

HOUSE BILL NO. 4324

April 16, 2025, Introduced by Reps. B. Carter, McKinney, Weiss, Xiong, Rheingans, Byrnes, Breen, McFall, Wegela, Edwards, Tsernoglou, Hoskins, Conlin, O'Neal, Longjohn, Price, MacDonell and Andrews and referred to Committee on Economic Competitiveness.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 471 (MCL 206.471), as amended by 2023 PA 100,
and by adding section 707a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 471. (1) The department shall administer the tax imposed
- 2 by this part. The department shall prescribe forms for use by
- 3 taxpayers and may promulgate rules for all of the following:

1 (a) The maintenance by taxpayers of records, books, and
2 accounts.

3 (b) The computation of the tax.

4 (c) The manner and time of changing or electing accounting
5 methods and of exercising the accounting method options contained
6 in this part.

7 (d) The making of returns, the payment of tax due, and the
8 ascertainment, assessment, and collection of the tax.

9 (2) The rules ~~shall~~**must** follow the rulings of the United
10 States Internal Revenue Service with respect to the federal income
11 tax if those rulings are not inconsistent with this part, and the
12 department may adopt as a part of the rules any portions of the
13 internal revenue code or rulings, in whole or in part.

14 (3) Each state income tax return ~~shall~~**must** contain a space
15 for the taxpayer to indicate the school district in which the
16 taxpayer resides. Beginning with the 2023 tax year and each tax
17 year after 2023, the state income tax return ~~shall~~**must** contain a
18 space for the individual taxpayer to indicate if the individual
19 taxpayer is willing to participate in the anatomical gift donor
20 registry under part 101 of the public health code, 1978 PA 368, MCL
21 333.10101 to 333.10123. The state income tax return ~~shall~~**must** also
22 include the following statement under that space: "An individual
23 taxpayer willing to participate in the anatomical gift donor
24 registry must complete the donor registry schedule and submit it
25 with the taxpayer's state income tax return."

26 (4) The department may provide information in the instruction
27 booklet about the purchase of an annual state park motor vehicle
28 permit pursuant to part 741 of the natural resources and
29 environmental protection act, 1994 PA 451, MCL 324.74101 to

1 324.74126.

2 (5) In the instruction booklet that accompanies the annual
3 return required under this part, the department shall include all
4 of the following:

5 (a) A clear and concise listing of each credit and each
6 deduction allowed under this part and a reference to a detailed
7 explanation.

8 (b) A summary of state expenditures and revenues by major
9 category, in dollar amounts and percentage of total, for the most
10 recent state fiscal year that the information is available.

11 (c) Beginning with the 2023 tax year, information describing
12 the donor registry program maintained by Michigan's federally
13 designated organ procurement organization or its successor
14 organization under section 10120 of the public health code, 1978 PA
15 368, MCL 333.10120, explaining the taxpayer's right to make an
16 anatomical gift in the event of death under part 101 of the public
17 health code, 1978 PA 368, MCL 333.10101 to 333.10123, and providing
18 the taxpayer with the opportunity to specify, in a form and manner
19 as prescribed by the department under section 474, on the
20 taxpayer's annual return required under this part that the
21 individual taxpayer is willing to participate in the anatomical
22 gift donor registry under part 101 of the public health code, 1978
23 PA 368, MCL 333.10101 to 333.10123.

24 **(d) Beginning with the instruction booklet for the 2025 tax**
25 **year and each tax year after 2025, a page explaining the rules and**
26 **factors considered for classifying an individual as an employee or**
27 **an independent contractor. The page must also include the contact**
28 **information for both the Michigan department of labor and economic**
29 **opportunity's wage and hour division and the Michigan department of**

1 attorney general for the purposes of reporting payroll fraud if the
2 individual believes that the individual has been misclassified as
3 an independent contractor.

4 (6) The department shall post the list described in subsection
5 (5) (a) and the page described in subsection (5) (d) on the
6 department's official website.

7 Sec. 707a. Beginning after the effective date of this section,
8 the department shall send a notice to each payee listed on the copy
9 of each form 1099-MISC that was filed with the department under
10 section 707 that explains the rules and factors considered for
11 classifying an individual as an employee or an independent
12 contractor. The notice must also include the contact information
13 for both the Michigan department of labor and economic
14 opportunity's wage and hour division and the Michigan department of
15 attorney general for the purposes of reporting payroll fraud if the
16 individual believes that the individual has been misclassified as
17 an independent contractor.