

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senators Daley and VanderWall

ENROLLED SENATE BILL No. 935

AN ACT to amend 1937 PA 94, entitled “An act to provide for the levy, assessment, and collection of a specific excise tax on the storage, use, or consumption in this state of tangible personal property and certain services; to appropriate the proceeds of that tax; to prescribe penalties; and to make appropriations,” by amending section 6 (MCL 205.96), as amended by 2014 PA 426, and by adding section 6d.

The People of the State of Michigan enact:

Sec. 6. (1) Every person storing, using, or consuming tangible personal property or services, the storage, use, or consumption of which is subject to the tax imposed by this act when the tax was not paid to a seller, and every seller collecting the tax from the purchaser, except as otherwise provided by law or as otherwise required under subsection (2) or (3), on or before the twentieth day of each calendar month shall file with the department a return for the preceding calendar month, in a form prescribed by the department, showing the price of each purchase of tangible personal property or services during the preceding month, and other information the department considers necessary for the proper administration of this act. Except as otherwise provided in section 6d, at the same time, each person shall pay to the department the amount of tax imposed by this act with respect to the purchases covered by the return.

(2) Except as otherwise provided in section 6d, each seller that had a total tax liability after subtracting the tax payments made to the secretary of state under this act or the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or after subtracting the tax credits available under section 6a of the general sales tax act, 1933 PA 167, MCL 205.56a, in the immediately preceding calendar year of \$720,000.00 or more shall remit to the department, by an electronic funds transfer method approved by the department on or before the twentieth day of the month, an amount equal to the following:

(a) Beginning January 1, 1999 through December 31, 2013, 50% of the taxpayer’s liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month. Additionally, the seller shall remit to the department, by an electronic funds transfer method approved by the department on or before the last day of the month, an amount equal to 50% of the taxpayer’s liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less.

(b) Beginning January 1, 2014, 75% of the taxpayer’s liability under this act in the immediately preceding month or 75% of the taxpayer’s liability for the same month in the immediately preceding calendar year, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for

the immediately preceding month minus the amount of tax previously paid for that month. Payment remitted to the department by electronic funds transfer may include as a single payment any amount due under section 6 of the general sales tax act, 1933 PA 167, MCL 205.56.

(3) Subject to section 6d, if considered necessary to ensure payment of the tax or to provide a more efficient administration, the department may require and prescribe the filing of returns and payment of the tax for other than monthly periods.

(4) The tax imposed under this act shall accrue to this state on the last day of each calendar month.

(5) If a due date falls on a Saturday, Sunday, state holiday, or legal banking holiday, the taxes are due on the next succeeding business day.

Sec. 6d. (1) A qualified taxpayer that files a monthly return under this act may defer payment of qualified taxes by remitting them in installments as follows:

(a) Taxes otherwise due for March, April, and May must be paid in 6 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) July 20, 2020.

(iii) August 20, 2020.

(iv) September 21, 2020.

(v) October 20, 2020.

(vi) November 20, 2020.

(b) Taxes otherwise due for June 2020 must be paid in 5 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) August 20, 2020.

(iii) September 21, 2020.

(iv) October 20, 2020.

(v) November 20, 2020.

(c) Taxes otherwise due for July 2020 must be paid in 4 equal installments with 1 installment due on each of the following dates:

(i) August 20, 2020.

(ii) September 21, 2020.

(iii) October 20, 2020.

(iv) November 20, 2020.

(d) Taxes otherwise due for August 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) September 21, 2020.

(ii) October 20, 2020.

(iii) November 20, 2020.

(2) A qualified taxpayer that files a quarterly return under this act may defer payment of qualified taxes by remitting them in installments as follows:

(a) Taxes otherwise due for March of quarter 1 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(b) Taxes otherwise due for quarter 2 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(c) Taxes otherwise due for July and August of quarter 3 of 2020 must be paid in 2 equal monthly installments with 1 installment due on each of the following dates:

(i) October 20, 2020.

(ii) November 20, 2020.

(3) If a qualified taxpayer intends to defer payment of qualified taxes otherwise due under this act for August 2020, the qualified taxpayer shall submit an estimate of the taxes to be deferred for August 2020 to the department not later than July 31, 2020 on a form prescribed by the department.

