

## Michigan Treasury Issues Updates on Sales, Use and Withholding Tax Deadlines

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In light of the ongoing effects of COVID-19, the Michigan Department of Treasury (the Department) has recently issued a number of notices regarding changes to sales, use and withholding (SUW) tax return filing and payment deadlines.

Of primary significance, these notices have provided that businesses required to file monthly SUW returns or make monthly SUW payments originally due on March 20, April 20 and May 20, 2020 may delay these return filings and payments until June 20, 2020 without penalty or interest. Similarly, quarterly filers with first quarter returns and payments originally due on April 20, 2020 may also delay those filings and payments until June 20, 2020. Because June 20, 2020 is a Saturday, this due date is extended to the next business day, resulting in an effective due date of Monday, June 22, 2020.

Accelerated filers are not eligible for these waivers of penalty and interest with respect to delayed return filings and delayed payments.

In addition to the delay of filing and payment deadlines to June 22, the Department has issued further guidance providing a waiver of penalty and interest for SUW payments due on June 22 and paid in equal installments over a period of not more than six months. For both monthly and quarterly filers, the first installment payment must be paid on June 22, 2020 with the filing of the delayed returns. After that, payments may be made via vouchers or online through Michigan Treasury Online (MTO).

Monthly filers will be required to make six installment payments each equal to one-sixth of the total due. Each installment payment will be due on the same date that each of the next five monthly returns are due (i.e., the monthly returns for June through October). These payments must be made separately from the regular monthly payments and must designate February as the tax return period.

Quarterly filers will be required to make three installment payments each equal to one-third of the total due. These installment payments will be due June 22, September 21 and November 20, 2020. They must be designated as first quarter payments covering the period from January through March

2020.

The installment payment option will be automatic for all returns due to be filed by eligible taxpayers on June 22, provided that the returns are filed on that date and the appropriate initial installment payment is remitted with the return. At this time, no additional documentation or application is required. Installment payments will be applied first to the oldest tax period. If a taxpayer has not made full payment of the tax due by the end of the installment period, penalty and interest will begin to accrue, and the amount due will be subject to assessment.

Taxpayers who are able to pay the tax due in full on or before June 22, 2020 will be eligible for the discounts typically provided for early or timely payment, but taxpayers who plan to pay using the installment option should calculate their total due without the discount.

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