

# 2018 Michigan Sales, Use and Withholding Taxes E-File Tax Preparer Handbook

Michigan Department of Treasury



[www.Mlfastfile.org](http://www.Mlfastfile.org)

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## SECTION 1. GENERAL INFORMATION

The Michigan Department of Treasury's (Treasury) Sales, Use and Withholding (SUW) electronic filing (e-file) program accepts SUW returns with or without payments (submissions), using [Treasury approved commercial or proprietary software](#). Returns may be submitted directly to Treasury by being uploaded through the Michigan Treasury Online (MTO) bulk e-file application, or by being transmitted by a Transmitter through a Web Service.

Michigan e-file publications are available at [www.Mlfastfile.org](http://www.Mlfastfile.org). For questions about the e-file program, contact Forms, Documentation and E-file Services (FDES).

### 1.1. Contact Information

Michigan's E-file Web site	<a href="http://www.Mlfastfile.org">www.Mlfastfile.org</a>
E-file Coordinator	Scott Bunnell
Program Area, Testing and File Specifications	Heather Vellanti Erica Smith
E-Mail	<a href="mailto:MIFormsEfile@michigan.gov">MIFormsEfile@michigan.gov</a>
Michigan Treasury Web Sites	<a href="http://www.michigan.gov/taxes">www.michigan.gov/taxes</a> <a href="http://www.michigan.gov/treasury">www.michigan.gov/treasury</a> <a href="http://www.michigan.gov/mtobusiness">www.michigan.gov/mtobusiness</a>

The contact information above is for **software developers, transmitters and preparers only**. **Please do not give this information to taxpayers.** FDES staff is unable to provide submission status information or address specific taxpayer account issues once the submission has been acknowledged as "Accepted" by Treasury.

Treasury does not recommend sending account-specific information over the Internet. Federal and State disclosure laws require that taxpayer privacy and their confidential records are protected. Therefore, Treasury will not send account-specific information over the Internet in response to an e-mail inquiry.

### 1.2. E-mail LISTSERV for Tax Professionals

The Treasury Tax Professionals LISTSERV is a free service that disseminates mass e-mail messages within seconds, to all subscribers. Sign up to receive electronic communications on Treasury's e-file programs and other information of interest. To subscribe or for additional information, visit [www.Mlfastfile.org](http://www.Mlfastfile.org).

### **1.3. Self Service Options**

Treasury offers a variety of services designed to assist taxpayers. To obtain information about an account, use the options listed below:

**Michigan Treasury Online (MTO) – [www.michigan.gov/mtobusiness](http://www.michigan.gov/mtobusiness)**

MTO allows taxpayers to electronically register for taxes, update addresses, add or delete tax types, file and pay SUW taxes in one transaction, and add a payroll service provider as applicable. Due to the range of e-services provided, all SUW taxpayers are encouraged to sign up for MTO regardless of whether they utilize a Payroll Service Provider (PSP) or Third Party Administrator (TPA).

**Telephone**

SUW taxpayers who do not have Internet service should call Customer Contact staff at 517-636-6925. Assistance is available using TTY through the Michigan Relay Service by calling 711.

## SECTION 2. SALES, USE AND WITHHOLDING TAXES E-FILE

### 2.1. Benefits of E-File

**Customer service.** E-filed returns are processed faster than paper returns. Receive electronic proof from Michigan that returns were received.

**Convenient.** Prepare and transmit SUW submissions using software that has been [approved](#) by Treasury.

**Improved return accuracy.** Treasury processes the same data the tax preparer enters into the computer. Treasury computers automatically check returns for mistakes. When easy-to-fix mistakes like math errors or missing forms are found, the return is sent back for correction. The error can then be corrected and be sent back to Treasury. E-file returns have a significantly less chance of error compared to paper returns.

**Detailed error conditions.** Business rules pinpoint the location of the error in the submission and provide complete information in the acknowledgement file that is passed back to the transmitter. Business rules use simple wording to clarify each error that triggers a rejection.

