



HOUSE BILL No. 4660

March 22, 1995, Introduced by Rep. Nye and referred to the Committee on Tax Policy.

A bill to amend section 301 of Act No. 281 of the Public Acts of 1967, entitled "Income tax act of 1967," as amended by Act No. 70 of the Public Acts of 1988, being section 206.301 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 301 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 70 of the Public Acts of 1988, being
3 section 206.301 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 301. (1) Every person on a calendar year basis, if the
6 person's annual tax can reasonably be expected to exceed ~~the~~
7 ~~amount withheld under section 351 and the credits allowed under~~
8 ~~this act by more than~~ \$500.00, shall pay to the department
9 installments of estimated tax under this act on or before

1 April 15, June 15, and September 15 of the person's tax year and
2 January 15 in the following year. Subject to subsection (3),
3 each installment shall be equal to 1/4 the taxpayer's estimated
4 tax under this act after first deducting the amount estimated to
5 be withheld under section 351.

6 (2) For a taxpayer on other than a calendar year basis,
7 there shall be substituted for the due dates provided in subsec-
8 tion (1) the appropriate due dates ~~that~~ in the taxpayer's
9 fiscal year THAT correspond to the calendar year.

10 (3) For a taxpayer ~~paying~~ THAT PAYS estimated tax for the
11 taxpayer's first tax year of less than 12 months, the amount paid
12 shall be that fraction of the estimated tax that is obtained by
13 dividing the total amount of estimated tax by the number of pay-
14 ments to be made with respect to the tax year.

15 (4) ~~There shall be allowed as a~~ A credit against the tax
16 imposed by this act IS ALLOWED FOR the amounts paid the depart-
17 ment ~~pursuant to~~ UNDER this section.

18 (5) Instead of the quarterly payments, a person subject to
19 this section may pay an estimated annual tax for the IMMEDIATELY
20 succeeding tax year. The payment shall be made at the same time
21 the person files the annual return for the ~~previous~~ IMMEDIATELY
22 PRECEDING full tax year.

23 (6) A farmer or fisherman who elects to file and pay his or
24 her federal income tax under an alternative schedule provided in
25 section 6654 of the internal revenue code may file and pay the
26 tax imposed by this act in the same manner. A seafarer may file
27 and pay the tax imposed by this act in the same manner as a

1 farmer or fisherman under this subsection. As used in this
2 subsection, "seafarer" means an individual whose wages may not be
3 withheld for taxes by the state or a political subdivision of the
4 state as provided in section 11108 of ~~shipping~~ TITLE 46 OF THE
5 UNITED STATES CODE, 46 U.S.C. 11108.

6 (7) A payment of estimated tax shall be computed on the
7 basis of the annualized rate established pursuant to section
8 ~~51(9)~~ 51 for the appropriate tax year to which the estimated
9 tax payment is applicable.

10 (8) Except as provided in subsection (1), the amount of an
11 estimated tax installment shall be computed, payment of estimated
12 tax shall be credited, and a period of underpayment shall be
13 determined in the same manner as provided in the internal revenue
14 code.