

**SUBSTITUTE FOR
HOUSE BILL NO. 5415**

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
4 withholding tax capture revenues attributable to certified new jobs
5 and due to be paid to an authorized business pursuant to a written
6 agreement entered into under chapter 8D of the Michigan strategic
7 fund act, 1984 PA 270, MCL 125.2090g to 125.2090j, shall be



1 deposited each state fiscal year into the good jobs for Michigan
 2 fund created in section 90j of the Michigan strategic fund act,
 3 1984 PA 270, MCL 125.2090j.

4 (2) In addition to the distributions under sections 51, 51d,
 5 and 51e, from the revenue collected from the tax levied under
 6 section 51 an amount equal to that portion of the withholding tax
 7 capture revenues attributable to certified new jobs and due to be
 8 paid to an authorized business pursuant to a written agreement
 9 entered into under chapter 8F of the Michigan strategic fund act,
 10 1984 PA 270, MCL 125.2090t to 125.2090w, shall be deposited each
 11 state fiscal year into the high-wage incentive for regional
 12 employment in (H.I.R.E.) Michigan fund created in section 90w of
 13 the Michigan strategic fund act, 1984 PA 270, MCL 125.2090w.

14 (3) ~~(2)~~ As used in ~~this section~~, subsection (1), "authorized
 15 business", "certified new jobs", "withholding tax capture
 16 revenues", and "written agreement" mean those terms as defined in
 17 section 90g of the Michigan strategic fund act, 1984 PA 270, MCL
 18 125.2090g. As used in subsection (2), "authorized business",
 19 "certified new jobs", "withholding tax capture revenues", and
 20 "written agreement" mean those terms as defined in section 90t of
 21 the Michigan strategic fund act, 1984 PA 270, MCL 125.2090t.

22 Sec. 711. (1) Every person required by this part to deduct and
 23 withhold taxes for a tax year on income other than distributive
 24 share of income from a flow-through entity shall furnish to the
 25 person who received the income a statement in duplicate on or
 26 before January 31 of the succeeding year of the total income paid
 27 during the tax year and the amount deducted or withheld. However,
 28 if employment is terminated before the close of a calendar year by
 29 a person that goes out of business or permanently ceases to exist,



1 then the statement required by this subsection shall be issued
2 within 30 days after the last compensation, winnings, or payoff of
3 a winning ticket is paid. A duplicate of a statement made pursuant
4 to this section and an annual reconciliation return, MI-W3, shall
5 be filed with the department by February 28 of the succeeding year
6 for tax years before the 2018 tax year and by January 31 of the
7 succeeding year for the 2018 tax year and each tax year after 2018
8 except that a person that goes out of business or permanently
9 ceases to exist shall file the statement and the annual
10 reconciliation return within 30 days after going out of business or
11 permanently ceasing to exist. For tax years that begin before July
12 1, 2016, a flow-through entity that was required to withhold taxes
13 on distributive shares of business income shall file an annual
14 reconciliation return with the department no later than the last
15 day of the second month following the end of the flow-through
16 entity's federal tax year. The department may require a flow-
17 through entity to file an annual business income information return
18 with the department on the due date, including extensions, of its
19 annual federal information return.

20 (2) Every person required by this part to deduct or withhold
21 taxes shall make a return or report in form and content and at
22 times as prescribed by the department. An employer that has more
23 than 250 employees shall file its annual return or report required
24 under this section in electronic form. An employer that has entered
25 into an agreement with a community college pursuant to chapter 13
26 of the community college act of 1966, 1966 PA 331, MCL 389.161 to
27 389.166, and is required to deduct or withhold taxes from
28 compensation and make payments to a community college pursuant to
29 the agreement for a portion of those taxes withheld shall, for as



1 long as the agreement remains in effect, delineate in the return or
 2 report required under this subsection between the amount deducted
 3 or withheld and paid to the state and that amount paid to a
 4 community college. An employer that has entered into a written
 5 agreement ~~pursuant to the good jobs for Michigan program created~~
 6 under section 90h **or 90u** of the Michigan strategic fund act, 1984
 7 PA 270, MCL 125.2090h **and 125.2090u**, shall, for as long as the
 8 written agreement remains in effect, delineate in the return or
 9 report required under this subsection the portion of those taxes
 10 withheld and paid to the state that are attributable to certified
 11 new jobs.

12 (3) Every person who receives income subject to withholding
 13 under this part shall furnish to the person required by this part
 14 to deduct and withhold taxes information required to make an
 15 accurate withholding. A person who receives income subject to
 16 withholding under this part shall file with the person required by
 17 this part to deduct and withhold taxes revised information within
 18 10 days after a decrease in the number of exemptions or a change in
 19 status from a nonresident to a resident. The person who receives
 20 income subject to withholding under this part may file revised
 21 information when the number of exemptions increases or when a
 22 change in status occurs from that of a resident of this state to a
 23 nonresident of this state. Revised information shall not be given
 24 retroactive effect for withholding purposes. A person required by
 25 this part to deduct and withhold taxes shall rely on this
 26 information for withholding purposes unless directed by the
 27 department to withhold on some other basis. If a person who
 28 receives income subject to withholding under this part fails or
 29 refuses to furnish information, the person required by this part to



1 deduct and withhold taxes shall withhold at the full rate of tax
2 from the person's income subject to withholding under this part.

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

6 (a) Senate Bill No. 579.

7 (b) Senate Bill No. 580.

