

SINGLE BUSINESS TAX ACT (EXCERPT)

Act 228 of 1975

CHAPTER 4

***** 208.71 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.71 Estimated returns and payments.

Sec. 71. (1) A taxpayer that reasonably expects liability for the tax year to exceed \$600.00 or adjustments under section 23 to exceed \$100,000.00 shall file an estimated return and pay an estimated tax for each quarter of the taxpayer's tax year. A taxpayer shall calculate liability for purposes of this section before applying any credit that the taxpayer may claim under section 38g(34) or section 39c(16).

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

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

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

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

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

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

(6) With respect to a taxpayer filing an estimated tax return for the taxpayer's first tax year of less than 12 months, the amounts paid with each return shall be proportional to the number of payments made in the first tax year.

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

(8) When the commissioner considers it necessary to insure payment of the tax or to provide a more efficient administration of the tax, the commissioner may require filing of the returns and payment of the tax for other than quarterly or annual periods.

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

(10) Instead of the quarterly return prescribed in subsections (1) and (2) the taxpayer may elect either of the following options:

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

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

(11) A penalty for underpayment of an estimated tax under this act shall not be assessed for the taxpayer's first tax year beginning after December 31, 1999 if the taxpayer claimed a credit under section 35a for the first time on the taxpayer's annual return for that tax year and a penalty would not have applied if the taxpayer had made adjustments under section 23 or 23b on that return.

History: 1975, Act 228, Eff. Jan. 1, 1976;—Am. 1976, Act 389, Imd. Eff. Dec. 30, 1976;—Am. 1977, Act 41, Imd. Eff. June 28, 1977;—Am. 1977, Act 273, Imd. Eff. Dec. 15, 1977;—Am. 1984, Act 281, Eff. Jan. 1, 1985;—Am. 1999, Act 115, Imd. Eff. July 14, 1999;—Am. 2006, Act 240, Imd. Eff. June 27, 2006.

Compiler's note: Section 2 of Act 281 of 1984 provides: "This amendatory act shall take effect for tax years beginning after December 31, 1984."

***** 208.72 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.72 Computation of tax for the first taxable year.

Sec. 72. A taxpayer subject to this act, may elect to compute the tax for the first taxable year if less than 12 months in accordance with 1 of the following methods:

(a) The tax may be computed as if this act were effective on the first day of the taxpayer's annual accounting period and the amount so computed shall be multiplied by a fraction, the numerator of which is the number of months in the taxpayer's first taxable year, and the denominator of which is 12.

(b) The tax may be computed by determining the tax base in the first taxable year in accordance with an accounting method, satisfactory to the commissioner, which reflects the actual tax base attributable to the period.

History: 1975, Act 228, Eff. Jan. 1, 1976.

***** 208.73 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.73 Filing annual or final return; form and content; remittance of final liability; exception; extension of time; consolidation of gross receipts of certain entities.

Sec. 73. (1) An annual or final return shall be filed with the department in the form and content prescribed by the department by the last day of the fourth month after the end of the taxpayer's tax year. Any final liability shall be remitted with this return. A person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a), (b), and (c) are less than the following amount for the appropriate year need not file a return or pay the tax provided under this act:

(a) \$40,000.00 for tax years beginning before January 1, 1991.

(b) \$60,000.00 for tax years beginning after December 31, 1990 and before January 1, 1992.

(c) \$100,000.00 for tax years beginning after December 31, 1991 and before January 1, 1994.

(d) \$137,500.00 for tax years beginning after December 31, 1993 and before January 1, 1995.

(e) \$250,000.00 for tax years beginning after December 31, 1994.

(2) For a person whose apportioned or allocated gross receipts plus the adjustments provided in section 23b(a), (b), and (c), are for a tax year less than 12 months, the amount in subsection (1) shall be multiplied by a fraction, the numerator of which is the number of months in the tax year and the denominator of which is 12.

(3) The commissioner upon application of the taxpayer and for good cause shown may extend the date for filing the annual return. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension. The commissioner shall require a tentative return and payment of an estimated tax.

(4) If a taxpayer is granted an extension of time within which to file the federal income tax return for any taxable year, the filing of a copy of the request for extension together with a tentative return and payment of an estimated tax with the commissioner by the due date provided in subsection (1) shall automatically extend the due date for the filing of a final return under this act for an equivalent period plus 60 days. Interest at the rate of 9% per annum shall be added to the amount of the tax unpaid for the period of the extension.

