



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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**RETROACTIVE FEDERAL EXTENDER LEGISLATION
MAY AFFECT SOME 2017 INCOME TAX FILERS**

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The Bipartisan Budget Act of 2018, signed into law February 9, 2018, retroactively extended and modified certain federal tax provisions for tax year 2017 that had previously expired on December 31, 2016. Some of these provisions, commonly referred to as extender provisions, affect Michigan taxpayers (both individuals and corporations) indirectly, through either the taxpayer's adjusted gross income (AGI) or federal taxable income (FTI). Many of the extenders only apply to Michigan taxpayers with very specific circumstances (businesses operated in an Indian reservation, expenses related to film, television, or theater, etc.) and a tax professional should be consulted to determine which, if any, might apply.

Of note for individuals are two federal extenders that may affect a taxpayer's federal AGI as reported on the Michigan return:

- Deduction for qualified tuition and related expenses paid by the taxpayer
- Exclusion from AGI of income resulting from discharge of debt on a qualified principal residence

If any of the provisions in the federal legislation affect AGI (for individuals) or FTI (for corporations), these taxpayers may be required to adjust or amend their 2017 Michigan return. For a full review of federal extenders affecting your 2017 Michigan return under Parts 1 and 2 of the Michigan Income Tax Act, please review the Bipartisan Budget Act of 2018 or consult your tax professional.