

Act No. 193
Public Acts of 2011
Approved by the Governor
October 17, 2011
Filed with the Secretary of State
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EFFECTIVE DATE: January 1, 2012

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Senator Proos

ENROLLED SENATE BILL No. 679

AN ACT to amend 1967 PA 281, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," by amending section 711 (MCL 206.711), as added by 2011 PA 38.

The People of the State of Michigan enact:

Sec. 711. (1) Every person required by this part to deduct and withhold taxes for a tax year on compensation, winnings, or payoff on a winning ticket shall furnish to each employee, member, or person with winnings or a payoff on a winning ticket subject to withholding under this part on or before January 31 of the succeeding year a statement in duplicate of the total compensation, winnings, or payoff on a winning ticket paid during the tax year and the amount deducted or withheld. However, if employment is terminated before the close of a calendar year by a person that goes out of business or permanently ceases to exist, then the statement required by this subsection shall be issued within 30 days after the last compensation, winnings, or payoff of a winning ticket is paid. A duplicate of a statement made pursuant to this section and an annual reconciliation return, MI-W3, shall be filed with the department by February 28 of the succeeding year except that a person that goes out of business or permanently ceases to exist shall file the statement and the annual reconciliation return within 30 days after going out of business or permanently ceasing to exist. A flow-through entity that has withheld taxes on distributive shares of business income reasonably expected to accrue shall file an annual reconciliation return with the department no later than the last day of the second month following the end of the flow-through entity's federal tax year. The department may require the flow-through entity to file an annual business income information return with the department on the due date, including extensions, of its annual federal information return.

(2) Every person required by this part to deduct or withhold taxes shall make a return or report in form and content and at times as prescribed by the department. An employer or flow-through entity that has entered into an agreement with a community college pursuant to chapter 13 of the community college act of 1966, 1966 PA 331, MCL 389.161 to 389.166, and is required to deduct or withhold taxes from compensation and make payments to a community college pursuant to the agreement for a portion of those taxes withheld shall, for as long as the agreement remains in effect, delineate in the return or report required under this subsection between the amount deducted or withheld and paid to the state and that amount paid to a community college.

(3) Every person that receives a pension or annuity payment, employee, member, or person with winnings or a payoff on a winning ticket subject to withholding under this part shall furnish to the person that disburses the pension or annuity payment, his or her employer, flow-through entity, eligible production company, casino licensee, race meeting

licensee, and track licensee information required to make an accurate withholding. A person that receives pension or annuity payments, employee, member, or person with winnings or a payoff on a winning ticket subject to withholding under this part shall file with the person that disburses the pension or annuity payment, his or her employer, flow-through entity, eligible production company, casino licensee, race meeting licensee, and track licensee revised information within 10 days after a decrease in the number of exemptions or a change in status from a nonresident to a resident. The person who receives pension or annuity payments, employee, nonresident member, or person with winnings or a payoff on a winning ticket subject to withholding under this part may file revised information when the number of exemptions increases or when a change in status occurs from that of a resident of this state to a nonresident of this state. Revised information shall not be given retroactive effect for withholding purposes. A person required by this part to deduct and withhold taxes shall rely on this information for withholding purposes unless directed by the department to withhold on some other basis. If a person who receives a retirement or annuity payment, employee, member, or person with winnings or a payoff on a winning ticket subject to withholding under this part fails or refuses to furnish information, the person required by this part to deduct and withhold taxes shall withhold the full rate of tax from the person's retirement or annuity payment, employee's total compensation, the member's distributive share of business income reasonably expected to accrue, or the winnings of a person with winnings or a payoff on a winning ticket subject to withholding under this part.

Enacting section 1. This amendatory act takes effect January 1, 2012.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

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Governor