

## Instructions for 2022 Sales, Use and Withholding Taxes Amended 4% and 6% Monthly/Quarterly Return (Form 5097)

Use this form to correct the 2022 Sales, Use and Withholding Taxes 4% and 6% Monthly/Quarterly Return (Form 5096) that was initially filed for the tax period. Only select and enter information for tax types that need to be corrected.

**PURPOSE:** Taxpayers that provide electricity, natural or artificial gas, or home heating fuels for residential use are eligible to report and pay tax at a 4% rate on those sales. This form allows those taxpayers to report both their sales subject to the 4% rate and any other sales, all of which are taxed at 6%.

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### SALES TAX 4%

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**Line 1:** Enter total Michigan sales, including cash, credit, and installment transactions, of electricity, natural or artificial gas, or home heating fuel for residential use. Include any costs incurred before ownership of the property is transferred to the buyer, including installation, shipping, handling, and delivery charges.

**Line 2:** Negative figures are not allowed. Enter sales tax due at the 4% rate by subtracting the allowable exemptions and deductions outlined in Worksheet 5099 from gross sales on line 1, and multiplying the result by 4%.

**Line 3:** Enter allowable discounts for timely filing. Discounts apply to tax collected at the 4 percent rate, subject to limitations. See below to calculate a discount based on filing frequency.

#### Monthly or Quarterly Filer

- If tax is paid on or before the 12th of the month, multiply line 2 by .0075. The maximum discount is \$20,000 for the period.
- If tax is paid on the 13th through the 20th of the month, multiply line 2 by .005. The maximum discount is \$15,000 for the period.

#### Accelerated Filer

- If the tax is paid on or before the 20th of the month, multiply the tax amount by .005.

**NOTE: You can calculate the discount by clicking on the “Calculate discount” hyperlink and entering the payment amount and payment date. The discount calculation will automatically carry over to line 3 on the monthly/quarterly return. If you have manually calculated your discount, you can enter it instead of using the discount calculator.**

**Line 4:** This line will be automatically calculated by subtracting line 3, *Total discount allowed*, from line 2, *Total sales tax*.

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### SALES TAX 6%

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**Line 5: SALES TAX 6%- Total Gross Sales for the Tax Year.** *This line should be used by sellers with nexus to report sales of tangible personal property where ownership transfers in Michigan. This includes sellers with nexus through physical presence or economic presence (remote sales).*

Enter total sales, including cash, credit and installment transactions, of tangible personal property other than electricity, natural or artificial gas, or home heating fuel for residential use. Include any costs incurred before ownership of the property is transferred to the buyer, including installation, shipping, handling, and delivery charges.

Providers of nontaxable services (that do not involve the sale or lease of tangible personal property) should not report those sales.

**Line 6:** Negative figures are not allowed. Enter sales tax due at the 6% rate by subtracting the allowable exemptions and deductions outlined in Worksheet 5099 from gross sales on line 5, and multiplying the result by 6%.

**Line 7:** Use the hyperlinks listed below line 7 to complete the applicable schedule for credits and discount on prepaid sales tax on fuel and taxes paid to the Secretary of State by vehicle dealers.

**NOTE: The information and calculations completed in each schedule will automatically carry over to line 3 on the monthly/quarterly return.**

**Line 8:** This line will be automatically calculated and populated.

**Line 9:** The combined discount on lines 3, 9, and 13 cannot exceed \$20,000 or \$15,000, whichever is applicable for the taxpayer’s filing frequency. Enter allowable discounts for timely filing. Discounts apply only to 2/3 (0.6667) of the sales and/or use tax collected at the 6 percent tax rate. See below to calculate a discount based on filing frequency.

#### Monthly Filer

- If tax on line 8 is less than \$9, calculate the discount by multiplying the tax by 2/3 (.6667).
- If tax on line 8 is \$9 to \$1,200 and paid on or before the 12th of the month, enter \$6.
- If tax on line 8 is \$9 to \$1,800 and paid on the 13th through the 20th of the month, enter \$6.
- If tax on line 8 is more than \$1,200 and paid on or before the 12th of the month, calculate the discount using the following formula: (Tax x .6667 x .0075). The maximum discount is \$20,000 for the tax period.
- If tax on line 8 is more than \$1,800 and paid on the 13th through the 20th of the month, calculate the discount using the following formula: (Tax x .6667 x .005). The maximum discount is \$15,000 for the tax period.

#### Quarterly Filer

- If tax on line 8 is less than \$27, calculate the discount by multiplying the tax by 2/3 (.6667).
- If tax on line 8 is \$27 to \$3,600 and paid on or before the 12th of the month, enter \$18.
- If tax on line 8 is \$27 to \$5,400 and paid on the 13th through 20th of the month, enter \$18.
- If tax on line 8 is more than \$3,600 and paid on or before the 12th of the month, calculate the discount using the

following formula:  $(\text{Tax} \times .6667 \times .0075)$ . The maximum discount is \$20,000 for the tax period.

- If tax on line 8 is more than \$5,400 and paid on the 13th through the 20th of the month, calculate the discount using the following formula:  $(\text{Tax} \times .6667 \times .005)$ . The maximum discount is \$15,000 for the tax period.

#### Accelerated Filer

- If tax on line 8 is paid on or before the 20th of the month, calculate the discount by using the following formula:  $(\text{Tax} \times .6667 \times .005)$ . There is no maximum discount for accelerated filers.

**NOTE: You can calculate the discount by clicking on the “Calculate discount” hyperlink and entering the payment amount and payment date. The discount calculation will automatically carry over to line 9 on the monthly/quarterly return. If you have manually calculated your discount, you can enter it instead of using the discount calculator.**

**Line 10:** This line will be automatically calculated and populated from information on Lines 5-9.

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#### USE TAX

**Line 11:** Enter the amount from Worksheet 5099, line 12B.

**Line 12:** Negative figures are not allowed. Enter total receipts from sales, rentals, and services, minus allowable deductions, times 6%, which is the amount from line 15B on Worksheet 5099.

**Line 13:** The combined discount on lines 3, 9, and 13 cannot exceed \$20,000 or \$15,000, whichever is applicable for the taxpayer’s filing frequency. Enter allowable discounts for timely filing. Discounts apply only to 2/3 (0.6667) of the sales and/or use tax collected at the 6 percent tax rate. See below to calculate a discount based on filing frequency.

#### Monthly Filer

- If tax on line 12 is less than \$9, calculate the discount by multiplying the tax by 2/3 (.6667).
- If tax on line 12 is \$9 to \$1,200 and paid on or before the 12th of the month, enter \$6.
- If tax on line 12 is \$9 to \$1,800 and paid on the 13th through the 20th of the month, enter \$6.
- If tax on line 12 is more than \$1,200 and paid on or before the 12th of the month, calculate the discount using the following formula:  $(\text{Tax} \times .6667 \times .0075)$ . The maximum discount is \$20,000 for the tax period.
- If tax on line 12 is more than \$1,800 and paid on the 13th through the 20th of the month, calculate the discount using the following formula:  $(\text{Tax} \times .6667 \times .005)$ . The maximum discount is \$15,000 for the tax period.

#### Quarterly Filer

- If tax on line 12 is less than \$27, calculate the discount by multiplying the tax by 2/3 (.6667).
- If tax on line 12 is \$27 to \$3,600 and paid on or before the 12th of the month, enter \$18.
- If tax on line 12 is \$27 to \$5,400 and paid on the 13th through 20th of the month, enter \$18.

- If tax on line 12 is more than \$3,600 and paid on or before the 12th of the month, calculate the discount using the following formula:  $(\text{Tax} \times .6667 \times .0075)$ . The maximum discount is \$20,000 for the tax period.
- If tax on line 12 is more than \$5,400 and paid on the 13th through the 20th of the month, calculate the discount using the following formula:  $(\text{Tax} \times .6667 \times .005)$ . The maximum discount is \$15,000 for the tax period.

#### Accelerated Filer

- If tax on line 12 is paid by on or before the 20th of the month, calculate the discount by using the following formula:  $(\text{Tax} \times .6667 \times .005)$ . There is no maximum discount for accelerated filers.

**NOTE: You can calculate the discount by clicking on the “Calculate discount” hyperlink and entering the payment amount and payment date. The discount calculation will automatically carry over to line 4 on the monthly/quarterly return. If you have manually calculated your discount, you can enter it instead of using the discount calculator.**

**Line 14:** This line will be automatically calculated and populated from information on Lines 11-13.

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#### USE TAX ON ITEMS PURCHASED FOR BUSINESS OR PERSONAL USE

**Line 15:** Enter purchases for which no tax was paid, including property withdrawn for business or personal use. For Manufacturer/Contractors, alternative measures of the use tax base should be reported (see MCL 205.93a(1)(f) and (g) and RAB 2016-24 for more information). For all other taxpayers, report the “purchase price” as defined in MCL 205.92(f).

**Line 16:** This line will be automatically calculated and populated, and is line 15 times 6%.

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#### WITHHOLDING TAX

**Line 17:** Enter the total Michigan income tax withheld for the tax period.

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#### SUMMARY

**Line 18:** This line will be automatically calculated, populated, and is a sum of the sales, use and withholding tax due.

**Line 19:** Enter any payments you submitted for this period (including a 75% prepayment made if you are an accelerated filer) including any payments made with your original return prior to filing the return. If you are using an overpayment from a previous period only enter the amount needed to pay the total liability for this return. In the event an overpayment still exists declare it on the next return you file with a liability. (Liability minus overpayments/prior payment for this period must be greater than or equal to zero).

**Line 20:** This line is automatically calculated and populated.

**Line 21:** Enter any penalty to be paid with the return.

**NOTE: You can calculate penalty by clicking on the “Calculate Penalty” hyperlink on line 21.**

**Line 22:** Enter any interest to be paid with the return.

**NOTE:** You can calculate interest by clicking on the “Calculate Interest” hyperlink on line 22.

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**HOW TO COMPUTE PENALTY AND INTEREST**

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If the return is filed late with tax due, include penalty and interest with the payment. Penalty is 5% of the tax due and increases by an additional 5% per month or fraction thereof, after the second month, to a maximum of 25%. Interest is charged daily using the average prime rate, plus 1 percent.

Refer to [www.michigan.gov/taxes](http://www.michigan.gov/taxes) for current interest rate information or help in calculating late payment fees.

**Line 23:** This line is automatically calculated and populated.

**\*Reason code for amending return:** Select a reason code from the drop-down menu to indicate why the return is being amended.