

# HOUSE BILL No. 4163

February 7, 1991, Introduced by Reps. Shugars, Bouchard, Middleton, Brackenridge, O'Connor, Strand, Middaugh, Munsell, Horton, Bobier, McBryde, Oxender, Robertson, Dalman, Law, Willis Bullard, Dobb, Nye, Dolan and Dresch and referred to the Committee on Taxation.

A bill to amend section 71 of Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended by Act No. 281 of the Public Acts of 1984, being section 208.71 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 71 of Act No. 228 of the Public Acts of  
2 1975, as amended by Act No. 281 of the Public Acts of 1984, being  
3 section 208.71 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 71. (1) A taxpayer who reasonably expects liability  
6 UNDER THIS ACT for the tax year to exceed \$600.00 or adjustments  
7 under section 23 to exceed \$100,000.00 shall file an estimated  
8 return and pay an estimated tax for each quarter of the  
9 taxpayer's tax year.

1       (2) For taxpayers on a calendar year basis the quarterly  
2 returns and estimated payments shall be made by April 30,  
3 July 31, October 31, and January 31. Taxpayers not on a calendar  
4 year basis shall file quarterly returns and make estimated pay-  
5 ments on the appropriate due date ~~which~~ THAT in the taxpayer's  
6 fiscal year corresponds to the calendar year.

7       (3) The estimated payment made with each quarterly return of  
8 each tax year shall be for the estimated tax base for the quarter  
9 or 25% of the estimated annual liability. The second, third, and  
10 fourth estimated payments in each tax year shall include adjust-  
11 ments, if necessary, to correct underpayments or overpayments  
12 from previous quarterly payments in the tax year to a revised  
13 estimate of the annual tax liability.

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

16       (a) If the sum of the estimated payments equals at least 85%  
17 of the liability or 1% of the gross receipts for the tax year and  
18 the amount of each estimated payment reasonably approximates the  
19 tax liability incurred during the quarter for which the estimated  
20 payment was made.

21       (b) If the preceding year's tax liability was ~~-\$20,000.00~~  
22 \$50,000.00 or less and if the taxpayer submitted 4 equal install-  
23 ments the sum of which equals the previous 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 commissioner.

1 This form may be combined with any other tax reporting form  
2 prescribed by the department.

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

7 (7) Payments made under this section shall be a credit  
8 against the payment required with the annual tax return required  
9 in section 73.

10 (8) ~~When~~ IF the commissioner considers it necessary to  
11 insure payment of the tax or to provide a more efficient adminis-  
12 tration of the tax, the commissioner may require filing of the  
13 returns and payment of the tax for other than quarterly or annual  
14 periods.

15 (9) ~~A taxpayer who elects under the internal revenue code~~  
16 ~~to file an annual federal income tax return by March 1 in the~~  
17 ~~year following the taxpayer's tax year and does not make a quar-~~  
18 ~~terly estimate or payment, or does not make a quarterly estimate~~  
19 ~~or payment and files a tentative annual return with a tentative~~  
20 ~~payment by January 15, in the year following the taxpayer's tax~~  
21 ~~year and a final return by April 15 in the year following the~~  
22 ~~taxpayer's tax year, shall have the same option in filing the~~  
23 ~~estimated and annual returns required by this act.~~ A FARMER OR  
24 FISHERMAN WHO ELECTS TO FILE AND PAY HIS OR HER FEDERAL INCOME  
25 TAX UNDER AN ALTERNATIVE SCHEDULE PROVIDED IN SECTION 6654 OF THE  
26 INTERNAL REVENUE CODE MAY FILE AND PAY THE TAX IMPOSED BY THIS  
27 ACT IN THE SAME MANNER.

1       (10) Instead of the quarterly return prescribed in  
2 subsections (1) and (2), the taxpayer may elect either of the  
3 following options:

4       (a) To file and pay before the sixteenth day of each month  
5 an estimated return computed at the rate of 1% of the gross  
6 receipts for the preceding month.

7       (b) To file and pay before the sixteenth day of the months  
8 specified in subsection (2) an estimated return computed at the  
9 rate of 1% of the gross receipts for the preceding quarter.