**Secure.** Tax information is encrypted and transmitted directly to Michigan.

**Amended returns.** Treasury can process amended SUW returns submitted on the *Sales, Use and Withholding Taxes Amended Annual Return* (Form 5082) and the *Sales, Use and Withholding Taxes Amended Monthly/Quarterly Return* (Form 5092).

### 2.2. Introduction

Tax year 2016, 2017 and 2018 SUW tax returns may be filed with or without payment directly to Treasury using tax preparation software.

Filing submissions electronically is accurate, convenient, and secure. Michigan's SUW e-file program provides Michigan taxpayers the opportunity to e-file SUW submissions prepared using a computer software program. If an error occurs on a submission, the e-file software presents an error message and allows the tax preparer to immediately correct the mistake before the submission is uploaded/transmitted.

Michigan does not have an enforced e-file mandate for SUW. However the *Fuel Supplier and Wholesaler Prepaid Sales Tax Schedule* (Form 5083), *Fuel Retailer Supplemental Schedule* (Form 5085) and *Vehicle Dealer Supplemental Schedule* (Form 5086) are not eligible for paper filing; they must be e-filed.

For more information and program updates, visit [www.Mlfastfile.org](http://www.Mlfastfile.org).

## 2.3. Program Description

Type of E-file Program	Direct
Payment Submitted with Return	Yes
Signature Process	Retain documentation in taxpayer records

## 2.4. SUW E-File Calendar for Tax Year 2018

Begin Transmitting Submissions	January 16, 2018
Deadline to Transmit Submissions Electronically	None. Submissions must be acknowledged as “Accepted” by the due date to be considered timely filed.

## 2.5. Application and Acceptance Process

To participate in Michigan’s SUW e-file program, e-filers must use software that has successfully completed the Michigan Assurance Testing System (ATS). Confirm that the software chosen has been [approved](#) for Michigan and that the Michigan e-file program is operational before uploading/transmitting submissions.

If, after acceptance, an uploader/transmitter or software company has production problems, Treasury reserves the right to suspend them for part or all of the remainder of the filing season.

## 2.6. How SUW E-File Works

Those using tax preparation software may participate in the SUW e-file program if supported by their software. Treasury provides electronic acknowledgments for all e-filed submissions uploaded/transmitted.

The first notification is in the form of a confirmation number (MTO bulk upload) or electronic receipt (Web Service) of the transmission which is received by the uploader/transmitter. Uploaders are those uploading returns through MTO, including individual taxpayers, tax preparers, PSPs, TPAs and software companies. Transmitters using the Web Service usually develop the tax preparation software and are either a software company, PSP or TPA.

Once a submission receives a successful confirmation number or electronic receipt, Treasury will generate an acknowledgement for all submissions received in the transmission. Submissions must be received by noon (EST) to have an acknowledgment generated by 5:00 PM (EST) the same day.

**All returns, whether e-filed or paper-filed, are subject to Michigan audit and can be delayed regardless of the acknowledgment code received.** Returns are processed and refunds are issued daily.

## 2.7. Type of Filings Accepted

SUW allows the flexibility to file a combined SUW return in one filing or to file them separately.

**Example:** If a taxpayer is registered for SUW taxes, but only intends to file their Sales and Use tax return, only the Sales and Use sections of the form should be completed. The Withholding tax return may be submitted later, with only the Withholding section completed.

Only complete the applicable tax section(s) you are filing; do not enter zeroes in sections you are not reporting information for.

### Electronic Michigan Data

The electronic submission consists of data submitted electronically and the supporting paper documents. The paper documents contain information that cannot be submitted electronically, such as taxpayers' signatures.

The following forms and schedules may be e-filed:

Form	Title
5080	Sales, Use and Withholding Taxes Monthly/Quarterly Return
5081	Sales, Use and Withholding Taxes Annual Return
5082	Sales, Use and Withholding Taxes Amended Annual Return
5083*	Fuel Supplier and Wholesaler Prepaid Sales Tax Schedule
5085*	Fuel Retailer Supplemental Schedule
5086*	Vehicle Dealer Supplemental Schedule
5092	Sales, Use and Withholding Taxes Amended Monthly/Quarterly Return

\*Form is only eligible for e-file. If a paper form is submitted, the credit(s) will be disallowed.

