



# HOUSE BILL No. 5695

March 19, 1996, Introduced by Reps. Bodem, Goschka, Profit, Horton, Kukuk, Ryan, Hill, McManus, Green, Anthony, Hammerstrom, Kaza, Walberg, McBryde, Pitoniak, Randall, Llewellyn and McNutt and referred to the Committee on Tax Policy.

A bill to amend Act No. 281 of the Public Acts of 1967,  
entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan  
Compiled Laws, by adding section 51a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 281 of the Public Acts of 1967, as  
2 amended, being sections 206.1 to 206.532 of the Michigan Compiled  
3 Laws, is amended by adding section 51a to read as follows:

4 SEC. 51A. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
5 ACT AND FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1996, AN ELI-  
6 GIBLE TAXPAYER MAY ELECT TO PAY THE TAX IMPOSED BY THIS ACT CAL-  
7 CULATED BY MULTIPLYING COMPENSATION BY 4%.

8 (2) AN ELIGIBLE TAXPAYER WHO ELECTS TO PAY THE TAX IMPOSED  
9 BY THIS ACT CALCULATED UNDER THIS SECTION SHALL NOT CLAIM ANY

1 EXEMPTION, DEDUCTION, OR CREDIT ALLOWED UNDER THIS ACT OTHER THAN  
2 THE CREDIT ALLOWED UNDER SECTION 251.

3 (3) AN ELIGIBLE TAXPAYER WHO ELECTS TO PAY THE TAX IMPOSED  
4 BY THIS ACT CALCULATED UNDER THIS SECTION IS NOT REQUIRED TO FILE  
5 AN ANNUAL RETURN UNDER THIS ACT.

6 (4) AN ELIGIBLE TAXPAYER WHO FILES A WITHHOLDING EXEMPTION  
7 CERTIFICATE TO ELECT TO PAY THE TAX IMPOSED BY THIS ACT CALCU-  
8 LATED UNDER THIS SECTION MAY FILE AN ANNUAL RETURN AND PAY THE  
9 TAX CALCULATED UNDER SECTION 51.

10 (5) AS USED IN THIS SECTION, "ELIGIBLE TAXPAYER" MEANS A  
11 RESIDENT WHO MEETS ALL OF THE FOLLOWING CRITERIA:

12 (A) HAS TAXABLE INCOME FOR THE TAX YEAR, OTHER THAN COMPEN-  
13 SATION, IN TOTAL OR FROM ANY 1 SOURCE, OF LESS THAN \$100.00 FOR A  
14 SINGLE RETURN OR \$200.00 FOR A JOINT RETURN.

15 (B) HAS FILED A WITHHOLDING EXEMPTION CERTIFICATE TO ELECT  
16 TO PAY THE TAX IMPOSED BY THIS ACT CALCULATED UNDER THIS SECTION  
17 FOR THE TAX YEAR.

18 (C) HAS NOT BEEN SUBJECT TO WITHHOLDING UNDER SECTION 351(1)  
19 ON ANY TAXABLE INCOME AT ANY TIME DURING THE TAX YEAR.

20 Section 2. This amendatory act shall not take effect unless  
21 Senate Bill No. \_\_\_\_\_ or House Bill No. 5694 (request  
22 no. 07270'96) of the 88th Legislature is enacted into law.