

## Income/Franchise:

### Michigan Department of Treasury Explains Implementation of Law Changes Involving Passthrough Entity Tax

*Notice: 2024 PA 216 Amends Flow-Through Entity Tax*, Mich. Dept. of Treas. (2/3/25). A Michigan Department of Treasury (Department) notice references how recently signed legislation [see H.B. 5022 (2024 PA 216), signed by gov. 1/17/25, for more details on this legislation] amends Parts 1, 2, and 4 of the Michigan Income Tax Act (MITA) as they relate to Michigan's flow-through entity (FTE) tax and explains that these amendments generally are effective for tax years beginning on and after January 1, 2024. However, the Department also explains that "these amendments do not take effect until April 2, 2025." Due to this variation, the notice addresses:

**URL:** <https://www.michigan.gov/treasury/reference/taxpayer-notices/2024-pa-216-amends-flow-through-entity-tax>

**URL:** <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-5022>

- The deadline to elect into the FTE tax,
- Penalty and interest on estimated payments for the FTE tax,
- The deadline to fund FTE tax credits, and
- Other implementation issues for tax year 2024 due to the effective date of the FTE tax legislation.

Please contact us with any questions.

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