Annual return submissions may also contain W-2 data in the Social Security Administration (SSA) EFW2 text file format, as supported by software. Submitting W-2 data with the return in place of sending magnetic media with the [Transmittal for Magnetic Media Reporting of W-2s, W-2Gs and 1099s to the State of Michigan \(Form 447\)](#) satisfies the Department's filing requirement.

## Non-electronic Documents

The **non-electronic portion** of the return consists of the following supporting documents:

- **Form 5094.** If tax is due on an e-filed return and the taxpayer elects to submit payment by check or money order, it must be received by the due date, with, *Sales, Use and Withholding Payment Voucher* (Form 5094).
- **Form 5095.** *Sales, Use and Withholding Monthly/Quarterly and Amended Monthly/Quarterly Worksheet* (Form 5095) is used to determine certain amounts on Forms 5080 and 5092.
- **Form 5562.** *Michigan Direct Debit of Business Tax Payment* (Form 5562) provides the taxpayer with a copy of their ACH Direct debit payment request entered into the electronic return submission.

Do **not** mail copies of Form 5095 or Form 5562 to Treasury, unless requested to do so. Treasury recommends the forms be retained in the taxpayer's records for six years.

## 2.8. Exclusions from E-File

Taxpayers are not eligible for SUW bulk e-file if Forms 5083, 5085 and/or 5086 need to be submitted with Forms 5081 or 5082.

Taxpayers are not eligible for SUW bulk e-file if a negative needs to be reported on lines 2a and/or 2b on Forms 5080 or 5092.

## 2.9. Signature Requirements

Michigan accepts the agreement that PSPs, Certified Service Providers (CSPs), and paid preparers have with their clients as the signature for e-filing SUW returns and/or payments. The agreement may be a limited power of attorney, *IRS Reporting Agent Authorization* (Form 8655), or company document that mirrors the same type of e-filing authorization. Treasury does not require any additional signature documentation.

The authorization document **must not** be submitted unless requested by Treasury. Treasury recommends the authorization document be retained in the taxpayer's records for six years.

## 2.10. Acknowledgment of Electronic Return

Treasury provides electronic acknowledgments for all e-filed submissions uploaded/transmitted.

Submissions must be received by noon (EST) to have an acknowledgment generated by 5:00 PM (EST) the same day.



## Status Codes Received from Treasury

Treasury will perform certain checks on the submission during the acceptance process. All returns, whether e-filed or paper-filed, are subject to audit and can be delayed regardless of the acknowledgement code given. Should an error occur during back-end processing, Treasury will communicate directly with the taxpayer through the regular error resolution process. Treasury will discuss return and/or payment situations with the preparer if a valid [Authorized Representative Declaration \(Power of Attorney\) \(Form 151\)](#) is on file.

### Acceptance Status:

- |                 |  |
|-----------------|--|
| <b>Accepted</b> | Electronic submission was <b>accepted</b> and will be reviewed and processed.  |
| <b>Rejected</b> | Electronic submission was <b>rejected</b> . If the submission was rejected, an associated e-file rejection code and detailed error description will be provided. The taxpayer/preparer may correct the error and retransmit the submission. There is no limit on how many times a submission can be retransmitted. |

The SUW e-file Business Rules (rejection codes and descriptions) are posted in a separate document at [www.Mlfastfile.org](http://www.Mlfastfile.org), under the Tax Preparer tab. Returns and/or payments not acknowledged by Treasury as “Accepted” are not considered filed.

## 2.11. Payment Methods

### Submitted with the Return

ACH Direct debit payments are allowed with e-filed SUW returns as supported by software. Payments made this way can only be submitted along with a return. For timely payment, the return with payment **must receive an “Accepted” acknowledgment** by Treasury one business day prior to the due date. If the due date falls on a weekend, state holiday, or banking holiday, the due date is the next business day. More information on due dates can be found on the [Sales, Use and Withholding Tax Due Dates for Holidays and Weekends \(Form 3149\)](#).

