HOUSE BILL No. 4317

February 26, 2013, Introduced by Reps. Nathan, Tlaib, Stallworth, Talabi, Banks, Santana and Durhal and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled

"Income tax act of 1967,"

by amending section 471 (MCL 206.471), as amended by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 471. (1) The tax imposed by this part shall be administered by the department. The department shall prescribe forms for use by taxpayers and may promulgate rules for all of the following:

(a) The maintenance by taxpayers of records, books, and accounts.

(b) The computation of the tax.

(c) The manner and time of changing or electing accounting methods and of exercising the accounting method options contained in this part.

(d) The making of returns, the payment of tax due, and the ascertainment, assessment, and collection of the tax.

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(2) The rules shall follow the rulings of the United States internal revenue service with respect to the federal income tax if those rulings are not inconsistent with this part, and the department may adopt as a part of the rules any portions of the internal revenue code or rulings, in whole or in part.

(3) A summary of state expenditures and revenues by major category, in dollar amounts and percentage of total, for the most recent state fiscal year that the information is available, shall be printed in the instruction booklet accompanying each state income tax return.

(4) Each state income tax return shall contain a space for the taxpayer to indicate the school district in which the taxpayer resides.

(5) The department may provide information in the instruction booklet about the purchase of an annual state park motor vehicle permit pursuant to part 741 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.74101 to ~~324.74125.~~**324.74126.**

(6) In the instruction booklet that accompanies the annual return required under this part, the department shall provide a clear and concise listing of each credit and each deduction allowed under this part and a reference to a detailed explanation.

(7) The department shall post the list described in subsection (6) on the department's official website.

(8) BEGINNING WITH THE 2013 TAX YEAR, EACH STATE INCOME TAX RETURN SHALL CONTAIN A SPACE FOR THE TAXPAYER TO INDICATE ALL OF THE FOLLOWING:

(A) IF HE OR SHE RESIDES, OR IS EMPLOYED, IN A CITY THAT IMPOSES A TAX UNDER A UNIFORM CITY INCOME TAX ORDINANCE ENACTED AND APPROVED IN ACCORDANCE WITH THE CITY INCOME TAX ACT, 1964 PA 284, MCL 141.501 TO 141.787.

(B) IF THE TAXPAYER'S EMPLOYER HAS WITHHELD THE LOCAL TAX FROM HIS OR HER COMPENSATION THAT IS SUBJECT TO THE TAX IMPOSED UNDER THE LOCAL ORDINANCE.

(C) IF APPLICABLE, THE TAXPAYER'S LOCAL INCOME TAX LIABILITY FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR AND WHETHER THAT AMOUNT HAS BEEN PAID OR IS STILL DUE TO THE CITY.

(D) THE TAXPAYER'S LOCAL INCOME TAX LIABILITY FOR THE CURRENT TAX YEAR FOR WHICH THE RETURN IS FILED UNDER THIS PART.

(9) BEGINNING WITH THE 2013 TAX YEAR, IN THE INSTRUCTION BOOKLET THAT ACCOMPANIES THE ANNUAL RETURN REQUIRED UNDER THIS PART, THE DEPARTMENT SHALL PROVIDE A COMPLETE LIST OF EACH CITY IN THIS STATE THAT LEVIES A CITY INCOME TAX AND THE RATE IMPOSED BY THAT CITY ON RESIDENTS, NONRESIDENTS, AND CORPORATIONS. THE INSTRUCTION BOOKLET SHALL ALSO INCLUDE A WORKSHEET FOR THE TAXPAYER TO CALCULATE THE AMOUNT OF CITY INCOME TAX DUE TO THE CITY IN WHICH HE OR SHE RESIDES OR IS EMPLOYED AND AN EXPLANATION ON HOW AND WHERE TO REPORT AND REMIT PAYMENT, IF DUE, TO THAT CITY.