

# Legislative Analysis



## AUTOMATIC EXTENSION OF STATE AND CITY INCOME TAX DUE DATES FOR TAX YEAR 2020

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4569 as enacted**  
**Public Act 7 of 2021**  
**Sponsor: Rep. Andrew W. Beeler**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 4571 as enacted**  
**Public Act 8 of 2021**  
**Sponsor: Rep. Tenisha Yancey**

**House Committee: Tax Policy**  
**Senate Committee: Finance**  
**Complete to 3-3-22**

### SUMMARY:

House Bills 4569 and 4571 amend the City Income Tax Act and the Income Tax Act, respectively, to extend the due dates for certain 2020 income tax returns and provide that a taxpayer is not subject to any interest or penalties during the extension period.

On March 17, 2021, the federal Treasury Department and Internal Revenue Service (IRS) issued IRS Notice 2021-59, announcing that the federal income tax filing due date would automatically be extended from April 15, 2021, to May 17, 2021.<sup>1</sup>

Two days later, the Michigan Department of Treasury extended its own state individual and composite income tax return deadlines to conform with the revised federal deadline.<sup>2</sup>

**House Bill 4571** codifies the Department of Treasury's extension for **individual filers** and provides that an additional extension by the IRS of the 2020 federal income tax filing due date for federal taxpayers also automatically extends the state deadline to that same date.

MCL 206.301a

**House Bill 4569** amends Chapter 2 of the City Income Tax Act, which governs the uniform city income tax ordinance, to revise the due date for **city returns**. Under the bill, a person whose annual return, quarterly return, or declaration of estimated tax is otherwise due by April 15 or April 30 for each tax year will automatically receive an extension if the IRS extends the federal filing or payment due date for that same tax year for federal taxpayers. The extension will either coincide with the due date established by the IRS or be 15 days after that date, whichever is applicable.

All interest and penalties for the failure to file or remit for that extension period are waived.

MCL 141.640 and 141.680

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<sup>1</sup> <https://www.irs.gov/newsroom/tax-day-for-individuals-extended-to-may-17-treasury-irs-extend-filing-and-payment-deadline>

<sup>2</sup> <https://www.michigan.gov/taxes/0,4676,7-238--555009--,00.html>

**BRIEF DISCUSSION:**

House Bill 4571 codifies the Department of Treasury's extension into state statute, and House Bill 4569 extends the deadlines to cities that levy income taxes so that they conform to their typical timing with respect to state and federal deadlines. The deadlines for all cities except Detroit are two weeks after the state and federal deadlines for individual filers.

**FISCAL IMPACT:**

Because the bills only extend the filing deadlines by roughly 30 days, there would be no state or local fiscal impact other than the implicit loss of interest for a short period.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.