

HOUSE BILL No. 5670

June 12, 2014, Introduced by Rep. Cavanagh 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:

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

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

7 (b) The computation of the tax.

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

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

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

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

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

16 (5) The department may provide information in the instruction
17 booklet about the purchase of an annual state park motor vehicle
18 permit pursuant to part 741 of the natural resources and
19 environmental protection act, 1994 PA 451, MCL 324.74101 to
20 ~~324.74125.~~ **324.74126.**

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

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

27 **(8) BEGINNING WITH THE 2014 TAX YEAR, EACH STATE INCOME TAX**

1 RETURN SHALL CONTAIN A SPACE FOR THE TAXPAYER TO INDICATE ALL OF
2 THE FOLLOWING:

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

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

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

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

15 (9) BEGINNING WITH THE 2014 TAX YEAR, IN THE INSTRUCTION
16 BOOKLET THAT ACCOMPANIES THE ANNUAL RETURN REQUIRED UNDER THIS
17 PART, THE DEPARTMENT SHALL PROVIDE A COMPLETE LIST OF EACH CITY IN
18 THIS STATE THAT LEVIES A CITY INCOME TAX AND THE RATE IMPOSED BY
19 THAT CITY ON RESIDENTS, NONRESIDENTS, AND CORPORATIONS. THE
20 INSTRUCTION BOOKLET SHALL ALSO INCLUDE A WORKSHEET FOR THE TAXPAYER
21 TO CALCULATE THE AMOUNT OF CITY INCOME TAX DUE TO THE CITY IN WHICH
22 HE OR SHE RESIDES OR IS EMPLOYED AND AN EXPLANATION ON HOW AND
23 WHERE TO REPORT AND REMIT PAYMENT, IF DUE, TO THAT CITY.