



HOUSE BILL No. 5617

June 7 1994, Introduced by Reps Baade Harder, Curtis Willard, Olshove Barns, Anthony Freeman and Byrum and referred to the Committee on Taxation

A bill to amend sections 22f and 73 of Act No 228 of the Public Acts of 1975, entitled "Single business tax act," section 22f as amended by Act No 255 of the Public Acts of 1990 and section 73 as amended by Act No 77 of the Public Acts of 1991, being sections 208 22f and 208 73 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 22f and 73 of Act No 228 of the Public
2 Acts of 1975, section 22f as amended by Act No 255 of the Public
3 Acts of 1990 and section 73 as amended by Act No 77 of the
4 Public Acts of 1991, being sections 208 22f and 208 73 of the
5 Michigan Compiled Laws, are amended to read as follows

6 Sec 22f (1) Beginning August 3, 1987, an insurance
7 company shall be subject to the tax as provided in this act or

1 section 476a of the insurance code of 1956, Act No 218 of the
2 Public Acts of 1956, being section 500 476a of the Michigan
3 Compiled Laws, if applicable, whichever is greater

4 (2) For a tax year beginning before 1990, an insurance com-
5 pany shall pay the taxes required by this act on a tax year that
6 begins on October 1 and ends on September 30 of the following
7 year The 1991 tax year for an insurance company begins
8 October 1 1990 and ends on December 31 1991 For a tax year
9 beginning after 1991, the insurance company tax year is the cal-
10 endar year The liability of a domestic insurer for the period
11 before August 3, 1987 shall be determined on a calendar year
12 basis and prorated based on the portion of the tax year before
13 August 3, 1987 The commissioner shall determine a schedule of
14 estimated payments for the 1991 insurance company tax year

15 (3) Notwithstanding section 73, an insurance company shall
16 file the annual return required under this act before March 2
17 after the end of the tax year, and an automatic extension under
18 section ~~73(3)~~ 73(4) is not available

19 (4) For the purpose of calculating an estimated payment
20 required by section 71 for a tax year ending after 1989, the
21 greater of the amount of tax imposed on an insurance company
22 under this act or under section 476a of Act No 218 of the Public
23 Acts of 1956, shall be considered the insurance company's tax
24 liability for the immediately preceding tax year

25 (5) The requirements of section 28(1)(f) of Act No 122 of
26 the Public Acts of 1941, being section 205 28 of the Michigan
27 Compiled Laws, that prohibit an employee or authorized

1 representative of, a former employee or authorized representative
 2 of, or anyone connected with the department of treasury from
 3 divulging any facts or information obtained in connection with
 4 the administration of a tax, do not apply to disclosure of a tax
 5 return required by this section

6 Sec 73 (1) An annual or final return shall be filed with
 7 the department in the form and content prescribed by the depart-
 8 ment ~~by~~ ON OR BEFORE the last day of the fourth month after the
 9 end of the taxpayer's tax year Any final liability shall be
 10 remitted with ~~this~~ THE ANNUAL OR FINAL return A person whose
 11 apportioned or allocated gross receipts plus the adjustments pro-
 12 vided in section 23b(a), (b), and (c) are less than the following
 13 amount for the appropriate year need not file a return or pay the
 14 tax provided under this act

15 (a) \$40,000 00 for tax years beginning before January 1,
 16 1991

17 (b) \$60,000 00 for tax years beginning after December 31,
 18 1990 and before January 1, 1992

19 (c) \$100,000 00 for tax years beginning after December 31,
 20 1991 AND BEFORE JANUARY 1, 1995

21 (D) \$250,000 00 FOR TAX YEARS BEGINNING AFTER DECEMBER 31,
 22 1994

23 (2) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1994, A
 24 PERSON WHOSE APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 25 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) ARE
 26 \$250,000 00 OR MORE FOR THE TAX YEAR, SHALL INCLUDE THE FOLLOWING
 27 PERCENTAGE OF APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE

1 ADJUSTMENTS PROVIDED IN SECTION 23B(A) (B) AND (C) THAT ARE
 2 LESS THAN \$250,000 00 WHEN CALCULATING THE TAX DUE UNDER THIS
 3 ACT

4 (A) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 5 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) OF
 6 \$250,000 00 OR MORE BUT LESS THAN \$300,000 00, 10%

7 (B) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 8 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) OF
 9 \$300,000 00 OR MORE BUT LESS THAN \$350,000 00, 20%

10 (C) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 11 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) OF
 12 \$350,000 00 OR MORE BUT LESS THAN \$400 000 00, 40%

13 (D) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 14 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) OF
 15 \$400,000 00 OR MORE BUT LESS THAN \$450,000 00, 60%

16 (E) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 17 ADJUSTMENTS PROVIDED IN SECTION 23B(A) (B), AND (C) OF
 18 \$450,000 00 OR MORE BUT LESS THAN \$500,000 00, 80%

19 (F) FOR APPORTIONED OR ALLOCATED GROSS RECEIPTS PLUS THE
 20 ADJUSTMENTS PROVIDED IN SECTION 23B(A), (B), AND (C) OF
 21 \$500,000 00 OR MORE, 100%

22 (3) ~~(2)~~ For a person whose apportioned or allocated gross
 23 receipts plus the adjustments provided in section 23b(a), (b),
 24 and (c), are for a tax year less than 12 months, the ~~amount in~~
 25 ~~subsection (1)~~ AMOUNTS IN SUBSECTIONS (1) AND (2) shall be
 26 ~~multiplied by a fraction, the numerator of which is~~ ADJUSTED

1 PROPORTIONATELY TO REFLECT the number of months in the tax year
2 ~~and the denominator of which is 12~~ OF THE TAXPAYER

3 (4) ~~(3)~~ The commissioner upon application of the taxpayer
4 and for good cause shown may extend the date for filing the
5 annual return Interest at the rate of 9% per annum shall be
6 added to the amount of the tax unpaid for the period of the
7 extension The commissioner shall require a tentative return and
8 payment of an estimated tax

9 (5) ~~(4)~~ If a taxpayer is granted an extension of time
10 within which to file the federal income tax return for any tax-
11 able year, the filing of a copy of the request for extension
12 together with a tentative return and payment of an estimated tax
13 with the commissioner by the due date provided in subsection (1)
14 shall automatically extend the due date for the filing of a final
15 return under this act for an equivalent period plus 60 days
16 Interest at the rate of 9% per annum shall be added to the amount
17 of the tax unpaid for the period of the extension