

HOUSE BILL No. 4924

June 14, 2005, Introduced by Rep. Sheen and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 191 and 352 (MCL 206.191 and 206.352), section
352 as added by 1996 PA 568.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 191. (1) If the taxpayer's only activities ~~within~~ IN
2 this state consist of sales and do not include owning or renting
3 real ~~estate~~ **PROPERTY** or tangible personal property and ~~whose~~
4 ~~dollar volume of~~ **IF THE TAXPAYER'S** gross sales made during the tax
5 year ~~within the~~ **IN THIS** state ~~is not in excess of \$100,000.00~~
6 ~~the taxpayer may elect for that year~~ **DO NOT EXCEED \$100,000.00 FOR**
7 **TAX YEARS THAT BEGIN BEFORE JANUARY 1, 2004 OR \$110,000.00 FOR TAX**
8 **YEARS THAT BEGIN AFTER DECEMBER 31, 2003, THE TAXPAYER MAY ELECT TO**

1 REPORT AND PAY THE TAX IMPOSED UNDER THIS ACT FOR THE TAX YEAR
 2 USING WHICHEVER OF THE FOLLOWING METHODS RESULTS IN THE LESSER TAX
 3 LIABILITY:

4 (a) ~~To report and pay a tax on net income arrived at by~~
 5 ~~multiplying~~ **MULTIPLYING** total sales in this state for the ~~taxable~~
 6 **TAX** year by the ratio of net income from operations to total sales
 7 as reported on ~~his~~ **THE TAXPAYER'S** federal income tax return for
 8 the same ~~taxable~~ **TAX** year. ~~—; or~~

9 (b) ~~Report and pay a tax of 2/5 of 1% on~~ **MULTIPLY** total
 10 sales in this state ~~, whichever method reflects the lesser tax~~
 11 ~~liability~~ **BY 2/5 OF 1%.**

12 (2) The election **UNDER SUBSECTION (1)** is not available for any
 13 ~~taxable~~ **TAX** year for which **THE TAXPAYER IS REQUIRED TO FILE** a
 14 consolidated return. ~~—is required.~~

15 Sec. 352. (1) For the 1997 tax year and each tax year after
 16 the 1997 tax year, a taxpayer who is due a refund determined under
 17 section 30 of ~~Act No. 122 of the Public Acts of 1941, being~~
 18 ~~section 205.30 of the Michigan Compiled Laws~~ **1941 PA 122, MCL**
 19 **205.30**, may request a direct deposit of that refund to a financial
 20 institution of the taxpayer's choice that is located in the United
 21 States by completing a direct deposit form prescribed by the
 22 department and attaching the completed form to the taxpayer's
 23 annual return.

24 (2) The department shall comply with a request under this
 25 section unless the request is incomplete or defective in a manner
 26 that precludes the department from honoring the request. If the
 27 department does not honor the request, the department shall issue a

1 warrant, as provided in ~~Act No. 122 of the Public Acts of 1941,~~
2 ~~being sections 205.1 to 205.31 of the Michigan Compiled Laws 1941~~
3 **PA 122, MCL 205.1 TO 205.31**, and at the same time provide the
4 taxpayer with a written explanation including the specific reason
5 for not honoring the taxpayer's request for direct deposit.

6 **(3) THE DEPARTMENT SHALL DEVELOP AND MAKE AVAILABLE THE DIRECT**
7 **DEPOSIT FORM PRESCRIBED UNDER SUBSECTION (1) TO PROVIDE FOR DIRECT**
8 **DEPOSIT OF A REFUND DUE TO A TAXPAYER.**