

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

(517) 373-5383

Senate Bill 753 (as passed by the Senate)  
Sponsor: Senator Joe Conroy  
Committee: Finance

Date Completed: 6-26-90

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**RATIONALE**

The City Income Tax Act requires a person subject to a city income tax to file a declaration of estimated city income tax with the city if he or she anticipates receiving income from which the tax will not be withheld. A declaration is not required, however, if the total estimated tax minus applicable tax credits does not exceed \$40. The \$40 threshold was established with the passage of the Act in 1964. It has been suggested that it is time for the threshold to be raised because, it is argued, the current level is too low and requires too many individuals to go through the process of filing a declaration of estimated tax.

individuals to file a declaration, thus relieving many taxpayers of the cumbersome requirement, and relieving cities of the need to process their declarations.

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**CONTENT**

The bill would amend the City Income Tax Act to raise to \$100, from the current \$40, the threshold at which a taxpayer subject to city income tax must file a declaration of estimated tax with the city.

MCL 141.662

**FISCAL IMPACT**

The bill would have no fiscal impact on State government.

**ARGUMENTS****Supporting Argument**

Currently, a taxpayer subject to a city income tax must file a declaration of estimated tax if he or she anticipates having a total tax, on income not subject to withholding, over the relatively minor amount of \$40. The bill would raise the threshold, established in 1964, which requires

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