has income from a sole proprietorship, partnership, S Corporation, or pass through entity, such income must be apportioned in the manner provided in the Michigan Income Tax Act. In essence, the activity (sales) that take place within Tribal and Trust lands (or outside the state of Michigan) are not subject to the tax.
Partial Year
Resident Tribal Member

- You will need to know how many months out of any calendar year the taxpayer qualified as a “Resident Tribal Member.”

- Resident Tribal Member status months will determine what portion of the wages/salary/per capita is exempt from Michigan Income Tax.
Michigan Resident Tribal Member
Annual Sales Tax Credit Form 4013

- RTM's pay the sales tax on items bought at the point of purchase and get an Annual Sales/Use Tax Credit by filing a form Tribal 4013;

- If you file a joint income tax return, only the Resident Tribal Member’s portion of the AGI can be used for the calculation. NOTE: If you are retired/disabled, Lines 8-10 do allow you to add back the federally exempt amount of SS, Railroad Retirement, and Veterans disability you may receive;

- Annual Sales and Use Tax Credit is limited to the number of months you were eligible for the tax exemption as a Resident Tribal Member;
2017 MICHIGAN Resident Tribal Member Annual Sales Tax Credit (for Resident Tribal Members of Agreement Only) 

Type or print in blue or black ink. Print numbers like this: 0123456789 - NOT like this: 123456789. Read the instructions before completing this form.

1. Filer's First Name M.I. Last Name
2. Spousers First Name M.I. Last Name
5. City of Town
6. State ZIP Code
7. Adjusted Gross Income from MI-1040, line 10
8. Resident Tribal Member portion of Adjusted Gross Income (see instructions)
10. Social Security and Veteran's disability benefits.
11. Public Assistance payments from your Tribe (see instructions).
12. Income (pursuant to Internal Revenue Code 7873).
13. Fishing income (pursuant to Internal Revenue Code 7873).
14. Enter 50% of any Combat Zone Compensation for Enlisted Members of the Armed Forces.
15. Modified Adjusted Gross income. Add lines 7 through 12.
16. Multiply the lesser of lines 13 or 14 by 0.6% (0.006).
17. Proration Percentage. Divide the number of qualifying months on line 13 by 12.
18. Multiply line 15 by line 17.

TAXPAYER CERTIFICATION. I declare under penalty of perjury that the information in this return is true and complete to the best of my knowledge.

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

Filer's Signature Date
Preparer's Signature Date
Preparer's Name (print or type)
Preparer's Business Name, Address and Telephone Number

By checking this box, I authorize Treasury to discuss my return with my preparer.
Forms Needed to Obtain Refund of Michigan Income Tax

- Tribal Members are required to fill out a Schedule 1 in addition to the MI-1040;
- On Schedule 1, Line 20, enter the total amount of income exempt under the tax agreement based on the percentage of time the Tribal Member qualified as a Resident Tribal Member.
- On the MI-1040 tax return: Enter the total subtractions from Schedule 1, Line 20 onto your MI-1040, Line 13.
- If your tax program automatically transfers the Tribal Member’s AGI from the Michigan Resident Tribal Member Annual Sales Tax Credit 4013 form to the amount on Line 20 of the Schedule 1, verify correct amount is carried to Line 13 of the MI-1040. Social Security Benefits (and Deduction Based on Year of Birth) listed on the Schedule 1 may calculate the MI-1040, Line 13 deduction incorrectly. Social Security Benefits are included in the AGI that transfers from the Tribal 4013 form.

Note: Line information based on 2017 MI 1040 and Schedule 1 forms.
2017 MICHIGAN Schedule 1 Additions and Subtractions

<table>
<thead>
<tr>
<th>Filers' First Name</th>
<th>M.I.</th>
<th>Filers' Last Name</th>
<th>Filers' Full Social Security No. (Example: 123-45-6789)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subtractions from Income (all entries must be positive numbers)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Income from U.S. government bonds and other U.S. obligations included in MI-1040, line 10. Include U.S. Schedule B if over $5,000.</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Amount included in MI-1040, line 10, from military retirement benefits due to service in the U.S. Armed Forces or Michigan National Guard, or taxable railroad retirement benefits.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Gains from federal column of Michigan MI-1040 and MI-4767.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Income attributable to another state. Explain type and source.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Taxable Social Security benefits and military pay (not retirement) included on MI-1040, line 10.</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Income earned while a resident of a Retirement Zone (see instructions).</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Income from the Michigan state and local income tax refunds received in 2017 and included on MI-1040, line 10.</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Michigan Education Trust.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Oil, gas, and nonferrous metallic minerals income (Michigan sourced) included in A01.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Resident Tribal Member income exempted under a state or Tribal tax agreement or pursuant to Revenue Administrative Rule 1988-47.</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Michigan Net Operating Loss.</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Miscellaneous subtractions (see instructions). Describe.</td>
<td></td>
</tr>
</tbody>
</table>

Deduction Based on Year of Birth

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

NOTE: See instructions before continuing with this section.

