

SENATE BILL NO. 472

June 26, 2025, Introduced by Senator SINGH and referred to Committee on Government Operations.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 51f and 711 (MCL 206.51f and 206.711), section
51f as added by 2017 PA 110 and section 711 as amended by 2018 PA
118.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51f. (1) In addition to the distributions under
2 **subsection (2) and** sections 51, ~~and 51d,~~ **and 51e,** from the revenue
3 collected from the tax levied under section 51 an amount equal to

1 that portion of the withholding tax capture revenues attributable
 2 to certified new jobs and due to be paid to an authorized business
 3 pursuant to a written agreement entered into under chapter 8D of
 4 the Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to
 5 125.2090j, ~~shall~~**must** be deposited each state fiscal year into the
 6 good jobs for Michigan fund created in section 90j of the Michigan
 7 strategic fund act, 1984 PA 270, MCL 125.2090j.

8 **(2) In addition to the distributions under subsection (1) and**
 9 **sections 51, 51d, and 51e, from the revenue collected from the tax**
 10 **levied under section 51 an amount equal to that portion of the**
 11 **withholding tax capture revenues attributable to certified new jobs**
 12 **and protected jobs and due to be paid to an authorized employer**
 13 **pursuant to a written agreement entered into under chapter 8F of**
 14 **the Michigan strategic fund act, 1984 PA 270, MCL 125.2090t to**
 15 **125.2090y, must be deposited each state fiscal year into the more**
 16 **jobs for Michigan fund created in section 90v of the Michigan**
 17 **strategic fund act, 1984 PA 270, MCL 125.2090v.**

18 **(3) ~~(2)~~As used in this section, subsection (1), "authorized**
 19 **business", "certified new jobs", "withholding tax capture**
 20 **revenues", and "written agreement" mean those terms as defined in**
 21 **section 90g of the Michigan strategic fund act, 1984 PA 270, MCL**
 22 **125.2090g. As used in subsection (2), "authorized employer",**
 23 **"certified new jobs", "protected jobs", "withholding tax capture**
 24 **revenues", and "written agreement" mean those terms as defined in**
 25 **section 90t of the Michigan strategic fund act, 1984 PA 270, MCL**
 26 **125.2090t.**

27 Sec. 711. (1) Every person required by this part to deduct and
 28 withhold taxes for a tax year on income other than distributive
 29 share of income from a flow-through entity shall furnish to the

1 person who received the income a statement in duplicate on or
2 before January 31 of the succeeding year of the total income paid
3 during the tax year and the amount deducted or withheld. However,
4 if employment is terminated before the close of a calendar year by
5 a person that goes out of business or permanently ceases to exist,
6 then the statement required by this subsection ~~shall~~**must** be issued
7 within 30 days after the last compensation, winnings, or payoff of
8 a winning ticket is paid. A duplicate of a statement made pursuant
9 to this section and an annual reconciliation return, MI-W3, ~~shall~~
10 **must** be filed with the department ~~by February 28 of the succeeding~~
11 ~~year for tax years before the 2018 tax year and by January 31 of~~
12 ~~the succeeding year for the 2018 tax year and each tax year after~~
13 ~~2018~~ except that a person that goes out of business or permanently
14 ceases to exist shall file the statement and the annual
15 reconciliation return within 30 days after going out of business or
16 permanently ceasing to exist. For tax years that begin before July
17 1, 2016, a flow-through entity that was required to withhold taxes
18 on distributive shares of business income shall file an annual
19 reconciliation return with the department no later than the last
20 day of the second month following the end of the flow-through
21 entity's federal tax year. The department may require a flow-
22 through entity to file an annual business income information return
23 with the department on the due date, including extensions, of its
24 annual federal information return.

25 (2) Every person required by this part to deduct or withhold
26 taxes shall make a return or report in form and content and at
27 times as prescribed by the department. An employer that has more
28 than 250 employees shall file its annual return or report required
29 under this section in electronic form. An employer that has entered

1 into an agreement with a community college ~~pursuant to~~ **under**
 2 chapter 13 of the community college act of 1966, 1966 PA 331, MCL
 3 389.161 to 389.166, and is required to deduct or withhold taxes
 4 from compensation and make payments to a community college ~~pursuant~~
 5 ~~to~~ **under** the agreement for a portion of those taxes withheld shall,
 6 for as long as the agreement remains in effect, delineate in the
 7 return or report required under this subsection between the amount
 8 deducted or withheld and paid to the state and that amount paid to
 9 a community college. An employer that has entered into a written
 10 agreement ~~pursuant to the good jobs for Michigan program created~~
 11 under section 90h **or chapter 8F** of the Michigan strategic fund act,
 12 1984 PA 270, MCL 125.2090h **and ,125.2090t to 125.2090y,** shall, for
 13 as long as the written agreement remains in effect, delineate in
 14 the return or report required under this subsection the portion of
 15 those taxes withheld and paid to the state that are attributable to
 16 certified new jobs.

17 (3) Every person who receives income subject to withholding
 18 under this part shall furnish to the person required by this part
 19 to deduct and withhold taxes information required to make an
 20 accurate withholding. A person who receives income subject to
 21 withholding under this part shall file with the person required by
 22 this part to deduct and withhold taxes revised information within
 23 10 days after a decrease in the number of exemptions or a change in
 24 status from a nonresident to a resident. The person who receives
 25 income subject to withholding under this part may file revised
 26 information when the number of exemptions increases or when a
 27 change in status occurs from that of a resident of this state to a
 28 nonresident of this state. Revised information ~~shall not be~~ **is not**
 29 given retroactive effect for withholding purposes. A person

1 required by this part to deduct and withhold taxes shall rely on
2 this information for withholding purposes unless directed by the
3 department to withhold on some other basis. If a person who
4 receives income subject to withholding under this part fails or
5 refuses to furnish information, the person required by this part to
6 deduct and withhold taxes shall withhold at the full rate of tax
7 from the person's income subject to withholding under this part.

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. ____ (request no. S00973'25) or House Bill
10 No. ____ (request no. H00973'25) of the 103rd Legislature is
11 enacted into law.