



# HOUSE BILL No. 5549

May 11 1994 Introduced by Reps Martin Bullard and DeMars and referred to the Committee on Taxation

A bill to amend sections 301 and 411 of Act No 281 of the Public Acts of 1967 entitled  
Income tax act of 1967  
section 301 as amended by Act No 70 of the Public Acts of 1988 and section 411 as amended by Act No 254 of the Public Acts of 1987 being sections 206 301 and 206 411 of the Michigan Compiled Laws and to repeal certain parts of the act

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 301 and 411 of Act No 281 of the  
2 Public Acts of 1967 section 301 as amended by Act No 70 of the  
3 Public Acts of 1988 and section 411 as amended by Act No 254 of  
4 the Public Acts of 1987 being sections 206 301 and 206 411 of  
5 the Michigan Compiled Laws are amended to read as follows  
6 Sec 301 (1) Every person on a calendar year basis if the  
7 person's annual tax can reasonably be expected to exceed the

1 amount withheld under section 351 and the credits allowed under  
2 this act by more than \$500 00 shall pay to the department  
3 installments of estimated tax under this act on or before  
4 April 15 June 15 and September 15 of the person s tax year and  
5 January 15 in the following year Subject to subsection (3),  
6 each installment shall be equal to 1/4 the taxpayer's estimated  
7 tax under this act after first deducting the amount estimated to  
8 be withheld under section 351

9 (2) For a taxpayer on other than a calendar year basis,  
10 there shall be substituted for the due dates provided in subsec-  
11 tion (1) the appropriate due dates ~~that~~ in the taxpayer's  
12 fiscal year THAT correspond to THOSE IN the calendar year

13 (3) For a taxpayer ~~paying~~ THAT PAYS estimated tax for the  
14 taxpayer s first tax year of less than 12 months the amount paid  
15 shall be that fraction of the estimated tax that is obtained by  
16 dividing the total amount of estimated tax by the number of pay-  
17 ments to be made with respect to the tax year

18 (4) There shall be allowed as a credit against the tax  
19 imposed by this act the amounts paid the department pursuant to  
20 this section

21 (5) Instead of the quarterly payments, a person subject to  
22 this section may pay an estimated annual tax for the succeeding  
23 tax year The payment shall be made at the same time the person  
24 files the annual return for the previous full tax year

25 (6) A farmer or fisherman who elects to file and pay his or  
26 her federal income tax under an alternative schedule provided in  
27 section 6654 of the internal revenue code may file and pay the

1 tax imposed by this act in the same manner A seafarer may file  
 2 and pay the tax imposed by this act in the same manner as a  
 3 farmer or fisherman under this subsection As used in this sub-  
 4 section seafarer means an individual whose wages may not be  
 5 withheld for taxes by the state or a political subdivision of the  
 6 state as provided in section 11108 of ~~shipping~~ TITLE 46 OF THE  
 7 UNITED STATES CODE 46 U S C 11108

8 (7) A BANK OR FINANCIAL INSTITUTION THAT SUBMITS QUARTERLY  
 9 ESTIMATED INCOME TAX PAYMENT INFORMATION THROUGH THE FEDERAL TAX  
 10 DEPOSIT SYSTEM ON MAGNETIC TAPE AND ACTS AS FIDUCIARY FOR 200 OR  
 11 MORE TAXABLE TRUSTS SHALL SUBMIT MICHIGAN QUARTERLY TAX PAYMENT  
 12 INFORMATION ON MAGNETIC TAPE

13 (8) A BANK OR FINANCIAL INSTITUTION THAT ACTS AS FIDUCIARY  
 14 FOR MORE THAN 49 AND FEWER THAN 200 TAXABLE TRUSTS MAY ENTER INTO  
 15 AN IRREVOCABLE AGREEMENT WITH THE DEPARTMENT TO SUBMIT ESTIMATED  
 16 INCOME TAX PAYMENT INFORMATION ON MAGNETIC TAPE

17 (9) THE PAYMENT OF TAX REQUIRED UNDER SUBSECTIONS (7) AND  
 18 (8) SHALL BE MADE THROUGH A WIRE TRANSFER TO THE STATE OF  
 19 MICHIGAN CONTRACTUAL DEPOSIT ACCOUNT

20 (10) ~~(7)~~ A payment of estimated tax shall be computed on  
 21 the basis of the annualized rate established pursuant to section  
 22 51(9) for the appropriate tax year to which the estimated tax  
 23 payment is applicable

24 (11) ~~(8)~~ Except as provided in subsection (1), the amount  
 25 or an estimated tax installment shall be computed payment of  
 26 estimated tax shall be credited and a period of underpayment

1 shall be determined in the same manner as provided in the  
2 internal revenue code

3 (12) AS USED IN THIS SECTION, 'TAXABLE TRUST' MEANS A TRUST  
4 REQUIRED TO MAKE PAYMENTS OF ESTIMATED TAX PURSUANT TO SUBSECTION  
5 (1)

6 Sec 411 ~~-(1)-~~ The running of the statute of limitations  
7 provided in Act No 122 of the Public Acts of 1941, being sec-  
8 tions 205 1 to 205 31 of the Michigan Compiled Laws, is suspended  
9 for the period pending final determination of litigation of or  
10 hearing on a taxpayer's federal income tax return or a return  
11 required by this act and for 1 year after that period

12 ~~-(2) The running of a statute of limitations provided in Act~~  
13 ~~No 122 of the Public Acts of 1941, being sections 205 1 to~~  
14 ~~205 31 of the Michigan Compiled Laws, is suspended for any tax~~  
15 ~~able year for which a return is not filed~~

16 Section 2 Sections 263 and 269 of Act No 281 of the  
17 Public Acts of 1967, being sections 206 263 and 206 269 of the  
18 Michigan Compiled Laws, are repealed