

# HOUSE BILL No. 5788

April 28, 1998, Introduced by Rep. Profit and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
by amending section 71 (MCL 208.71), as amended by 1984 PA 281.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 71. (1) A taxpayer who reasonably expects liability  
2 for the tax year to exceed \$600.00 or adjustments under ~~section~~  
3 ~~23~~ SECTIONS 23 AND 23B to exceed \$100,000.00 shall file an esti-  
4 mated return and pay an estimated tax for each quarter of the  
5 taxpayer's tax year.

6       (2) For taxpayers on a calendar year basis the quarterly  
7 returns and estimated payments shall be made by April 30,  
8 July 31, October 31, and January 31. Taxpayers not on a calendar  
9 year basis shall file quarterly returns and make estimated  
10 payments on the appropriate due date which in the taxpayer's  
11 fiscal year corresponds to the calendar year.

1 (3) The estimated payment made with each quarterly return of  
2 each tax year shall be for the estimated tax base for the quarter  
3 or 25% of the estimated annual liability. The second, third, and  
4 fourth estimated payments in each tax year shall include adjust-  
5 ments, if necessary, to correct underpayments or overpayments  
6 from previous quarterly payments in the tax year to a revised  
7 estimate of the annual tax liability.

8 (4) The interest provided by this act shall not be assessed  
9 if any of the following occur:

10 (a) If the sum of the estimated payments equals at least 85%  
11 of the liability or 1% of the gross receipts for the tax year and  
12 the amount of each estimated payment reasonably approximates the  
13 tax liability incurred during the quarter for which the estimated  
14 payment was made.

15 (b) If the preceding year's tax liability was \$20,000.00 or  
16 less and if the taxpayer submitted 4 equal installments the sum  
17 of which equals the previous year's tax liability.

18 (C) IF THE TAXPAYER'S TAX LIABILITY FOR THE IMMEDIATELY PRE-  
19 CEDING TAX YEAR WAS MORE THAN \$20,000.00 AND THE TAXPAYER HAS  
20 SUBMITTED ESTIMATED PAYMENTS FOR THE TAX YEAR THAT EQUAL 110% OF  
21 THE IMMEDIATELY PRECEDING TAX YEAR'S TAX LIABILITY.

22 (5) Each estimated return shall be made on a form prescribed  
23 by the department and shall include an estimate of the annual tax  
24 liability and other information required by the commissioner.  
25 This form may be combined with any other tax reporting form pre-  
26 scribed by the department.

1           (6) ~~With respect to~~ FOR a ~~taxpayer filing an~~ TAXPAYER'S  
2 estimated ~~tax~~ return for the taxpayer's first tax year of less  
3 than 12 months, the amounts paid with each return shall be pro-  
4 portional to the number of payments made in the first tax year.

5           (7) Payments made under this section shall be a credit  
6 against the payment required with the annual tax return required  
7 in section 73.

8           (8) ~~When~~ IF the commissioner considers it necessary to  
9 insure payment of the tax or to provide a more efficient adminis-  
10 tration of the tax, the commissioner may require filing of the  
11 returns and payment of the tax for other than quarterly or annual  
12 periods.

13           (9) A taxpayer who elects under the internal revenue code to  
14 file an annual federal income tax return by March 1 in the year  
15 following the taxpayer's tax year and does not make a quarterly  
16 estimate or payment, or does not make a quarterly estimate or  
17 payment and files a tentative annual return with a tentative pay-  
18 ment by January 15, in the year following the taxpayer's tax year  
19 and a final return by April 15 in the year following the  
20 taxpayer's tax year, shall have the same option in filing the  
21 estimated and annual returns required by this act.

22           (10) Instead of the quarterly return prescribed in subsec-  
23 tions (1) and (2) the taxpayer may elect either of the following  
24 options:

25           (a) To file and pay before the sixteenth day of each month  
26 an estimated return computed at the rate of 1% of the gross  
27 receipts for the preceding month.

1 (b) To file and pay before the sixteenth day of the months  
2 specified in subsection (2) an estimated return computed at the  
3 rate of 1% of the gross receipts for the preceding quarter.