

HOUSE BILL No. 4256

February 11, 2009, Introduced by Reps. Bolger, Paul Scott, Lund, Walsh, Pearce, Tyler, Meltzer, Knollenberg, Denby, Calley, Griffin and Lori and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 501 (MCL 208.1501).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 501. (1) A taxpayer that reasonably expects liability for
2 the tax year to exceed \$800.00 shall file an estimated return and
3 pay an estimated tax for each quarter of the taxpayer's tax year.

4 (2) For taxpayers on a calendar year basis, the quarterly
5 returns and estimated payments shall be made by April 15, July 15,
6 October 15, and January 15. Taxpayers not on a calendar year basis
7 shall file quarterly returns and make estimated payments on the
8 appropriate due date which in the taxpayer's fiscal year
9 corresponds to the calendar year.

10 (3) The estimated payment made with each quarterly return of

1 each tax year shall be for the estimated business income tax base
2 and modified gross receipts tax base for the quarter or 25% of the
3 estimated annual liability. The second, third, and fourth estimated
4 payments in each tax year shall include adjustments, if necessary,
5 to correct underpayments or overpayments from previous quarterly
6 payments in the tax year to a revised estimate of the annual tax
7 liability.

8 (4) ~~The~~ **FOR THE 2008 TAX YEAR, A PENALTY OR** interest provided
9 by this act shall not be assessed **FOR AN UNDERPAYMENT OF AN**
10 **ESTIMATED TAX UNDER THIS ACT** if any of the following occur:

11 ~~—— (a) If the sum of the estimated payments equals at least 85%~~
12 ~~of the liability and the amount of each estimated payment~~
13 ~~reasonably approximates the tax liability incurred during the~~
14 ~~quarter for which the estimated payment was made.~~

15 ~~—— (b)~~ **THE TAXPAYER MADE A GOOD FAITH EFFORT TO CALCULATE ITS**
16 **LIABILITY UNDER THIS ACT FOR THE 2008 TAX YEAR AND FILED ITS**
17 **QUARTERLY RETURNS AND ESTIMATED PAYMENTS AS REQUIRED UNDER THIS**
18 **SECTION.** For the 2009 tax year and each subsequent tax year, **A**
19 **PENALTY OR INTEREST SHALL NOT BE ASSESSED** if the preceding year's
20 tax liability under this act was \$20,000.00 or less and if the
21 taxpayer submitted 4 equal installments the sum of which equals the
22 immediately preceding tax year's tax liability.

23 (5) Each estimated return shall be made on a form prescribed
24 by the department and shall include an estimate of the annual tax
25 liability and other information required by the state treasurer.
26 The form prescribed under this subsection may be combined with any
27 other tax reporting form prescribed by the department.

1 (6) With respect to a taxpayer filing an estimated tax return
2 for the taxpayer's first tax year of less than 12 months, the
3 amounts paid with each return shall be proportional to the number
4 of payments made in the first tax year.

5 (7) Payments made under this section shall be a credit against
6 the payment required with the annual tax return required in section
7 505.

8 (8) If the department considers it necessary to insure payment
9 of the tax or to provide a more efficient administration of the
10 tax, the department may require filing of the returns and payment
11 of the tax for other than quarterly or annual periods.

12 (9) A taxpayer that elects under the internal revenue code to
13 file an annual federal income tax return by March 1 in the year
14 following the taxpayer's tax year and does not make a quarterly
15 estimate or payment, or does not make a quarterly estimate or
16 payment and files a tentative annual return with a tentative
17 payment by January 15 in the year following the taxpayer's tax year
18 and a final return by April 15 in the year following the taxpayer's
19 tax year, has the same option in filing the estimated and annual
20 returns required by this act.

21 Enacting section 1. This amendatory act is retroactive and
22 effective January 1, 2008.