

# SENATE BILL No. 806

April 14, 1988, Introduced by Senators CROPSEY, GAST, BARCIA,  
FREDRICKS, CARL, CRUCE, SMITH, SCHWARZ, WELBORN, FAXON,  
KELLY and FESSLER and referred to the Committee on Finance.

A bill to amend section 301 of Act No. 281 of the Public  
Acts of 1967, entitled  
"Income tax act of 1967,"  
as amended by Act No. 70 of the Public Acts of 1988, being sec-  
tion 206.301 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 301 of Act No. 281 of the Public Acts of  
2 1967, as amended by Act No. 70 of the Public Acts of 1988, being  
3 section 206.301 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 301. (1) Every person on a calendar year basis, if the  
6 person's annual tax can reasonably be expected to exceed the  
7 amount withheld under section 351 and the credits allowed under  
8 this act by more than \$500.00, shall pay to the department  
9 installments of estimated tax under this act on or before

1 April 15, ~~June~~ JULY 15, and ~~September~~ OCTOBER 15 of the  
2 person's tax year and January 15 in the following year. Subject  
3 to subsection (3), each installment shall be equal to  $1/4$  the  
4 taxpayer's estimated tax under this act after first deducting the  
5 amount estimated to be withheld under section 351.

6 (2) For a taxpayer on other than a calendar year basis,  
7 there shall be substituted for the due dates provided in subsec-  
8 tion (1) the appropriate due dates which in the taxpayer's fiscal  
9 year correspond to the calendar year.

10 (3) For a taxpayer paying estimated tax for the taxpayer's  
11 first tax year of less than 12 months, the amount paid shall be  
12 that fraction of the estimated tax which is obtained by dividing  
13 the total amount of estimated tax by the number of payments to be  
14 made with respect to the tax year.

15 (4) There shall be allowed as a credit against the tax  
16 imposed by this act the amounts paid the department pursuant to  
17 this section.

18 (5) Instead of the quarterly payments, a person subject to  
19 this section may pay an estimated annual tax for the succeeding  
20 tax year. The payment shall be made at the same time the person  
21 files the annual return for the previous full tax year.

22 (6) A farmer or fisherman who elects to file and pay his or  
23 her federal income tax under an alternative schedule provided in  
24 section 6654 of the internal revenue code may file and pay the  
25 tax imposed by this act in the same manner.

26 (7) A payment of estimated tax shall be computed on the  
27 basis of the annualized rate established pursuant to section

1 51(9) for the appropriate tax year to which the estimated tax  
2 payment is applicable.

3 (8) Except as provided in subsection (1), the amount of an  
4 estimated tax installment shall be computed, payment of estimated  
5 tax shall be credited, and a period of underpayment shall be  
6 determined in the same manner as provided in the internal revenue  
7 code.