

# HOUSE BILL NO. 6516

November 29, 2022, Introduced by Rep. Thanedar and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 315 (MCL 206.315), as amended by 2011 PA 38,  
and by adding section 53.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 53. For tax years that begin on and after January 1,  
2       2023, a taxpayer who has an adjusted gross income at or below 150%  
3       of the federal poverty guidelines for the tax year based on the  
4       taxpayer's family size is exempt from the tax levied and imposed  
5       under this part and is not required to file a return under this

1 part for that tax year. As used in this section, "federal poverty  
2 guidelines" means the poverty guidelines published in the Federal  
3 Register by the United States Department of Health and Human  
4 Services under its authority to revise the poverty line under 42  
5 USC 9902, for that same tax year.

6 Sec. 315. (1) **Except as otherwise provided under subsection**  
7 **(6), every** person, other than a corporation, required to make a  
8 return for any taxable period under the internal revenue code,  
9 except as otherwise specifically provided in this part, if his or  
10 her adjusted gross income is in excess of the personal exemptions  
11 allowed by this part shall render on or before the fifteenth day of  
12 the fourth month following the close of that taxable period to the  
13 department a return setting forth all of the following:

14 (a) The amount of adjusted gross income on the return made to  
15 the United States ~~internal revenue service~~ **Internal Revenue Service**  
16 for federal income tax purposes and as provided in the definitions  
17 contained in this part and the rules issued under this part.

18 (b) The personal and dependency exemptions as allowed by this  
19 part.

20 (c) The amount of tax due under this part, less credits  
21 claimed against the tax.

22 (d) Other information for the purposes of carrying out this  
23 part as may be prescribed by the department.

24 (e) The balance of the tax shown to be due on the return is  
25 due and shall be paid by the date fixed for filing the return  
26 unless the balance is less than \$1.00, in which event payment is  
27 not required.

28 (2) A nonresident member who has income in this state from 1  
29 or more flow-through entities may elect to be included in the

1 composite income tax return of a flow-through entity of which the  
2 nonresident member is a member.

3 (3) A flow-through entity may file a composite income tax  
4 return on behalf of electing nonresident members and report and pay  
5 the tax due based on the electing nonresident members' shares of  
6 income available for distribution from the flow-through entity for  
7 doing business in, or deriving income from, sources within this  
8 state.

9 (4) A nonresident member that has been included in a composite  
10 income tax return and also files an individual income tax return  
11 for the same taxable period may claim a credit against the tax  
12 imposed by this part on that individual income tax return for the  
13 amount of taxes paid on behalf of the nonresident member by the  
14 flow-through entity on that composite income tax return.

15 (5) A composite income tax return is due on or before each  
16 April 15 and shall report the information required by the  
17 department for the immediately preceding calendar year.

18 **(6) A taxpayer who is exempt under section 53 from the tax**  
19 **imposed by this part is not required to file a return under this**  
20 **section for that tax year.**