

INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

206.675 Flow-through entity members; tax credit for tax paid by the flow-through entity; refundable; reasonable proof.

Sec. 675.

(1) Except as otherwise provided under this section, for tax years beginning on and after January 1, 2021, a taxpayer who is either a member of a flow-through entity that elects to file a return and pay the tax imposed under part 4 or a direct or indirect member of another flow-through entity that elects to file a return and pay the tax imposed under part 4 may claim a credit against the tax imposed under this part in an amount equal to the member's allocated share of the tax as reported to the member by the flow-through entity pursuant to section 839(1)(d) for the tax year ending on or within the taxpayer's same tax year.

(2) If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall be refunded.

(3) For tax years ending in 2021 only, if the taxpayer claims a credit under this section and the annual return filed under this part on which the credit under this section is claimed results in a refund, any portion of that refund that is attributable to the credit claimed under this section is not subject to added interest under section 30(3) of 1941 PA 122, MCL 205.30.

(4) The department may require reasonable proof from the taxpayer related to the allocated share of the tax claimed for a credit under this section, the direct or indirect flow-through entities required to report under section 839(1)(d), or any other information required by the department for the administration of this section.

History: Add. 2021, Act 135, Imd. Eff. Dec. 21, 2021 ;-- Am. 2024, Act 216, Eff. Apr. 2, 2025

Compiler's Notes: Enacting section 1 of Act 135 of 2021 provides: "Enacting section 1. This amendatory act is retroactive and intended to apply retroactively effective for tax years beginning on and after January 1, 2021."