(4) Penalties and interest must not be added to qualified taxes remitted pursuant to this section.

(5) As used in this section:

(a) "COVID-19 executive order" means an executive order issued by the governor in response to the coronavirus (COVID-19) public health emergency.

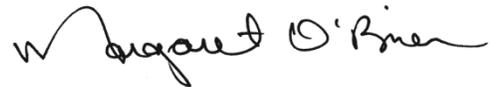
(b) "Qualified taxes" means the taxes otherwise due under this act from a qualified taxpayer for March, April, May, June, July, and August 2020.

(c) "Qualified taxpayer" means a taxpayer whose business has been negatively impacted as the result of a COVID-19 executive order. A taxpayer's business is considered negatively impacted by a COVID-19 executive order if 1 or more of the following apply:

(i) As a result of a COVID-19 executive order, the taxpayer's place of business is closed or restricted to ingress, egress, use, and occupancy by members of the public.

(ii) The taxpayer's business involves assemblages of people that are prohibited by a COVID-19 executive order.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senators Runestad and VanderWall

ENROLLED SENATE BILL No. 936

AN ACT to amend 1933 PA 167, entitled “An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” by amending section 6 (MCL 205.56), as amended by 2014 PA 425, and by adding section 6d.

The People of the State of Michigan enact:

Sec. 6. (1) Each taxpayer, except as otherwise provided by law or as otherwise required under subsection (2), (4), or (5), on or before the twentieth day of each month shall make out a return for the preceding month on a form prescribed by the department showing the entire amount of all sales and gross proceeds of the taxpayer’s business, the allowable deductions, and the amount of tax for which the taxpayer is liable. Except as otherwise provided in section 6d, the taxpayer shall also transmit the return, together with a remittance for the amount of the tax, to the department on or before the twentieth day of that month.

(2) Except as otherwise provided in section 6d, each taxpayer that had a total tax liability after subtracting the tax payments made to the secretary of state under this act or the use tax act, 1937 PA 94, MCL 205.91 to 205.111, or after subtracting the tax credits available under section 6a, in the immediately preceding calendar year of \$720,000.00 or more shall remit to the department, by an electronic funds transfer method approved by the department on or before the twentieth day of the month, an amount equal to the following:

(a) Beginning January 1, 1999 through December 31, 2013, 50% of the taxpayer’s liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month. Additionally, the seller shall remit to the department, by an electronic funds transfer method approved by the department on or before the last day of the month, an amount equal to 50% of the taxpayer’s liability under this act for the same month in the immediately preceding calendar year, or 50% of the actual liability for the month being reported, whichever is less.

(b) Beginning January 1, 2014, 75% of the taxpayer’s liability under this act in the immediately preceding month or 75% of the taxpayer’s liability for the same month in the immediately preceding calendar year, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month. Payment remitted to the department by electronic funds transfer may include as a single payment any amount due under section 6 of the use tax act, 1937 PA 94, MCL 205.96.

(3) The tax imposed under this act shall accrue to this state on the last day of the month in which the sale is incurred.

(4) Subject to section 6d, the department, if necessary to ensure payment of the tax or to provide a more efficient administration, may require the filing of returns and payment of the tax for other than monthly periods.

(5) A taxpayer who is a materialperson may at the option of the taxpayer include the amount of all taxable sales and gross proceeds from materials furnished to an owner, contractor, subcontractor, repairperson, or consumer on a credit sale basis for the purpose of making an improvement to real property in the taxpayer's return in the first quarterly return due following the date in which the materialperson made the credit sale to the owner, contractor, subcontractor, repairperson, or consumer. Notwithstanding subsections (1) to (3), a materialperson may at the option of the taxpayer file quarterly returns for a credit sale only as determined by the department. As used in this subsection:

(a) "Credit sale" means an extension of credit for the sale of taxable goods by a seller other than a credit card sale.

(b) "Materialperson" means a person that provides materials for the improvement of real property, that has registered with and has demonstrated to the department that the person is primarily engaged in the sale of lumber and building material related products, precast concrete products, or conduit or fitting products used in the collection, conveyance, or distribution of water or sewage to owners, contractors, subcontractors, repairpersons, or consumers, and that is authorized to file a construction lien upon real property and improvements under the construction lien act, 1980 PA 497, MCL 570.1101 to 570.1305.

