

HOUSE BILL No. 4491

March 3, 2009, Introduced by Reps. McMillin, Green, Agema, Knollenberg, Genetski,
Walsh, Amash and Moss 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

1 corresponds to the calendar year.

2 (3) The estimated payment made with each quarterly return of
3 each tax year shall be for the estimated business income tax base
4 and modified gross receipts tax base for the quarter or 25% of the
5 estimated annual liability. The second, third, and fourth estimated
6 payments in each tax year shall include adjustments, if necessary,
7 to correct underpayments or overpayments from previous quarterly
8 payments in the tax year to a revised estimate of the annual tax
9 liability. **A PENALTY FOR UNDERPAYMENT OF AN ESTIMATED TAX UNDER
10 THIS SECTION SHALL NOT BE ASSESSED FOR A TAXPAYER'S FIRST TAX YEAR
11 BEGINNING AFTER DECEMBER 31, 2007 IF THAT TAXPAYER PAID AT LEAST
12 100% OF THE TAX THAT WAS DUE UNDER FORMER 1975 PA 228 FOR THE 2007
13 TAX YEAR.**

14 (4) The interest provided by this act shall not be assessed if
15 any of the following occur:

16 (a) If the sum of the estimated payments equals at least 85%
17 of the liability and the amount of each estimated payment
18 reasonably approximates the tax liability incurred during the
19 quarter for which the estimated payment was made.

20 (b) For the 2009 tax year and each subsequent tax year, if the
21 preceding year's tax liability under this act was \$20,000.00 or
22 less and if the taxpayer submitted 4 equal installments the sum of
23 which equals the immediately preceding tax year's tax liability.

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

1 other tax reporting form prescribed by the department.

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

6 (7) Payments made under this section shall be a credit against
7 the payment required with the annual tax return required in section
8 505.

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

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

22 Enacting section 1. This amendatory act is retroactive and is
23 effective for tax years beginning after December 31, 2007.