

Annual Return for HMO Use Tax

Issued under authority of Public Act 161 of 2014.

Return Year

This return is due February 28.

ACCOUNT INFORMATION			
Name	Account Number (FEIN, ME or TR Number)		<input type="checkbox"/> Original Return <input type="checkbox"/> *Amended Return
Mailing Address			
City	State	ZIP Code	Amendment Date
*Amended Return Explanation			

ORGANIZATION TYPE	
<input type="checkbox"/> Medicaid HMO	<input type="checkbox"/> Medicaid PIHP

HMO USE TAX	
1. Gross billings for medical services provided	1.
2. Allowable deductions. See instructions	2.
3. Taxable balance. Subtract line 2 from line 1	3.
4. Gross tax due. Multiply line 3 by 6% (0.06)	4.
5. Total discount allowed for the calendar year. See instructions	5.
6. Total tax due. Subtract line 5 from line 4	6.

SUMMARY	
7. Total tax payments made for the return year (after discounts)	7.
8. If line 7 is greater than line 6, enter the overpayment. Total amount to be refunded	8.
9. If line 7 is less than line 6, enter the additional tax due. Total tax due	9.
10. If you entered an amount on line 9, and the payment is made late, enter penalty and interest, otherwise enter zero	10.
11. Total amount due. Add lines 9 and 10. Payments must be made by Electronic Funds Transfer (EFT) Credit	11.

CERTIFICATION (Print or type non-signature entries)			
Taxpayer Certification. I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
<input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.		Preparer Signature	
Signature of Taxpayer or Official Representative (must be Owner, Officer, Member, Manager, or Partner)		Preparer Business Address	
Print Taxpayer or Official Representative's Name	Date		
Title	Telephone Number	Preparer Identification Number	Preparer Telephone Number

Instructions for Annual Return for HMO Use Tax (Form 5200)

On June 11, 2014, Governor Snyder signed legislation (P.A. 161 of 2014) reinstating the 6% Use Tax on medical services provided by Medicaid Health Maintenance Organizations (HMOs) and Prepaid Inpatient Health Plans (PIHPs). Although not signed into law until June, the legislation is retroactive to April, 2014. Visit Treasury's Web site at www.michigan.gov/businessstaxes for additional information.

IMPORTANT INFORMATION

Payments

Monthly payments are due on or before the 20th day of the following month. Accelerated filing requirements will be reviewed during the second quarter of each calendar year. Notification will be provided in writing if accelerated filing is required.

Annual Return

The HMO Use Tax annual return is due February 28. The annual return (Form 5200) reconciles the tax due for the return year with the payments made for that year. An annual return is required to be filed by every taxpayer registered for HMO Use Tax, even if a refund is not requested or additional tax due is not owed.

Failure to File a Return

Registered HMO filers who fail to file the HMO annual return are subject to a penalty of \$10 per day from the due date until the return is filed. Maximum penalty is \$400.

Annual Payments

Any applicable annual payment is due by February 28, the same day the annual return is due, and should be made by EFT Credit.

Late or Insufficient Payment

Payments made after the due date are subject to penalty and interest. Late payments may result in assessments (bills). The Department of Treasury may take a variety of actions to collect your delinquent tax, penalty and interest debt including referring the account to a private collection agency, levying against financial institution accounts, and offset of money received from the State of Michigan.

Correspondence

Mail correspondence to:

Michigan Department of Treasury
Special Taxes Division/Misc. Taxes and Fees
PO Box 30781
Lansing, MI 48909

Amended Returns

Amended returns must be submitted using the *Annual Return for HMO Use Tax* (Form 5002). Make a check mark in the Amended Return box to identify the return as an amended return.

LINE-BY-LINE INSTRUCTIONS

Important: This is a return for HMO Use Tax. If the taxpayer inserts a "zero" in, or leaves blank, any line for reporting HMO Use Tax, the taxpayer is certifying that no tax is owed. If it is determined that tax is owed, the taxpayer will be liable for the deficiency as well as penalty and interest.

Part 1: Account Information

Enter specific account information in this section. If the return being filed is the original return for the tax year, choose the original return check box.

Amended Return

To amend a previously submitted annual return, the Amended Return box must be checked. The reason for the amendment must be provided in the amended return explanation box. Enter the date the amended return will be filed in the amendment date box.

Part 2: Organization Type

Check the box indicating your organization type.

Part 3: HMO Use Tax

Line 1. Enter the gross billings for medical services provided. See MCL 205.93f.

Line 2. Total allowable deductions. Deductions to be entered on this line are very limited in scope, and consist of items such as the following: (1) retroactive rate payments received in the current tax year for dates of service prior to 4/1/2014, and (2) payments received specifically to cover costs associated with federal fees which are not considered medical services (such as the Affordable Care Act Health Insurer Fee).

Line 3. Taxable balance. Subtract line 2 from line 1 and enter the amount on line 3. This is your taxable balance after allowable deductions.

Line 4. Gross tax due. Multiply line 3 by 6% (0.06). This is the gross tax due. Enter on line 4.

Line 5. Total discount allowed. You are eligible for a discount if you pay the tax due on or before the due date. The discount applies only to 2/3 (0.6667) of the 6 percent use tax.

For filers that applied the discount and deducted the amount from their monthly payments, add up each discount amount taken and enter that amount on line 5. For filers that did not deduct the monthly discount for which they were eligible for making early or timely payments, please see the chart on page 2 to calculate the discount. Enter the total discount amount for the calendar year on line 5.

Line 6. Total tax due. Subtract line 5 from line 4 and enter the amount on line 6.

SUMMARY

Line 7. Total payments. Enter the total HMO use tax payments, excluding the discount, and enter the amount on line 7.

Line 8. Refund amount. If line 7 (tax paid) is greater than line 6 (tax due) enter the difference (overpayment) on line 8. Refunds will not be made in amounts less than \$1.

Line 9. Tax due. If line 7 (tax paid) is less than line 6 (tax due), enter the additional tax due on line 9. Pay any amount of \$1 or more with this return.

Line 10. Penalty and interest due. If you entered an amount on line 9 and the payment is made late (after February 28th) enter the total amount of penalty and interest.

If you have tax due on line 9, and it is late the penalty is as follows:

- 5 percent of the tax due (line 9) if the late payment is received within two months of the due date.
- 5 percent of the tax due for each subsequent month or part thereof, the tax is not paid.
- Maximum penalty is 25 percent of the tax due.
- Interest is due at the rate of 1 percent above the prime interest rate from the day the tax is due until it is paid. The prime rate is adjusted January 1 and July 1. A penalty and interest calculator is available on [Treasury's website](#).

Line 11. Total amount due. Add lines 9 and 10 and enter the amount on line 11. Payments must be made by Electronic Funds Transfer (EFT) Credit. See *Instructions for Payment of HMO Use Tax Using EFT Credit* (Form 5174).

HMO Use Tax Monthly Discount Calculation Chart

Use this chart to calculate the monthly discount if paid by the 20th.

1. Enter the amount of tax paid by the 20th _____
2. Multiply the amount on line 1 by 66.67% (0.6667) _____
3. Multiply the total from line 2 by .5% (0.005) _____
4. Enter the amount from line 3. This is the total discount amount _____