(6) If a due date falls on a Saturday, Sunday, state holiday, or legal banking holiday, the taxes are due on the next succeeding business day.

Sec. 6d. (1) A qualified taxpayer that files a monthly return under this act may defer payment of qualified taxes by remitting them in installments as follows:

(a) Taxes otherwise due for March, April, and May must be paid in 6 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) July 20, 2020.

(iii) August 20, 2020.

(iv) September 21, 2020.

(v) October 20, 2020.

(vi) November 20, 2020.

(b) Taxes otherwise due for June 2020 must be paid in 5 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) August 20, 2020.

(iii) September 21, 2020.

(iv) October 20, 2020.

(v) November 20, 2020.

(c) Taxes otherwise due for July 2020 must be paid in 4 equal installments with 1 installment due on each of the following dates:

(i) August 20, 2020.

(ii) September 21, 2020.

(iii) October 20, 2020.

(iv) November 20, 2020.

(d) Taxes otherwise due for August 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) September 21, 2020.

(ii) October 20, 2020.

(iii) November 20, 2020.

(2) A qualified taxpayer that files a quarterly return under this act may defer payment of qualified taxes by remitting them in installments as follows:

(a) Taxes otherwise due for March of quarter 1 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(b) Taxes otherwise due for quarter 2 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(c) Taxes otherwise due for July and August of quarter 3 of 2020 must be paid in 2 equal monthly installments with 1 installment due on each of the following dates:

(i) October 20, 2020.

(ii) November 20, 2020.

(3) If a qualified taxpayer intends to defer payment of qualified taxes otherwise due under this act for August 2020, the qualified taxpayer shall submit an estimate of the taxes to be deferred for August 2020 to the department not later than July 31, 2020 on a form prescribed by the department.

(4) Penalties and interest must not be added to qualified taxes remitted pursuant to this section.

(5) As used in this section:

(a) "COVID-19 executive order" means an executive order issued by the governor in response to the coronavirus (COVID-19) public health emergency.

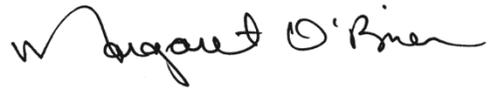
(b) "Qualified taxes" means the taxes otherwise due under this act from a qualified taxpayer for March, April, May, June, July, and August 2020.

(c) "Qualified taxpayer" means a taxpayer whose business has been negatively impacted as the result of a COVID-19 executive order. A taxpayer's business is considered negatively impacted by a COVID-19 executive order if 1 or more of the following apply:

(i) As a result of a COVID-19 executive order, the taxpayer's place of business is closed or restricted to ingress, egress, use, and occupancy by members of the public.

(ii) The taxpayer's business involves assemblages of people that are prohibited by a COVID-19 executive order.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senator VanderWall

ENROLLED SENATE BILL No. 937

AN ACT to amend 1967 PA 281, entitled “An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement by lien and otherwise of taxes on or measured by net income and on certain commercial, business, and financial activities; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal acts and parts of acts,” by amending sections 703 and 705 (MCL 206.703 and 206.705), section 703 as amended by 2016 PA 158 and section 705 as amended by 2011 PA 192.

The People of the State of Michigan enact:

Sec. 703. (1) A person who disburses pension or annuity payments, except as otherwise provided under this section, shall withhold a tax in an amount computed by applying the rate prescribed in section 51 on the taxable part of payments from an employer pension, annuity, profit-sharing, stock bonus, or other deferred compensation plan as well as from an individual retirement arrangement, an annuity, an endowment, or a life insurance contract issued by a life insurance company. Withholding must be calculated on the taxable disbursement after deducting from the taxable portion the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act. Withholding is not required on any part of a distribution that is not expected to be includable in the recipient’s gross income or that is deductible from adjusted gross income under section 30(1)(e) or (f).

(2) Every employer in this state required under the provisions of the internal revenue code to withhold a tax on the compensation of an individual, except as otherwise provided, shall deduct and withhold a tax in an amount computed by applying, except as provided by subsection (14), the rate prescribed in section 51 to the remainder of the compensation after deducting from compensation the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act that the period of time covered by the compensation is of 1 year. The department may prescribe withholding tables that may be used by employers to compute the amount of tax required to be withheld.

