INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

***** 206.301.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 1, 2012 *****

206.301.amended Estimated tax; installment payments; due dates; amount; credit; payment
of estimated annual tax instead of quarterly payments; filing and payment by farmer,
fisherman, or seafarer; information submitted by bank or financial institution;
computation; “taxable trust” defined.

Sec. 301. (1) Every person on a calendar year basis, if the person's annual tax can reasonably be expected
to exceed the amount withheld under section 351 and the credits allowed under this part by more than
$500.00, shall pay to the department installments of estimated tax under this part on or before April 15, June
15, and September 15 of the person's tax year and January 15 in the following year. Subject to subsection (3),
each installment shall be equal to 1/4 the taxpayer's estimated tax under this part after first deducting the
amount estimated to be withheld under section 351.

(2) For a taxpayer on other than a calendar year basis, there shall be substituted for the due dates provided
in subsection (1) the appropriate due dates in the taxpayer's fiscal year that correspond to those in the calendar
year.

(3) For a taxpayer that pays estimated tax for the taxpayer's first tax year of less than 12 months, the
amount paid shall be that fraction of the estimated tax that is obtained by dividing the total amount of
estimated tax by the number of payments to be made with respect to the tax year.

(4) There shall be allowed as a credit against the tax imposed by this part the amounts paid to the
department pursuant to this section.

(5) Instead of quarterly payments, a person subject to this section may pay an estimated annual tax for the
succeeding tax year. The payment shall be made at the same time the person files the annual return for the
previous full tax year.

(6) A farmer or fisherman who elects to file and pay his or her federal income tax under an alternative
schedule provided in section 6654 of the internal revenue code may file and pay the tax imposed by this part
in the same manner. A seafarer may file and pay the tax imposed by this part in the same manner as a farmer
or fisherman under this subsection. As used in this subsection, "seafarer" means an individual whose wages
may not be withheld for taxes by the state or a political subdivision of the state as provided in section 11108
of title 46 of the United States code, 46 USC 11108.

(7) A bank or financial institution that submits quarterly estimated income tax payment information
through the federal tax deposit system on magnetic tape and acts as fiduciary for 200 or more taxable trusts
shall submit Michigan quarterly tax payment information on magnetic tape to the department.

(8) A bank or financial institution that acts as fiduciary for more than 49 and fewer than 200 taxable trusts
may enter into an irrevocable agreement with the department to submit estimated income tax payment
information on magnetic tape to the department.

(9) The payment of tax based on the information required under subsections (7) and (8) shall be made
through a wire transfer to the state of Michigan contractual deposit account.

(10) A payment of estimated tax shall be computed on the basis of the annualized rate established under
section 51 for the appropriate tax year to which the estimated tax payment is applicable.

(11) Except as provided in subsection (1), the amount of an estimated tax installment shall be computed,
payment of estimated tax shall be credited, and a period of underpayment shall be determined in the same
manner as provided in the internal revenue code.

(12) As used in this section, "taxable trust" means a trust required to make payments of estimated tax
pursuant to subsection (1).


Compiler's note: Section 2 of Act 15 of 1983 provides: “Because a severe economic recession has caused an actual deficit in state
funds, the legislature finds that this amendatory act is necessary to, and it is the purpose of this amendatory act to, meet the actual
deficiencies existing in state funds at the time of this enactment.”