<table>
<thead>
<tr>
<th>FILER</th>
<th>A. Year of Birth (19xx)</th>
<th>B. Age (as of 12-31-2017)</th>
<th>C. Check If 55A Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPOUSE</th>
<th>D. Year of Birth (19xx)</th>
<th>E. Age (as of 12-31-2017)</th>
<th>F. Check If 55A Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

24. Michigan Standard Deduction. Complete this line ONLY if the older of you or your spouse (if married) was born during the period January 1, 1940 through January 1, 1951, and reached age 67 on or before December 31, 2017. Do not complete lines 23B and 26. Enter amount from line 15, 20, 25 or 28 of Form 4884, Michigan Pension Schedule. Include Form 4884.

25. Retirement benefits. Enter amount from line 15, 20, 25 or 28 of Form 4884, Michigan Pension Schedule. Include Form 4884.

26. Dividend/interest/capital gains deduction for taxpayers 72 years and older. Deduction is limited to $11,250 for single or married filing separately and $22,500 for joint filers, less any deduction for retirement benefits (see instructions).


If additions do not apply, only submit page 2 of the Schedule 1 with your return.
Michigan Department of Treasury (Rev. 3-17), Page 1 of 3

2017 MICHIGAN Individual Income Tax Return MI-1040

Return is due April 17, 2018.

Type or print in blue or black ink. Print numbers like this: 023456789 - NOT like this: 023456789!

1. Full Name:
   a. First Name: 
   b. Last Name: 


3. Parent’s Phone Number: 

4. Parent’s Date of Birth: 

5. STATE CAMPAIGN FUND
   a. Check if you want the Michigan funding to go to this fund. This will not increase your tax or reduce your refund.
   b. Check this box if 3/4 of your income is from farming, fishing, or seafood.

6. FARMERS, FISHERMAN, OR SEAFARERS
   a. Check all that apply:
      i. Resident
      ii. Nonresident
      iii. Part-Year Resident

7. 2017 RESIDENCY STATUS. Check all that apply:
   a. Resident
   b. Nonresident
   c. Part-Year Resident

8. EXEMPTIONS. NOTE: If someone else can claim you as a dependent, check box 9e, 10 or 11a on line 9a and enter $1,500 on line 9d (see notes).
   a. Number of exemptions claimed on 2017 federal return: 
   b. Number of dependents who qualify for one of the following special benefits: 
      i. Widows, widowers, or surviving dependents of deceased, blind, handicapped, or totally and permanently disabled
      ii. Number of eligible veterans
      iii. Claimed as dependent if you were under $3,000 and under age 24, or over 65, or blind.
      iv. Add lines 9a, 9b, 9c, and 9d. Enter this amount on line 15.
   c. Adjusted Gross Income from your U.S. Forms 1040, 1040A, 1040EZ or 1040NR (see instructions):
   d. Total from Schedule 1. Enter here and on line 11:
   e. Total Add lines 9, 10, 11, 12, 13, 14, 15, 16, and 17:

9. TAXABLE INCOME:
   a. Line 16 tax by 0.25% (0.025) 
   b. Michigan Historic Preservation Tax Credit (new instructions): 
   c. Michigan Small Business Investment Credit (new instructions):
   d. Income Tax: Subtract the sum of lines 16 and 16b from line 17.

10. NON-REFUNDABLE CREDITS
    a. Income Tax imposed by government units outside Michigan:
    b. Michigan Historic Preservation Tax Credit (see instructions):
    c. Michigan Small Business Investment Tax Credit (new instructions):

11. If the sum of lines 16b and 16b is greater than line 17, enter 0.

12. If line 13 is greater than line 12, enter 0.

13. Tax liability: Subtract line 15 from line 14. If line 15 is greater than line 14, enter 0.


15. Tax liability: Subtract line 15 from line 14. If line 15 is greater than line 14, enter 0.

16. Tax liability: Subtract line 16 from line 15.

17. TAXABLE INCOME:
   a. Number of exemptions claimed on 2017 federal return: 
   b. Number of dependents who qualify for one of the following special benefits: 
      i. Widows, widowers, or surviving dependents of deceased, blind, handicapped, or totally and permanently disabled
      ii. Number of eligible veterans
      iii. Claimed as dependent if you were under $3,000 and under age 24, or over 65, or blind.
      iv. Add lines 9a, 9b, 9c, and 9d. Enter this amount on line 15.
   c. Adjusted Gross Income from your U.S. Forms 1040, 1040A, 1040EZ or 1040NR (see instructions):
   d. Total from Schedule 1. Enter here and on line 11:
   e. Total Add lines 9, 10, 11, 12, 13, 14, 15, 16, and 17:

18. TAXABLE INCOME:
   a. Line 16 tax by 0.25% (0.025) 
   b. Michigan Historic Preservation Tax Credit (new instructions): 
   c. Michigan Small Business Investment Credit (new instructions):
   d. Income Tax: Subtract the sum of lines 16 and 16b from line 17.

19. NON-REFUNDABLE CREDITS
    a. Income Tax imposed by government units outside Michigan:
    b. Michigan Historic Preservation Tax Credit (see instructions):
    c. Michigan Small Business Investment Tax Credit (new instructions):

20. Income Tax: Subtract the sum of lines 16b and 16b from line 17.

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