



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 5091 (Substitute H-2 as passed by the House)  
Sponsor: Representative Bronna Kahle  
House Committee: Tax Policy  
Senate Committee: Finance

Date Completed: 3-12-18

### **CONTENT**

**The bill would amend the Income Tax Act to do the following:**

- Change the filing deadline from February 28 to January 31 of the succeeding year for filing an income tax withholding statement and an annual reconciliation return with the Michigan Department of Treasury.**
- Require an employer that had more than 250 employees to file its annual return or report in electronic form.**

Part 3 of the Act prescribes withholding requirements for employers, flow-through entities, and others. As a rule, every person required to deduct and withhold taxes under Part 3 for a tax year on income other than distributive share of income from a flow-through entity must give the person who received the income a statement by January 31 of the succeeding year of the total income paid during the tax year and the amount deducted or withheld.

A duplicate of the statement and an annual reconciliation return, MI-W3, must be filed with the Department by February 28 of the succeeding year. The bill would change this filing deadline to January 31 of the succeeding year for the 2018 tax year and each tax year after 2018.

Also, the Act specifies that every person required by Part 3 to deduct or withhold taxes must make a return or report in form and content and at times as prescribed by the Department. The bill would require an employer with more than 250 employees to file its annual return or report in electronic form.

MCL 206.711

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Cory Savino

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