

Act No. 118
Public Acts of 2018
Approved by the Governor
April 25, 2018
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April 26, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Rep. Kahle

ENROLLED HOUSE BILL No. 5091

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts,” by amending section 711 (MCL 206.711), as amended by 2017 PA 110.

The People of the State of Michigan enact:

Sec. 711. (1) Every person required by this part to deduct and withhold taxes for a tax year on income other than distributive share of income from a flow-through entity shall furnish to the person who received the income a statement in duplicate on or before January 31 of the succeeding year of the total income paid during the tax year and the amount deducted or withheld. However, if employment is terminated before the close of a calendar year by a person that goes out of business or permanently ceases to exist, then the statement required by this subsection shall be issued within 30 days after the last compensation, winnings, or payoff of a winning ticket is paid. A duplicate of a statement made pursuant to this section and an annual reconciliation return, MI-W3, shall be filed with the department by February 28 of the succeeding year for tax years before the 2018 tax year and by January 31 of the succeeding year for the 2018 tax year and each tax year after 2018 except that a person that goes out of business or permanently ceases to exist shall file the statement and the annual reconciliation return within 30 days after going out of business or permanently ceasing to exist. For tax years that begin before July 1, 2016, a flow-through entity that was required to withhold taxes on distributive shares of business income shall file an annual reconciliation return with the department no later than the last day of the second month following the end of the flow-through entity's federal tax year. The department may require a flow-through entity to file an annual business income information return with the department on the due date, including extensions, of its annual federal information return.

(2) Every person required by this part to deduct or withhold taxes shall make a return or report in form and content and at times as prescribed by the department. An employer that has more than 250 employees shall file its annual return or report required under this section in electronic form. An employer that has entered into an agreement with a community college pursuant to chapter 13 of the community college act of 1966, 1966 PA 331, MCL 389.161 to 389.166, and is required to deduct or withhold taxes from compensation and make payments to a community college pursuant to the agreement for a portion of those taxes withheld shall, for as long as the agreement remains in effect, delineate in the return or report required under this subsection between the amount deducted or withheld and paid to the state and that amount paid to a community college. An employer that has entered into a written agreement pursuant to the good

jobs for Michigan program created under section 90h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090h, shall, for as long as the written agreement remains in effect, delineate in the return or report required under this subsection the portion of those taxes withheld and paid to the state that are attributable to certified new jobs.

(3) Every person who receives income subject to withholding under this part shall furnish to the person required by this part to deduct and withhold taxes information required to make an accurate withholding. A person who receives income subject to withholding under this part shall file with the person required by this part to deduct and withhold taxes revised information within 10 days after a decrease in the number of exemptions or a change in status from a nonresident to a resident. The person who receives income subject to withholding under this part may file revised information when the number of exemptions increases or when a change in status occurs from that of a resident of this state to a nonresident of this state. Revised information shall not be given retroactive effect for withholding purposes. A person required by this part to deduct and withhold taxes shall rely on this information for withholding purposes unless directed by the department to withhold on some other basis. If a person who receives income subject to withholding under this part fails or refuses to furnish information, the person required by this part to deduct and withhold taxes shall withhold at the full rate of tax from the person's income subject to withholding under this part.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor