Instructions for *2026 Sales, Use and Withholding Taxes 4% and 6% Monthly/Quarterly Return* (Form 5096)

IMPORTANT: This is a return for sales tax, use tax, and/or withholding tax. If the taxpayer inserts a zero on (or leaves blank) any line for reporting sales tax, use tax, or withholding tax, the taxpayer is certifying that no tax is owed for that tax type. If it is determined that tax is owed, the taxpayer will be liable for the deficiency as well as penalty and interest.

Check the applicable boxes to indicate which taxes you will be reporting on the return.

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%.

PART 1: 4% SALES TAX

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*.

PART 2: 6% SALES TAX

Line 5: *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 7 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: (Tax x .6667 x .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: (Tax x .6667 x .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: (Tax x .6667 x .005).

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

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.

PART 3: USE TAX

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

Line 12: Negative figures are not allowed. Enter the amount from Worksheet 5099, line 15B. Gross sales minus allowable deductions, multiplied by 6%.

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: (Tax x .6667 x .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: (Tax x .6667 x .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: (Tax x .6667 x .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: (Tax x .6667 x .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: (Tax x .6667 x .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 13 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.

PART 4: 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: Enter the amount from Worksheet 5099, line 21.

PART 5: WITHHOLDING TAX

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

PART 6: 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), 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.

Line 23: Total Payment Due. Add lines 20, 21 and 22. Submit payments electronically on MTO or make check payable to **"State of Michigan."** Write the **account number, "SUW Annual"** and **tax year** on the check. Do not pay if the amount due is less than $1.

HOW TO COMPUTE PENALTY AND INTEREST

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** for current interest rate information or help in calculating late payment fees.