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**1099-MISC: FILE COPIES WITH
STATE AND LOCAL UNITS**

**Senate Bill 770 as passed by the Senate
Sponsor: Sen. Alan L. Cropsy
Committee: Tax Policy**

Complete to 10-30-03

**A SUMMARY OF SENATE BILL 770 AS REPORTED BY THE HOUSE COMMITTEE
ON TAX POLICY 10-29-03**

The bill would amend the Income Tax Act so that a person required to file a form 1099-MISC with the federal government under the federal Internal Revenue Code would have to file a copy of the form with the state Department of Treasury and with the city reported as the payee's address on the form, if that city had an income tax. The form would have to be filed with the Department of Treasury on or before January 31 each year or on or before the day required for filing with the federal government, whichever was later.

A person who failed to comply would be liable to the Department of Treasury for a penalty of \$50 for each form the taxpayer failed to file.

MCL 206.355a

FISCAL IMPLICATIONS:

The House Fiscal Agency says that the bill would have minimal state and local fiscal impact, noting that the Department of Treasury currently has provisions in place to identify income not reported as the state level but reported at the federal level to the Internal Revenue Service. (HFA analysis dated 10-28-03)

POSITIONS:

The Department of Treasury supports the concept of the bill. (10-29-03)

The Michigan Chapter Associated General Contractors of America, Inc. supports the bill. (10-29-03)

The Michigan Education Association has indicated support for the bill. (10-29-03)

The Michigan Municipal League has indicated support for the bill in concept. (10-29-03)

A representative of the Associated Builders and Contractors of Michigan (who described the organization as made up of independent, non-union contractors) testified in opposition to the bill. (10-29-03)

The Small Business Association of Michigan (SBAM) is opposed to the bill. (10-29-03)

Senate Bill 770 (10-30-03)

The National Federation of Independent Business/ Michigan (NFIB) has expressed opposition to the bill as written, but has said it may consider withdrawing opposing should the local taxing authority reporting requirement be eliminated and no additional amendments affixed. (10-29-03)

The Michigan Association of Home Builders has indicated opposition to the bill. (10-29-03)

Analyst: C. Couch

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.