(5) For tax years that end after July 6, 1994, an affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined in the internal revenue code shall consolidate the gross receipts of the members of the affiliated group, member corporations of the controlled group, or entities under common control that have apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a), (b), and (c), of \$100,000.00 or more to determine if the group or entity shall pay a tax or file a return as provided under subsection (1). An individual member of an affiliated group or controlled group of corporations or an entity under common control is not required to file a return or pay the tax under this act if that member or entity has apportioned or allocated gross receipts, plus the adjustments provided in section 23b(a), (b), and (c), of less than \$100,000.00.

History: 1975, Act 228, Eff. Jan. 1, 1976;—Am. 1976, Act 389, Imd. Eff. Dec. 30, 1976;—Am. 1977, Act 273, Imd. Eff. Dec. 15, 1977;—Am. 1991, Act 77, Imd. Eff. July 16, 1991;—Am. 1994, Act 246, Eff. July 7, 1994;—Am. 1995, Act 80, Imd. Eff. June 15, 1995.

Compiler's note: MCL 208.39e(8) provides:

"Notwithstanding any other provision of this act and for tax years that begin after December 31, 2002, a person whose apportioned or

allocated gross receipts are less than \$350,000.00 for the tax year need not file a return or pay the tax as provided under this act.”

***** 208.75 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.75 Furnishing true and correct copy of federal return; filing amended return.

Sec. 75. (1) A taxpayer required to file a return under this act may be required to furnish a true and correct copy of any return or portion of any return which he has filed under the provisions of the internal revenue code.

(2) A taxpayer shall file an amended return with the department showing any alteration in or modification of his federal income tax return which affects his tax base under this act. The amended return shall be filed within 120 days after the final determination by the internal revenue service.

History: 1975, Act 228, Eff. Jan. 1, 1976.

***** 208.76 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.76 Information return; copy of federal return filed by voluntary association, joint venture, partnership, estate, or trust.

Sec. 76. (1) At the request of the department, a person required by the internal revenue code to file or submit an information return of income paid to others shall, to the extent the information is applicable to residents of this state, at the same time file or submit the information in form and content as may be prescribed to the department.

(2) A voluntary association, joint venture, partnership, estate, or trust at the request of the department shall file a copy of any tax return or portion of any tax return which was filed under the provisions of the internal revenue code. The department may prescribe alternate forms of returns.

History: 1975, Act 228, Eff. Jan. 1, 1976.

***** 208.77 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.77 Filing of consolidated or combined return by affiliated group of corporations; conditions; “United States corporation” defined.

Sec. 77. (1) The commissioner may require or permit the filing of a consolidated or combined return by an affiliated group of United States corporations if all of the following conditions exist:

(a) All members of the affiliated group are Michigan taxpayers.

(b) Each member of the affiliated group maintains a relationship with 1 or more members of the group which includes intercorporate transactions of a substantial nature other than control, ownership, or financing arrangements, or any combination thereof.

(c) The business activities of each member of the affiliated group are subject to apportionment by a specific apportionment formula contained in this act which specific formula also is applicable to all other members of the affiliated group, and would be so applicable to each member even if it were not a member of the affiliated group.

(2) As used in this section, “United States corporation” means a domestic corporation as those terms are defined in section 7701(a)(3) and (4) of the internal revenue code.

History: 1975, Act 228, Eff. Jan. 1, 1976;—Am. 1976, Act 389, Imd. Eff. Dec. 30, 1976;—Am. 1999, Act 115, Imd. Eff. July 14, 1999.

***** 208.78 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.78 Consolidated or combined return, tax base, or apportionment factors.

Sec. 78. (1) Except as expressly provided in section 77, a provision of this act shall not be construed to permit or require the filing of a consolidated or combined return or a consolidation or combination of the tax base or apportionment factors of 2 or more United States corporations.

(2) As used in this section, “United States corporation” means a domestic corporation as those terms are defined in section 7701(a)(3) and (4) of the internal revenue code.

History: 1975, Act 228, Eff. Jan. 1, 1976;—Am. 1999, Act 115, Imd. Eff. July 14, 1999.