(3) Except as otherwise provided under this section, for tax years that begin before July 1, 2016, every flow-through entity in this state shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the distributive share of taxable income reasonably expected to accrue after allocation and apportionment under chapter 3 of each nonresident member who is an individual after deducting from that distributive income the same proportion of the total amount of personal and dependency exemptions of the individual allowed under this act. All of the taxes withheld under this section shall accrue to the state on April 15, July 15, and October 15 of the flow-through entity’s tax year and January 15 of the following year, except a

flow-through entity that is not on a calendar year basis shall substitute the appropriate due dates in the flow-through entity's fiscal year that correspond to those in a calendar year. Withholding for each period must be equal to 1/4 of the total withholding calculated on the distributive share that is reasonably expected to accrue during the tax year of the flow-through entity.

(4) Except as otherwise provided under this section, for tax years that begin before July 1, 2016, every flow-through entity with business activity in this state that has more than \$200,000.00 of business income reasonably expected to accrue in the tax year after allocation or apportionment shall withhold a tax in an amount computed by applying the rate prescribed in section 623 to the distributive share of the business income of each member that is a corporation or that is a flow-through entity. For purposes of calculating the \$200,000.00 withholding threshold, the business income of a flow-through entity shall be apportioned to this state by multiplying the business income by the sales factor of the flow-through entity. The sales factor of the flow-through entity is a fraction, the numerator of which is the total sales of the flow-through entity in this state during the tax year and the denominator of which is the total sales of the flow-through entity everywhere during the tax year. As used in this subsection, "business income" means that term as defined in section 603. For a partnership or S corporation, business income includes payments and items of income and expense that are attributable to business activity of the partnership or S corporation and separately reported to the members. As used in this subsection, "sales" means that term as defined in section 609 and sales in this state is determined as provided in sections 665 and 669. All of the taxes withheld under this section shall accrue to the state on April 15, July 15, and October 15 of the flow-through entity's tax year and January 15 of the following year, except a flow-through entity that is not on a calendar year basis shall substitute the appropriate due dates in the flow-through entity's fiscal year that correspond to those in a calendar year. Withholding for each period must be equal to 1/4 of the total withholding calculated on the distributive share of business income that is reasonably expected to accrue during the tax year of the flow-through entity.

(5) For tax years that begin before July 1, 2016, if a flow-through entity is subject to the withholding requirements of subsection (4), then a member of that flow-through entity that is itself a flow-through entity shall withhold a tax on the distributive share of business income as described in subsection (4) of each of its members. The department shall apply tax withheld by a flow-through entity on the distributive share of business income of a member flow-through entity to the withholding required of that member flow-through entity. All of the taxes withheld under this section must accrue to the state on April 15, July 15, and October 15 of the flow-through entity's tax year and January 15 of the following year, except a flow-through entity that is not on a calendar year basis shall substitute the appropriate due dates in the flow-through entity's fiscal year that correspond to those in a calendar year. Withholding for each period must be equal to 1/4 of the total withholding calculated on the distributive share of business income that is reasonably expected to accrue during the tax year of the flow-through entity.

(6) Every casino licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to the winnings of a nonresident reportable by the casino licensee under the internal revenue code.

(7) Every race meeting licensee or track licensee shall withhold a tax in an amount computed by applying the rate prescribed in section 51 to a payoff price on a winning ticket of a nonresident reportable by the race meeting licensee or track licensee under the internal revenue code that is the result of pari-mutuel wagering at a licensed race meeting.

(8) Every casino licensee or race meeting licensee or track licensee shall report winnings of a resident reportable by the casino licensee or race meeting licensee or track licensee under the internal revenue code to the department in the same manner and format as required under the internal revenue code.

(9) Every eligible production company shall, to the extent not withheld by a professional services corporation or professional employer organization, deduct and withhold a tax in an amount computed by applying the rate prescribed in section 51 to the remainder of the payments made to the professional services corporation or professional employer organization for the services of a performing artist or crew member after deducting from those payments the same proportion of the total amount of personal and dependency exemptions of the individuals allowed under this act.

