



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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REVENUE ADMINISTRATIVE BULLETIN 2015-14

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**FILING AND REMITTING “SAME DAY” TAX RETURNS AND PAYMENTS WHEN
THERE IS AN ELECTRONIC FUNDS TRANSFER OR MICHIGAN TREASURY
ONLINE SYSTEM FAILURE**

Pursuant to MCL 205.6a, a taxpayer may rely on a Revenue Administrative Bulletin issued by the Department of Treasury after September 30, 2006, and shall not be penalized for that reliance until the bulletin is revoked in writing. However, reliance by the taxpayer is limited to issues addressed in the bulletin for tax periods up to the effective date of an amendment to the law upon which the bulletin is based or for tax periods up to the date of a final order of a court of competent jurisdiction for which all rights of appeal have been exhausted or have expired that overrules or modifies the law upon which the bulletin is based.

RAB 2015-14. This Revenue Administrative Bulletin (RAB) describes the alternative method for a taxpayer to file a "same day" tax return and/or remit payment of tax by electronic funds transfer (EFT) or through Michigan Treasury Online (MTO) to avoid penalty and interest when an attempt to electronically file a tax return and/or electronically remit a tax payment fails. This RAB is applicable to all taxes administered by the Department pursuant to the Revenue Act.¹

ISSUES

- I. When a taxpayer's attempt to electronically file a tax return and/or remit a tax payment by EFT or through MTO fails, is there an alternative method for making a "same day" return and payment to avoid penalty and interest?
- II. What must a taxpayer provide to the Department to document the EFT, MTO, or other system failure to have its return/payment deemed to be filed the day of the failure?

CONCLUSIONS

- I. If a taxpayer's failure to timely electronically file a tax return and/or remit tax to the Department by electronic payment through MTO or EFT is due to a reason not related to the taxpayer's operations (power failure, bank error, Act of God, or other similar circumstances determined by the Department), the return and/or payment will be deemed to be received by the Department the day the taxpayer attempted to file and/or pay by EFT or through MTO, if received electronically by EFT (ACH Debit or ACH Credit) or MTO (payment) on the next

¹ MCL 205.1, *et. seq.*

business day following the date on which the reason for the failure is corrected.² Applicable discounts will be determined by the deemed filing date.³

II. The taxpayer must provide written notice to the Department describing and documenting the EFT or MTO system failure that contains all of the following information:

1. name of taxpayer;
2. account number of taxpayer;
3. tax period involved;
4. identification of specific tax(es) (e.g., sales tax, use tax or corporate income tax), remitted late and the amount of each specific tax remitted late and/or the return filed late, and;
5. a description of the date, time and manner that the failed return and/or EFT or MTO payment was initiated, the reason(s) it failed, and the date that the reason(s) for failure was/were corrected.

The taxpayer may fax this written notice to the Department at (517) 636-4491.

If the taxpayer submits the above information and a print-out of the error message from EFT or MTO, if any, the Department will presume that the failure was not related to the taxpayer's operation.

If EFT and/or MTO are not operational for more than 48 hours, the taxpayer may file a paper return and/or submit a paper remittance with the above information, and the return will be deemed to be filed the date the failure began.⁴

If a taxpayer submits its return to an authorized electronic return and payment transmitter⁵ and an EFT or MTO outage occurs when that transmitter attempts to file the return and/or remit the tax, the filing date of the return and/or remittance will be deemed to be the date of the electronic postmark provided to the taxpayer by the transmitter. Additionally, a taxpayer providing the Department an electronic postmark must also provide the above information.

A taxpayer using any of the above alternative same day filing methods must file the required information as soon as practicable, but not later than 30 days after the beginning of the documented outage.

² The Department does not accept wire transfers for tax payments.

³ MCL 205.54 and MCL 205.94f provide for various sale and use tax discounts if remittance of the tax is received by the Department early or on time.

⁴ This option is not available for taxpayers that must file forms that are required to be e-filed. This includes forms 5083, 5084, 5085, 5091, 5093, and any other return or form that the Department only accepts by electronic filing.

⁵ A "transmitter" is a person or entity that is authorized by the Department and the taxpayer to electronically transmit part or all of a taxpayer's return and/or remittance.

LAW AND ANALYSIS

Michigan is a member state of the Streamlined Sales and Use Tax Agreement (Agreement). Section 319(D) of the Agreement requires a member state to provide an alternative method for making "same day" payments if an electronic funds transfer (EFT) fails.⁶ This RAB extends this procedure to returns filed and payments remitted through MTO for any tax administered under the Revenue Act.

⁶ IPD 2004-6 implements this requirement.