



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

NOTICE
AUTOMATIC EXTENSION
CITY OF DETROIT INCOME TAX FILING DEADLINES

Issued: April 28, 2020

This departmental notice provides taxpayers with combined information on the extensions of time to file Detroit tax returns and remit tax and the waivers from penalty and interest that the Department will grant based on Executive Order 2020-26 and Internal Revenue Service (IRS) Notice 2020-23.

This departmental notice does not apply to non-Detroit city income taxes, which remain extended only as provided by Executive Order 2020-26 or as otherwise indicated by each respective city. Taxpayers should contact their respective city income tax administrators for information regarding that city's potential conformity with Notice 2020-23.

Governor Whitmer issues Executive Order 2020-26. Executive Order 2020-26, issued on March 27, 2020, automatically extended certain deadlines for filing and paying state and city income taxes in Michigan. The automatic extension generally allowed for returns and payments otherwise due in April 2020 to be filed in July 2020 without accrual of penalty and interest. This 3-month extension to file returns and pay tax generally accorded with the same relief provided by the IRS for federal taxpayers with returns and payments due on April 15, 2020 (IRS Notice 2020-17).

IRS issues Notice 2020-23. On April 9, 2020 the IRS issued supplemental guidance through Notice 2020-23 providing extensions to July 15, 2020 for any individual, fiduciary or corporation with a return or payment due between April 15, 2020 and July 15, 2020. Notice 2020-23 therefore expanded the automatic extension to include the calendar year filers' second quarter estimated tax payment and fiscal year filers' income tax returns and payments due on or after April 15, 2020, and before July 15, 2020.

City of Detroit income tax and withholding. This departmental notice provides taxpayers with combined information on the extensions of time to file City of Detroit income tax returns and remit tax and the waivers from penalty and interest that the Department will grant based on Executive Order 2020-26 and IRS Notice 2020-23. Additionally, employer quarterly or monthly withholding originally due on April 15 will now be due on May 15.

Because the extensions within the Executive Order and this Notice are generally applicable to any City of Detroit annual return or estimated payment due between April 15, 2020 and July 15, 2020,

the following due dates have been modified: the filing and payment of the annual return, the application and payment of tax for any extension of time to file the annual return, payment of first and second quarter estimated payments for calendar year filers and any fiscal year estimated payments due during the extension period. These extensions are automatic — there is no need for taxpayers to include any additional information upon the filing of the return or otherwise contact the Department in advance to request an extension.

1. Extension of Annual Return Filing and Payment Date for City of Detroit Calendar and Fiscal Filers.

For City of Detroit calendar and fiscal returns otherwise due between April 15, 2020 and before July 15, 2020, the return and payment of tax has been automatically extended to July 15, 2020.

2. Extension of Date for Application and Payment for Extension Requests

The due date for any application and payment of tax related to an extension of time to file the annual return has been extended to July 15, 2020. Taxpayers may generally request an extension of time to file the annual return provided, however, that tax is paid by the due date of the original return. For purposes of paying that tax, the due date of the original return is the filing date of the annual return as established by Executive Order 2020-26 or this notice. A taxpayer requesting an extension of time to file an annual return must therefore file an application and pay any tax with that extension request by July 15, 2020. The due date of the extended annual return, however, will not be modified by Executive Order 2020-26 or this departmental notice.

For example, a calendar filer requesting an extension of time to file a City of Detroit income tax return must submit that request and pay the appropriate amount of tax by July 15, 2020, but the extended annual return remains due on October 15, 2020. Similarly, a fiscal filer with an annual return originally due on May 15, 2020 must submit a request for extension and pay the appropriate of tax by July 15, 2020, but the extended annual return remains due on November 15, 2020.

3. Extension of City of Detroit Estimated Payments Dates

Executive Order 2020-26 generally extends the date to remit the quarterly estimated tax payment due for the first quarter of 2020. In conformity with IRS Notice 2020-23, for City of Detroit calendar and fiscal filers, all estimated payments that were previously due between April 15, 2020 and July 15, 2020 are extended to July 15, 2020.

4. Extension of City of Detroit Employer Withholding originally due on April 15

Employer 2020 quarterly or monthly withholding originally due on April 15 will now be due on May 15.

5. Penalty and Interest

With regard to any extension authorized by Executive Order 2020-26 and this departmental notice, penalty and interest will not accrue for the period for which that extension is automatically effective.

- Penalty and interest will not accrue between April 15, 2020 and July 15, 2020 for City of Detroit income tax annual return originally due during this period. Penalty and interest will accrue beginning July 16, 2020.
- Penalty and interest will not accrue between April 15, 2020 and July 15, 2020 for City of Detroit estimated payments originally due during this period. Penalty and interest will accrue beginning July 16, 2020.
- Penalty and interest will not accrue between April 15 and May 15 for City of Detroit for 2020 quarterly or monthly withholding payments due on April 15. Penalty and interest will accrue beginning May 16, 2020.

The suspension of penalty and interest is limited to the automatic extensions authorized under Executive Order 2020-26 and this departmental notice; penalty and interest will continue to accrue as appropriate for taxes otherwise owed by any taxpayer.

Executive Order 2020-26 and this departmental notice similarly suspends the time period for the calculation of interest on any refund of City of Detroit income taxes to which the extension applies. Interest will generally not begin to accrue until 45 days after the claim for refund is filed or 45 days after the extended due date for the filing of the return, whichever is later.

Additional information can be found at www.michigan.gov/taxes.