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Senate Bill 124 (as introduced 3-6-25)  
Sponsor: Senator John N. Damoose  
Committee: Finance, Insurance, and Consumer Protection

Date Completed: 12-2-25

### **CONTENT**

The bill would amend the Income Tax Act to allow the Department of Treasury to extend the filing due date for annual income tax returns to align with the Federal income tax filing due date if the Internal Revenue Service (IRS) extended the Federal due date.

The Act requires a person to file an annual income tax return on or before April 15. Specifically, the bill would allow the Department to extend any due date for any tax year if the Department found that the IRS had extended the Federal income tax filing due date for individual Federal taxpayers for that same tax year. The Department's extension would have to be as long as the extended due date established by the IRS unless the Department had a compelling reason for a shorter extension. If the Department extended a due date, the Department would have to publish, in a manner as determined by the Department, the extended due date by the later of 10 days after the IRS announced the extended due date or 30 days before the original due date of the date being extended.

MCL 206.301a

Legislative Analyst: Nathan Leaman

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the State, the Department of Treasury, and local units of government. Allowing the Department to extend the due date for filing Federal income tax filing to align with Federal changes could reduce communications from confusion for filing deadlines received by the Department from tax filers, reduce the number of tax filers that may have been subject to a "failure-to-file" penalty, and reduce costs by extending the due date for filing that could spread the costs of processing returns over a longer period of time. The Department could experience additional costs to updated deadlines on the web and within the tax filing system. It is unknown if there would be an overall net increase or decrease for costs to the Department and the amount of penalty revenue received.

Local units of government would have an indeterminate fiscal impact for cities that levy a local income tax. It is unclear if cities would be able to extend tax filing due dates, especially those operated by the State, which is currently just the City of Detroit. This could cause additional administrative costs and changes to local "failure-to-file" penalty revenue.

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.