(10) Every publicly traded partnership that has equity securities registered with the securities and exchange commission under section 12 of title I of the securities and exchange act of 1934, 15 USC 78l, is not subject to withholding.

(11) Except as otherwise provided under this subsection, all of the taxes withheld under this section must accrue to the state on the last day of the month in which the taxes are withheld but shall be returned and paid to the department by the employer, eligible production company, casino licensee, or race meeting licensee or track licensee within 15 days after the end of any month or as provided in section 705. For an employer that has entered into an agreement with a community college pursuant to chapter 13 of the community college act of 1966, 1966 PA 331, MCL 389.161 to 389.166, a portion of the taxes withheld under this section that are attributable to each

employee in a new job created pursuant to the agreement must accrue to the community college on the last day of the month in which the taxes are withheld but shall be returned and paid to the community college by the employer within 15 days after the end of any month or as provided in section 705 for as long as the agreement remains in effect. For purposes of this act and 1941 PA 122, MCL 205.1 to 205.31, payments made by an employer to a community college under this subsection must be considered income taxes paid to this state.

(12) A person required by this section to deduct and withhold taxes on income under this section holds the amount of tax withheld as a trustee for this state and is liable for the payment of the tax to this state or, if applicable, to the community college and is not liable to any individual for the amount of the payment.

(13) An employer in this state is not required to deduct and withhold a tax on the compensation paid to a nonresident individual employee, who, under section 256, may claim a tax credit equal to or in excess of the tax estimated to be due for the tax year or is exempted from liability for the tax imposed by this act. In each tax year, the nonresident individual shall furnish to the employer, on a form approved by the department, a verified statement of nonresidence.

(14) A person required to withhold a tax under this act, by the fifteenth day of the following month, shall provide the department with a copy of any exemption certificate on which a person with income subject to withholding under subsection (6) or (7) claims more than 9 personal or dependency exemptions, claims a status that exempts the person subject to withholding under subsection (6) or (7) from withholding under this section.

(15) A person who disburses annuity payments pursuant to the terms of a qualified charitable gift annuity is not required to deduct and withhold a tax on those payments as prescribed under subsection (1). As used in this subsection, "qualified charitable gift annuity" means an annuity described under section 501(m)(5) of the internal revenue code and issued by an organization exempt under section 501(c)(3) of the internal revenue code.

(16) Notwithstanding the requirements of subsections (4) and (5), if a flow-through entity receives an exemption certificate from a member other than a nonresident individual, the flow-through entity shall not withhold a tax on the distributive share of the business income of that member if all of the following conditions are met:

(a) The exemption certificate is completed by the member in the form and manner prescribed by the department and certifies that the member will do all of the following:

(i) File the returns required under this act.

(ii) Pay or withhold the tax required under this act on the distributive share of the business income received from any flow-through entity in which the member has an ownership or beneficial interest, directly or indirectly through 1 or more other flow-through entities.

(iii) Submit to the taxing jurisdiction of this state for purposes of collection of the tax under this act together with related interest and penalties under 1941 PA 122, MCL 205.1 to 205.31, imposed on the member with respect to the distributive share of the business income of that member.

(b) The department may require the member to file the exemption certificate with the department and provide a copy to the flow-through entity.

(c) The department may require a flow-through entity that receives an exemption certificate to attach a copy of the exemption certificate to the annual reconciliation return as required by section 711. A flow-through entity that is entirely exempt from the withholding requirements of subsection (4) or (5) by this subsection may be required to furnish a copy of the exemption certificate in another manner prescribed by the department.

(d) A copy of the exemption certificate must be retained by the member and flow-through entity and made available to the department upon request. Any copy of the exemption certificate must be maintained in a format and for the period required by 1941 PA 122, MCL 205.1 to 205.31.

(17) The department may revoke the election provided for in subsection (16) if it determines that the member or a flow-through entity is not abiding by the terms of the exemption certificate or the requirements of subsection (16). If the department does revoke the election option under subsection (16), the department shall notify the affected flow-through entity that withholding is required on the member under subsection (4) or (5), beginning 60 days after notice of revocation is received.

