

HOUSE BILL NO. 5415

January 30, 2024, Introduced by Reps. Filler, Hoskins and Martus and referred to the Committee on Economic Development and Small Business.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending sections 51f and 711 (MCL 206.51f and 206.711), section 51f as added by 2017 PA 110 and section 711 as amended by 2018 PA 118.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51f. (1) In addition to the distributions under sections
2 51, ~~and 51d~~, **and 51e**, from the revenue collected from the tax
3 levied under section 51 an amount equal to that portion of the

1 withholding tax capture revenues attributable to certified new jobs
2 and due to be paid to an authorized business pursuant to a written
3 agreement entered into under chapter 8D of the Michigan strategic
4 fund act, 1984 PA 270, MCL 125.2090g to 125.2090j, shall be
5 deposited each state fiscal year into the ~~good jobs for high-wage~~
6 **incentive for regional employment in (H.I.R.E.)** Michigan fund
7 created in section 90j of the Michigan strategic fund act, 1984 PA
8 270, MCL 125.2090j.

9 (2) As used in this section, "authorized business", "certified
10 new jobs", "withholding tax capture revenues", and "written
11 agreement" mean those terms as defined in section 90g of the
12 Michigan strategic fund act, 1984 PA 270, MCL 125.2090g.

13 Sec. 711. (1) Every person required by this part to deduct and
14 withhold taxes for a tax year on income other than distributive
15 share of income from a flow-through entity shall furnish to the
16 person who received the income a statement in duplicate on or
17 before January 31 of the succeeding year of the total income paid
18 during the tax year and the amount deducted or withheld. However,
19 if employment is terminated before the close of a calendar year by
20 a person that goes out of business or permanently ceases to exist,
21 then the statement required by this subsection shall be issued
22 within 30 days after the last compensation, winnings, or payoff of
23 a winning ticket is paid. A duplicate of a statement made pursuant
24 to this section and an annual reconciliation return, MI-W3, shall
25 be filed with the department by February 28 of the succeeding year
26 for tax years before the 2018 tax year and by January 31 of the
27 succeeding year for the 2018 tax year and each tax year after 2018
28 except that a person that goes out of business or permanently
29 ceases to exist shall file the statement and the annual

1 reconciliation return within 30 days after going out of business or
2 permanently ceasing to exist. For tax years that begin before July
3 1, 2016, a flow-through entity that was required to withhold taxes
4 on distributive shares of business income shall file an annual
5 reconciliation return with the department no later than the last
6 day of the second month following the end of the flow-through
7 entity's federal tax year. The department may require a flow-
8 through entity to file an annual business income information return
9 with the department on the due date, including extensions, of its
10 annual federal information return.

11 (2) Every person required by this part to deduct or withhold
12 taxes shall make a return or report in form and content and at
13 times as prescribed by the department. An employer that has more
14 than 250 employees shall file its annual return or report required
15 under this section in electronic form. An employer that has entered
16 into an agreement with a community college pursuant to chapter 13
17 of the community college act of 1966, 1966 PA 331, MCL 389.161 to
18 389.166, and is required to deduct or withhold taxes from
19 compensation and make payments to a community college pursuant to
20 the agreement for a portion of those taxes withheld shall, for as
21 long as the agreement remains in effect, delineate in the return or
22 report required under this subsection between the amount deducted
23 or withheld and paid to the state and that amount paid to a
24 community college. An employer that has entered into a written
25 agreement ~~pursuant to the good jobs for Michigan program created~~
26 under section 90h of the Michigan strategic fund act, 1984 PA 270,
27 MCL 125.2090h, shall, for as long as the written agreement remains
28 in effect, delineate in the return or report required under this
29 subsection the portion of those taxes withheld and paid to the

1 state that are attributable to certified new jobs.

2 (3) Every person who receives income subject to withholding
3 under this part shall furnish to the person required by this part
4 to deduct and withhold taxes information required to make an
5 accurate withholding. A person who receives income subject to
6 withholding under this part shall file with the person required by
7 this part to deduct and withhold taxes revised information within
8 10 days after a decrease in the number of exemptions or a change in
9 status from a nonresident to a resident. The person who receives
10 income subject to withholding under this part may file revised
11 information when the number of exemptions increases or when a
12 change in status occurs from that of a resident of this state to a
13 nonresident of this state. Revised information shall not be given
14 retroactive effect for withholding purposes. A person required by
15 this part to deduct and withhold taxes shall rely on this
16 information for withholding purposes unless directed by the
17 department to withhold on some other basis. If a person who
18 receives income subject to withholding under this part fails or
19 refuses to furnish information, the person required by this part to
20 deduct and withhold taxes shall withhold at the full rate of tax
21 from the person's income subject to withholding under this part.

22 Enacting section 1. This amendatory act does not take effect
23 unless all of the following bills of the 102nd Legislature are
24 enacted into law:

25 (a) House Bill No. 5413 (request no. H02122'23 *).

26 (b) House Bill No. 5414 (request no. H04478'23 *).