Payments may be scheduled up to 90 days in advance of the settlement date. This is considered warehousing the payment.

Allow three (3) to four (4) business days from the ACH Direct debit date for the payment to be withdrawn from the account. Penalty and interest will accrue on any tax due that has not been paid by the due date of the return. The day after the return was accepted by Michigan is considered the received date of the payment, when not warehoused.

If no tax is due, do not send a zero payment. Zero payments are not required when no tax is due and will not be recognized by Treasury as a valid payment.

**Note:** Some financial institutions offer a "Debit Blocking" or "Debit Filtering" service to prevent unauthorized debits (withdrawals) from an account. If an account has a debit block or filter, any unauthorized debit transactions will not be processed. The taxpayer should contact their financial institution and have the Automated Clearing House (ACH) transaction identified with the Company ID 9244842702 authorized to debit their account. Failure to make these arrangements may result in the payment request being rejected by the financial institution.

### **Electronic Funds Transfer (EFT)**

Payments may be made by EFT using either the ACH Credit or Debit method. Information about EFT is available on Treasury's Web site at [www.michigan.gov/biztaxpayments](http://www.michigan.gov/biztaxpayments).

### **Paper Payment Voucher**

If tax is due on an e-filed return, the taxpayer may submit payment by check or money order, by the due date, with Form 5094.

### **MTO**

**Free EFT Debit Payment:** Taxpayers using MTO may initiate an EFT Debit payment in a single session. A debit payment may be made as one combined payment, eliminating the need to make three distinct payment transactions for SUW tax liabilities.

**Credit Card/Debit Card:** Taxpayers using MTO may electronically initiate a payment in a single session. A payment may be made as one combined payment, eliminating the need to make three distinct payment transactions SUW tax liabilities. A transaction fee may apply.

## **2.12. Refunds**

Direct Deposit is not available for SUW returns receiving a refund. All refunds will be issued by paper warrant and mailed to the address on record. The taxpayer mailing address information entered into the software does not update Treasury's records for taxpayer mailings. Changes to address information may be made using Treasury's Self Service Options outlined in Section 1.3.

## **SECTION 3. RESPONSIBILITIES OF ELECTRONIC FILERS, TRANSMITTERS, UPLOADERS AND EROS**

Electronic filers, transmitters, uploaders and EROs must abide by the terms set forth in this Publication and must maintain a high degree of integrity, compliance, and accuracy to continue to participate in the SUW e-file program.

### **3.1. ERO or Tax Preparer**

An ERO is the person or firm who constructs the submission information for the taxpayer for the purpose of electronically filing a tax return.

Tax Preparers have been entrusted with the task of filing a client's tax return with or without payment and must assume the responsibility of ensuring the submission arrives at Treasury. In the event that the e-filed submission fails to arrive or is rejected and cannot be resubmitted, tax preparers must notify their clients to use MTO or file a paper return.

**Note:** If Forms 5083, 5085, and/or 5086 are included in the return, please contact Customer Contact staff at 517-636-6925 for assistance before filing a paper return.

### **3.2. Transmitter or Uploader**

**Transmitter:** Uses the Web Service to transmit returns directly to Treasury, and is usually the software developer, PSP, or TPA. Individual taxpayers and tax preparers are not eligible to transmit returns using the Web Service.

**Uploader:** Uses the MTO bulk upload application to upload returns directly to Treasury, and can be individual taxpayers, tax preparers, PSPs, TPAs or software companies.

### **3.3. Timeliness of Filing**

Uploaders/transmitters must ensure electronic submissions are submitted timely. Uploaders/transmitters should confirm Treasury has issued an acknowledgment of the submission before considering the filing complete.

Returns and/or payments not acknowledged by Treasury as "Accepted" are not considered filed.

### **3.4. Changes on the Return**

After an electronic submission is acknowledged as accepted, it cannot be recalled, intercepted, or changed in any manner. This includes payments that are scheduled to be settled at a later date. If changes need to be made to any entries on an accepted electronic return, Forms 5082, 5092, and additional payment (if applicable) must be filed.