

2010 MI-1041ES, Michigan Estimated Income Tax for Fiduciaries

www.michigan.gov/taxes

General Instructions

Who Must File Estimated Tax Payments

Fiduciaries of an estate or trust (resident or nonresident), generally must pay estimated tax if the estate or trust is expected to owe more than \$500 after subtracting withholding and credits.

If the estate or trust owes more than \$500, estimated payments may not have to be made if the estate or trust expects the 2010 withholding to be at least:

- 90 percent of the total tax for 2010, OR
- 100 percent of the total tax shown on the 2009 return, OR
- 110 percent of the total 2009 tax if the estate or trust's taxable income for 2009 is more than \$150,000. To figure the estate or trust's Federal taxable income, see the instructions for line 22 of the U.S. Form 1041.

Financial institutions that act as fiduciary for 200 or more trusts shall submit Michigan estimated payments on magnetic tape. Institutions acting as fiduciary for more than 49 and fewer than 200 trusts may make an irrevocable agreement to file magnetically.

Exceptions:

- Generally, no estimated tax is due if the estate or trust is due a refund or has a balance due of \$500 or less.
- There is no estimated tax due on an estate or a trust that had no tax liability for the full 12 months preceding the tax year.
- Estates do not have to pay estimated tax for the first two years.

Payment Due Dates

Fiduciaries may pay in full with the first voucher, due April 15, 2010. Fiduciaries may also pay in equal installments due on or before April 15, 2010, June 15, 2010, September 15, 2010, and January 18, 2011.

Generally, all fiduciaries of trusts must report on a calendar year. Report the same year that you report for federal estimated payments.

Fiscal-year returns must be adjusted so all dates correspond with the fiscal year. The first estimate payment is due on the 15th day of the fourth month after the fiscal year ends.

You will not receive reminder notices; save this set of forms for all 2010 payments.

Where to Mail Payments

Make the check payable to "State of Michigan." Write the FEIN of the estate or trust and "2010 MI-1041ES" on the front of the check. To ensure accurate processing of your return, send one check for each return type. Mail your check with the MI-1041ES form for that installment. Do not staple the check to the form.

Send your check and voucher to:

Michigan Department of Treasury
P.O. Box 30774
Lansing, MI 48909-8274

Late Payments or Underpayments

If, as a fiduciary, you fail to make required estimated payments, pay late or underpay, Treasury will add a penalty of 5 percent of the tax due. After the second month, penalty will increase by an additional 5 percent per month, or fraction thereof, up to a maximum of 25 percent of the tax due. If you pay late, you must add penalty and interest to the amount due. The interest rate is 1 percent above the prime rate and is computed daily. The rate is adjusted on July 1 and January 1.

When Income Changes During the Year

If you are already making estimated payments for the estate or trust, amend the estimate on the next installment voucher. Apply the increase or decrease equally over the remaining installments. If you do not want to amend the fourth installment voucher, you may file the 2010 income tax return before February 1, 2011, instead. If you decide to do this, you do not have to file the fourth installment voucher (due January 18, 2011).

If you are not already paying estimates for the estate or trust, use the chart below to see which period the tax is due. If a change occurs between September 1 and December 31 that requires estimated payments, you may file the 2009 annual return by February 1, 2010, instead of filing an MI-1041ES.

<u>If the change occurs on</u>	<u>Pay on or before</u>
April 1 through May 31.....	June 15, 2010
June 1 through Aug. 31	Sept. 15, 2010
Sept. 1 through Dec. 31	Jan. 18, 2011

Worksheet Instructions

You will need the 2009 Michigan and U.S. fiduciary income tax returns for the estate or trust for reference (even if you haven't completed them yet).

Estimate the estate's or trust's 2010 income. Michigan uses federal taxable income of the fiduciary to figure tax. See form MI-1041 for allowable additions and subtractions. Enter the estimated taxable income on line 1.

Once you have completed lines 1 and 2, finish the worksheet by following the instructions on each line. If you have questions, refer to the corresponding sections in the tax instruction booklets.

If you review the worksheet and still do not know if estimates are required, or if you are not sure how much to pay, call Taxpayer Assistance toll-free at 1-800-827-4000. Persons who have hearing or speech impairments may call 517-636-4999 (TTY). This number is reserved for persons using a TTY. Other persons calling this number will be directed to call the toll-free phone number.

Visit Treasury's Web site at www.michigan.gov/taxes

Estimated Tax Computation Worksheet Keep for Your Records

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|--|----------|
| 1. Enter estimated 2010 income subject to tax (from U.S. Form 1041)..... | 1. _____ |
| 2. Tax. Multiply line 1 by 4.35% (0.0435) | 2. _____ |
| 3. Enter all estimated credits..... | 3. _____ |
| 4. Estimated tax due. Subtract line 3 from line 2 | 4. _____ |
| 5. Estimated payment due. Divide the amount on line 4 by 4, or by the number of estimated vouchers to be filed (see instructions). Enter here and on each voucher..... | 5. _____ |

NOTE: Apply the 2009 overpayment to the first voucher. Any unused credit must then be applied to your second voucher and following vouchers, until the entire credit is used.

Payment Record

	1st Installment	2nd Installment	3rd Installment	4th Installment
Tax Paid				
Date				
Check No.				