



# Business Taxes

## Year End Changes

Treasury is pleased to share the following enhancements as well as updates and reminders for the transition to 2024 and the upcoming tax season.

- **ENHANCEMENTS: Michigan Treasury Online (MTO)**
  - New Tax Type: Partnership Audit Adjustment
  - Invalid Legal Address Update through Sales, Use, and Withholding (SUW) Tax Returns
  - Coming Soon
- **UPDATES and REMINDERS: SUW Annual Return Reporting**
  - Due Date
  - Exempt Delivery and Installation Charges

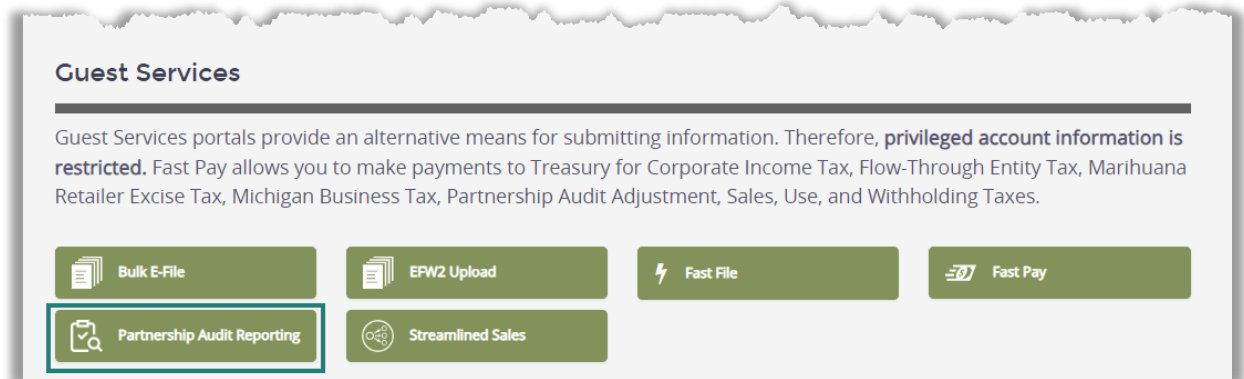
## ENHANCEMENTS: Michigan Treasury Online (MTO)

- **New Tax Type: Partnership Audit Adjustment**

- **About:** Partnership Audit Adjustment (PAA) is a reporting and/or payment obligation of partnerships that have experienced a federal audit resulting in changes to Michigan income tax. Such partnerships must handle these adjustments with Treasury by either:
  1. reporting adjustments to members, who must then separately report and pay their share of the applicable Michigan income tax due (“Push Out”) or
  2. reporting and paying any applicable Michigan income tax on behalf of its members (i.e., the “pay up” method (“Pay Up”).

To learn more about PAA visit [michigan.gov/taxes/business-taxes/partnership-audit-adjustment](https://michigan.gov/taxes/business-taxes/partnership-audit-adjustment).

- **What’s new:** PAA now has a place on the MTO homepage, under Guest Services:



To use the new Guest Service portal:

1. click *Partnership Audit Reporting*.
2. Enter the business’ Treasury account number.
3. Select Pay Up, Push Out, or PAA Payment and follow the prompts to complete reporting and/or payment submission.

## Partnership Audit Adjustment

Welcome to the Michigan Department of Treasury's Partnership Audit Adjustment (PAA) Electronic Reporting Application. Select an option below to file or pay PAA.

### Pay Up

The Pay Up method allows partnerships to pay the tax due or claim the refund on behalf of its partners and is due within 90 days of the partnership's final determination date. This option is irrevocable. See the PAA website link below for more information.

FILE A PAY UP REPORT

### Push Out

The Push Out method allows partnerships to report that their partners will be responsible for paying their portion of the tax due or requesting their portion of the refund separately and is due within 90 days of the partnership's final determination date. See the PAA website link below for more information.

FILE A PUSH OUT REPORT

### PAA Payment

Payments for the Pay Up method are due within 180 days of the partnership's final determination date. Payments resulting from a Michigan audit of PAA should be made using the Fast Pay option on the MTO home page. See the PAA website link below for more information.

MAKE A PAA PAY UP PAYMENT

- **Invalid Legal Address Update through Sales, Use, and Withholding (SUW) Tax Returns**

- **History:** During the registration process, the business is required to provide a legal address to Treasury. For SUW taxes, the legal address is the address Treasury uses to correspond through the mail. It is the business's responsibility to keep Treasury registration data, including the legal address, up to date. If Treasury receives returned mail for a business, the legal address is marked invalid. This prevents mail from being sent that cannot be delivered.

The easiest and fastest way to update a business' legal address is through MTO. Historically, Treasury requests stakeholders to update an invalid legal address by providing the following message when an MTO user accesses the business tax account through the Manage Business Registration Service:

### ATTENTION: Corrections are needed to Update Your Business Registration Information

The legal address on file for this business is invalid. This information must be updated before you can submit any other business registration updates or tax returns.

CONTINUE

- **What's new:** Treasury now communicates with MTO users about a business' invalid address status and captures an update to the address of record when submitting electronic SUW tax returns. After submitting return information on MTO, the user receives at the "Final Check – Is Everything Correct?" pop-up modal. If the business tax account has an invalid legal address, a new section entitled "Address Information" appears in the middle of the window. All required address fields must be completed (as well as the "I declare" box checked in the Authorized Filer Information section) before the return can be filed.

**Final Check - Is Everything Correct?**

You have requested to file this tax return. Take a moment to verify all necessary return fields have been completed correctly. To review and/or edit your return prior to submission, click "CANCEL". If you are ready to file this return, complete the Authorized Filer Information section below and click "FILE". Upon successfully submitting this return, you can access it immediately on the "View and Print Filed Returns" page.

**Address Information**

\* Country  
 USA

\* Street Address Line 1      Street Address Line 2 ⓘ  
 Street Address     

\* City      \* State      \* Zip  
 City           Zip

**Authorized Filer Information**

\* First Name      \* Last Name

\* Title

\* I declare, under penalty of perjury, that I am an authorized representative for this account and all information I have included with this submission is true and complete to the best of my knowledge.

CANCEL ✕      FILE

- **Coming Soon**

A new payment processing platform from our bank vendor is coming to MTO in spring 2024. More information will be shared early next year. In the meantime, MTO payment scheduling rules will remain the same and will continue without interruption. That is - electronic payments through MTO can be scheduled for as early as the next business day.

## UPDATES and REMINDERS: SUW Annual Return Reporting

- **Due Date**

All sales, use, and withholding taxpayers must file the 2023 SUW Taxes Annual Return. For monthly/quarterly filers, the annual return is a reconciliation of all prior, required filings throughout the year. For annual filers, this is the only required return. The 2023 Taxes Annual Return is due no later than February 28, 2024. The easiest and fastest way file this return is through MTO.

- **Exempt Delivery and Installation Charges**

On April 26, 2023, most delivery and installation charges became exempt from sales and use taxes in Michigan. Retailers, sellers, and consumers should visit [michigan.gov/taxes/business-taxes/delivery-and-installation-charges](https://michigan.gov/taxes/business-taxes/delivery-and-installation-charges) for full details. When completing the 2023 annual return, taxpayers will report exempt delivery and installation charges (as documented in their books and records), on the "Other deductions and exemptions" line.