



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4569 (Substitute H-1 as reported without amendment)
House Bill 4571 (as reported without amendment)
Sponsor: Representative Andrew Beeler (H.B. 4569)
Representative Tenisha Yancey (H.B. 4571)
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 4-19-21

CONTENT

House Bill 4569 (H-1) would amend Chapter 2 (Uniform City Income Tax Ordinance) of the City Income Tax Act to specify that taxpayers required to make and file a return or declaration of estimated tax that otherwise was due on or before April 15 or April 30 would automatically receive an extension to file those returns and declarations if the Internal Revenue Service (IRS) extended the Federal income tax filing or payment due date for that same tax year for Federal taxpayers.

House Bill 4571 would amend Part 1 of the Income Tax Act to extend the deadline for taxpayers to file their annual tax returns until May 17, 2021, for returns originally due April 15, 2021, or later if the IRS extended the Federal filing deadline after the bill's effective date.

Proposed MCL 141.540 & 141.580 (H.B. 4569)
MCL 206.301a (H.B. 4571)

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

The bills would have a minimal fiscal impact on the State and on cities that levy a city income tax. Because the bills only would shift the date for returns, the amounts of payments or refunds would remain unchanged. The State and affected cities could have reduced interest earned on fund balances. Given low current interest rates and that the delay would affect only one month of earnings, any interest rate effect would be negligible.

The Department of Treasury would experience no net fiscal impact. Any reduced staffing and administration for processing tax returns in the current month would be made up by higher staffing and administration for processing tax returns during the next month. The same likely would be true for cities that administer their own income tax collections.

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