

# HOUSE BILL No. 5302

November 13, 2003, Introduced by Rep. Wenke and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
 "Income tax act of 1967,"  
 by amending sections 191 and 352 (MCL 206.191 and 206.352),  
 section 352 as added by 1996 PA 568.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 191. (1) If the taxpayer's only activities ~~within~~ **in**  
 2 this state consist of sales and do not include owning or renting  
 3 real ~~estate~~ **property** or tangible personal property and ~~whose~~  
 4 ~~dollar volume of~~ **if the taxpayer's** gross sales made during the  
 5 tax year ~~within the~~ **in this** state ~~is not in excess of~~  
 6 ~~\$100,000.00~~ the taxpayer may elect for that year ~~do not exceed~~  
 7 ~~\$100,000.00~~ for tax years that begin before January 1, 2004 or  
 8 ~~\$110,000.00~~ for tax years that begin after December 31, 2003, the  
 9 taxpayer may elect to report and pay the tax imposed under this  
 10 act for the tax year using whichever of the following methods

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1 **results in the lesser tax liability:**

2 (a) ~~To report and pay a tax on net income arrived at by~~  
3 ~~multiplying~~ **Multiplying** total sales in this state for the  
4 ~~taxable tax~~ year by the ratio of net income from operations to  
5 total sales as reported on ~~his~~ **the taxpayer's** federal income  
6 tax return for the same ~~taxable tax~~ year. ~~;~~ ~~or~~

7 (b) ~~Report and pay a tax of 2/5 of 1% on~~ **Multiply** total  
8 sales in this state ~~, whichever method reflects the lesser tax~~  
9 ~~liability~~ **by 2/5 of 1%.**

10 (2) The election **under subsection (1)** is not available for  
11 any ~~taxable tax~~ year for which **the taxpayer is required to file**  
12 a consolidated return. ~~is required.~~

13 Sec. 352. (1) For the 1997 tax year and each tax year after  
14 the 1997 tax year, a taxpayer who is due a refund determined  
15 under section 30 of ~~Act No. 122 of the Public Acts of 1941,~~  
16 ~~being section 205.30 of the Michigan Compiled Laws~~ **1941 PA 122,**  
17 **MCL 205.30**, may request a direct deposit of that refund to a  
18 financial institution of the taxpayer's choice that is located in  
19 the United States by completing a direct deposit form prescribed  
20 by the department and attaching the completed form to the  
21 taxpayer's annual return.

22 (2) The department shall comply with a request under this  
23 section unless the request is incomplete or defective in a manner  
24 that precludes the department from honoring the request. If the  
25 department does not honor the request, the department shall issue  
26 a warrant, as provided in ~~Act No. 122 of the Public Acts of~~  
27 ~~1941, being sections 205.1 to 205.31 of the Michigan Compiled~~

1 ~~Laws—~~ 1941 PA 122, MCL 205.1 to 205.31, and at the same time  
2 provide the taxpayer with a written explanation including the  
3 specific reason for not honoring the taxpayer's request for  
4 direct deposit.

5 (3) The department shall develop and make available the  
6 direct deposit form prescribed under subsection (1) to provide  
7 for direct deposit of a refund due to a taxpayer.