(18) Notwithstanding the requirements of subsections (4) and (5), a flow-through entity is not required to withhold in accordance with this section for a member that voluntarily elects to file a return and pay the tax imposed by the Michigan business tax act under section 680 or section 500 of the Michigan business tax act, 2007 PA 36, MCL 208.1500.

(19) Notwithstanding the withholding requirements of subsection (3), (4), or (5), a flow-through entity is not required to comply with those withholding requirements to the extent that the withholding would violate any of the following:

(a) Housing assistance payment programs distribution restrictions under 24 CFR part 880, 881, 883, or 891.

(b) Rural housing service return on investment restrictions under 7 CFR 3560.68 or 3560.305.

(c) Articles of incorporation or other document of organization adopted pursuant to section 83 or 93 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1483 and 125.1493.

Sec. 705. (1) All provisions relating to the administration, collection, and enforcement of this act and 1941 PA 122, MCL 205.1 to 205.31, apply to all persons required to withhold taxes and to the taxes required to be withheld under this part. If the department has reasonable grounds to believe that a person required to withhold taxes under this part will not pay taxes withheld to this state or, if applicable, to the community college, as prescribed by this part, or to provide a more efficient administration, the department may require that person to make the return and pay to the department or, if applicable, to the community college, the tax deducted and withheld at other than monthly periods, or from time to time, or require that person to deposit the tax in a bank approved by the department in a separate account, in trust for the department or, if applicable, the community college, and payable to the department or the community college, and to keep the amount of the taxes in the account until payment over to the department or the community college.

(2) A qualified person that is required under section 703 to withhold a tax under this act and that files a monthly return may defer payment of qualified taxes until November 20, 2020 by remitting them in installments as follows:

(a) Taxes otherwise due for March, April, and May must be paid in 6 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) July 20, 2020.

(iii) August 20, 2020.

(iv) September 21, 2020.

(v) October 20, 2020.

(vi) November 20, 2020.

(b) Taxes otherwise due for June 2020 must be paid in 5 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) August 20, 2020.

(iii) September 21, 2020.

(iv) October 20, 2020.

(v) November 20, 2020.

(c) Taxes otherwise due for July 2020 must be paid in 4 equal installments with 1 installment due on each of the following dates:

(i) August 20, 2020.

(ii) September 21, 2020.

(iii) October 20, 2020.

(iv) November 20, 2020.

(d) Taxes otherwise due for August 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) September 21, 2020.

(ii) October 20, 2020.

(iii) November 20, 2020.

(3) A qualified person that is required under section 703 to withhold a tax under this act and that files a quarterly return under this act may defer payment of qualified taxes by remitting them in installments as follows:

(a) Taxes otherwise due for March of quarter 1 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) June 22, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(b) Taxes otherwise due for quarter 2 of 2020 must be paid in 3 equal installments with 1 installment due on each of the following dates:

(i) July 20, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

(c) Taxes otherwise due for July and August of quarter 3 of 2020 must be paid in 2 equal monthly installments with 1 installment due on each of the following dates:

(i) October 20, 2020.

(ii) November 20, 2020.

(4) Penalties or interest must not be added to qualified taxes remitted pursuant to this section. If a qualified person intends to defer payment of qualified taxes otherwise due under this act for August 2020, the qualified person shall submit an estimate of the taxes to be deferred for August 2020 to the department not later than July 31, 2020 on a form prescribed by the department.

(5) As used in this section:

(a) "COVID-19 executive order" means an executive order issued by the governor in response to the coronavirus (COVID-19) public health emergency.

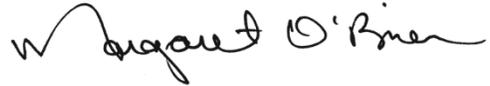
(b) "Qualified person" means a person whose business has been negatively impacted as the result of a COVID-19 executive order. A person's business is considered negatively impacted by a COVID-19 executive order if 1 or more of the following apply:

(i) As a result of a COVID-19 executive order, the person's place of business is closed to ingress, egress, use, and occupancy by members of the public.

(ii) The person's business involves assemblages of people that are prohibited by a COVID-19 executive order.

(c) "Qualified taxes" means taxes otherwise due under this act from a qualified person for March, April, May, June, July, and August 2020.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor