

HOUSE BILL No. 4620

March 21, 1991, Introduced by Reps. Profit, Munsell, Brown, DeMars and Palamara and referred to the Committee on Taxation.

A bill to amend section 365 of Act No. 281 of the Public Acts of 1967, entitled
"Income tax act of 1967,"
being section 206.365 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 365 of Act No. 281 of the Public Acts of
2 1967, being section 206.365 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 365. (1) ~~Every~~ AN employer required by this act to
5 deduct and withhold taxes on compensation, shall furnish to each
6 employee on or before January 31 of the succeeding year a state-
7 ment, in duplicate, of the total compensation paid during the
8 preceding year and the amount deducted or withheld, or, if
9 employment is terminated before the close of a calendar year by
10 an employer ~~who~~ THAT goes out of business or permanently ceases

1 to be an employer in this state, within 30 days after the last
 2 payment of compensation. A duplicate of a statement made pursu-
 3 ant to this section and an annual reconciliation return, ~~MI-W3-~~
 4 FORM 3204, shall be filed with the department by February 28 of
 5 the succeeding year except THAT an employer who goes out of busi-
 6 ness or permanently ceases to be an employer shall file the
 7 statement and the annual reconciliation return within 30 days
 8 after going out of business or permanently ceasing to be an
 9 employer.

10 (2) ~~Every~~ AN employer required by this act to deduct or
 11 withhold taxes from compensation shall make a return or report in
 12 form and content and at times as prescribed by the department.

13 (3) AN EMPLOYER REQUIRED TO FILE A FORM 1099 UNDER THE
 14 INTERNAL REVENUE CODE SHALL, AT THE SAME TIME, FILE A COPY OF
 15 THAT FORM 1099 WITH THE DEPARTMENT.

16 (4) ~~(3) Every~~ AN employee shall furnish to his OR HER
 17 employer information required for the employer to make an accu-
 18 rate withholding. An employee shall file REVISED INFORMATION
 19 with his OR HER employer ~~revised information~~ within 10 days
 20 after his OR HER number of exemptions decreases or ~~his status is~~
 21 ~~changed~~ A CHANGE IN STATUS from ~~a~~ nonresident to ~~that of a~~
 22 resident. The employee may file revised information when his OR
 23 HER number of exemptions increases or ~~his status is changed~~
 24 CHANGES from ~~that of a~~ resident to ~~a~~ nonresident. Revised
 25 information shall not be given retroactive effect for withholding
 26 purposes. The employer shall rely on this information for
 27 withholding purposes unless directed by the commissioner to

1 withhold on some other basis. If an employee fails or refuses to
2 furnish information, the employer shall withhold the full rate of
3 tax from the employee's total compensation.