

HOUSE BILL No. 4960

September 13, 2011, Introduced by Rep. Walsh and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 681 (MCL 206.681), as added by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 681. (1) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
2 **SECTION, A** taxpayer that reasonably expects liability for the tax
3 year to exceed \$800.00 shall file an estimated return and pay an
4 estimated tax for each quarter of the taxpayer's tax year.

5 (2) For taxpayers on a calendar year basis, the quarterly
6 returns and estimated payments shall be made by April 15, July 15,
7 October 15, and January 15. Taxpayers not on a calendar year basis
8 shall file quarterly returns and make estimated payments on the
9 appropriate due date which in the taxpayer's fiscal year
10 corresponds to the calendar year.

11 (3) Except as otherwise provided under this subsection, the

1 estimated payment made with each quarterly return of each tax year
2 shall be for the estimated ~~corporate income~~ tax base **THAT IS**
3 **APPLICABLE TO THE TAXPAYER UNDER CHAPTER 11, 12, OR 13** for the
4 quarter or 25% of the estimated annual liability. The second,
5 third, and fourth estimated payments in each tax year shall include
6 adjustments, if necessary, to correct underpayments or overpayments
7 from previous quarterly payments in the tax year to a revised
8 estimate of the annual tax liability. For a taxpayer that
9 calculates and pays estimated payments for federal income tax
10 purposes pursuant to section 6655(e) of the internal revenue code,
11 that taxpayer may use the same methodology as used to calculate the
12 annualized income installment or the adjusted seasonal installment,
13 whichever is used as the basis for the federal estimated payment,
14 to calculate the estimated payments required each quarter under
15 this section. The interest and penalty provided by this part shall
16 not be assessed if any of the following occur:

17 (a) If the sum of the estimated payments equals at least 85%
18 of the liability and the amount of each estimated payment
19 reasonably approximates the tax liability incurred during the
20 quarter for which the estimated payment was made.

21 (b) For the 2013 tax year and each subsequent tax year, if the
22 preceding year's tax liability under this part was \$20,000.00 or
23 less and if the taxpayer submitted 4 equal installments the sum of
24 which equals the immediately preceding tax year's tax liability.

25 (4) Each estimated return shall be made on a form prescribed
26 by the department and shall include an estimate of the annual tax
27 liability and other information required by the state treasurer.

1 The form prescribed under this subsection may be combined with any
2 other tax reporting form prescribed by the department.

3 (5) With respect to a taxpayer filing an estimated tax return
4 for the taxpayer's first tax year of less than 12 months, the
5 amounts paid with each return shall be proportional to the number
6 of payments made in the first tax year. **A TAXPAYER WITH A TAX YEAR**
7 **OF LESS THAN 4 MONTHS IS NOT REQUIRED TO FILE AN ESTIMATED TAX**
8 **RETURN OR REMIT ESTIMATED PAYMENTS.**

9 (6) Payments made under this section shall be a credit against
10 the payment required with the annual tax return required in section
11 685.

12 (7) If the department considers it necessary to insure payment
13 of the tax or to provide a more efficient administration of the
14 tax, the department may require filing of the returns and payment
15 of the tax for other than quarterly or annual periods.

16 (8) A taxpayer that elects under the internal revenue code to
17 file an annual federal income tax return by March 1 in the year
18 following the taxpayer's tax year and does not make a quarterly
19 estimate or payment, or does not make a quarterly estimate or
20 payment and files a tentative annual return with a tentative
21 payment by January 15 in the year following the taxpayer's tax year
22 and a final return by April 15 in the year following the taxpayer's
23 tax year, has the same option in filing the estimated and annual
24 returns required by this part.

25 Enacting section 1. This amendatory act takes effect January
26 1, 2012.