



STATE OF MICHIGAN  
**MICHIGAN BUSINESS TAXES**  
**Registration Booklet**

For more information regarding Michigan business taxes or Individual Income Tax, visit Treasury's Web site at **[www.michigan.gov/taxes](http://www.michigan.gov/taxes)**.

# Your Responsibilities Concerning Taxes

## Federal, State and Local Taxes

Employers must register with the Internal Revenue Service (IRS) and the Michigan Department of Treasury for Social Security tax (federal) and income tax withholding (federal and state). These taxes must be withheld from each employee's wages and paid to the appropriate taxing agency. Some cities also levy a city income tax. Contact the City Treasurer's office for information. Employers must report all newly hired employees. See the Michigan Income Tax Withholding Guide, visit the New Hire Reporting Web site at <http://mi-newhire.com> or call 1-800-524-9846 for more information.

## Federal Unemployment Tax (FUTA)

Most employers must pay federal unemployment taxes. Contact the IRS toll-free at 1-800-829-3676 for more information.

## State Unemployment Insurance Tax

Employers must register with the Unemployment Insurance Agency (UIA) and pay state unemployment insurance taxes. Unemployment taxes are paid entirely by the employer. Employers have an ongoing obligation to inform the Agency of any transfer of assets, organization, payroll, trade or business. Contact the UIA Tax Office at P.O. Box 8068, Royal Oak, MI 48068-8068; in Michigan, call 1-855-484-2636; out of state call 313-456-2300 for account-specific information. More information can also be found on the Agency's Web site at [www.michigan.gov/uia](http://www.michigan.gov/uia).

## Workers' Disability Compensation

Most employers are required to provide workers' disability compensation coverage for their employees. A workers' disability compensation policy is purchased from a private insurance company. Contact the Workers' Compensation Agency at P.O. Box 30016, Lansing, MI 48909, or call 517-322-1195 for more information.

## Health and Safety Standards

Employers must comply with health and safety standards under the federal and state Occupational Safety and Health Act (OSHA) and the Right-to-Know laws. Contact the Michigan Licensing and Regulatory Affairs (LARA), MIOSHA, P.O. Box 30643, Lansing, MI 48909-8143, or call 517-322-1845 for more information.

## Immigration Law Compliance

Employers must verify the employment eligibility of all employees hired after November 6, 1986. Contact the Office of U.S. Immigration and Custom Enforcement at 313-568-6042 for forms and more information.

## New Businesses

Employers are required to file tax returns on time and with the correct payment when required. Employers are responsible for the accuracy of the returns, regardless of who may be hired to prepare them. Accurate and complete records must be kept for determining tax liability properly, as required by law or department rule.

**Selling or transferring all or part of your business.** Whenever you sell or transfer any part of the payroll, accounts, services

or assets of a business covered under the *Michigan Employment Security (MES) Act*, you must complete a *Business Transferor's Notice to Transferee of Unemployment Tax Liability and Rate* (Form UIA 1027). The seller, seller's real estate broker or other agent must deliver the completed Form UIA 1027 to the purchaser of the business at least two business days before the transfer of the business. You may obtain this form at the UIA Web site at [www.michigan.gov/uia](http://www.michigan.gov/uia) or by calling 1-855-484-2636 or 313-456-2300. A *Disclosure of Transferor Account* (Form UIA 1346), provides the information needed to complete Form UIA 1027 and may be obtained by calling the telephone numbers listed above. If the sale to the purchaser results in the total transfer of the seller's business, a *Discontinuance or Transfer of Payroll or Assets in Whole or Part* (Form UIA 1772) must be completed. This form can be obtained from the same Web site referenced above.

**Delinquent taxes** owed to the Michigan Department of Treasury must be paid with this registration. Submit a letter identifying the business name, address, Federal Employer Identification Number (FEIN), type of tax being paid and the period(s) the tax was due. Payment should include tax, penalty and interest owed. Go to the Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

**Corporate officers** may be held liable for Treasury tax debts incurred by their corporations.

**Delinquent collections.** Treasury and UIA may both file tax liens against any taxpayer's real and personal property and issue a tax warrant or levy to seize and sell the property to pay delinquent taxes.

**Successors** (buyer or acquirer of a business). If you buy or acquire either an existing or discontinued business or its stock of goods, you can be held liable for tax debts incurred by the previous owner. You must withhold sufficient purchase money to cover these tax debts until the previous owner produces a receipt showing the taxes have been paid or a certificate stating that no taxes are due. This certificate may be obtained through the Department of Treasury, Collection Division, Tax Clearance. Upon the owner's written waiver of confidentiality a *Limited Power of Attorney* (Form 3840) Treasury will release a business's known tax liability for purposes of establishing an escrow account. The Tax Clearance office can be reached at 517-636-5260.

For unemployment tax purposes, a successor may be held liable for tax debts or the experience account incurred by the previous business. For more information, or to obtain clearance statements, call UIA Employer Ombudsman at 1-855-484-2636 or access the Agency's Web site at [www.michigan.gov/uia](http://www.michigan.gov/uia).

### --- IMPORTANT INFORMATION ---

#### Use Tax on Rental or Leased Property

You may elect to pay use tax on receipts from the rental or lease of the tangible personal property instead of paying the sales or use tax on the full cost of the property at the time it is acquired.

If you elect to pay use tax on receipts from the rental or lease, you must first obtain a Use Tax Registration before you acquire the property.

For additional information, contact the Michigan Department of Treasury at 517-636-6925.

#### Sales Tax for Concessionaires

If you will make retail sales at only one or two events in Michigan per year, do not complete Form 518. Instead, complete a *Concessionaire's Sales Tax Return and Payment* (Form 2271). This form can be found on Treasury's Web site: [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or by calling 517-636-6925.

# Helpful Information for Starting a New Business

By reading and completing the *Michigan Business Taxes Registration Booklet*, you can register for any/all of the following business taxes and licenses:

- Sales Tax
- Use Tax
- Income Tax Withholding
- Corporate Income Tax
- Flow Through Withholding
- Unemployment Insurance Tax.

State unemployment insurance taxes are paid to the Unemployment Insurance Agency (UIA). All other taxes are paid to the Michigan Department of Treasury.

If you need a Motor Fuel License, call 517-636-4600. If you need a IFTA license, call 517-636-4580. If you need a Tobacco Products License, call 517-636-4630. The following are some suggestions of other places to contact for further help.

## Determine Your Business's Legal Structure

Contact an attorney, accountant or other business professional to determine the appropriate structure for your business. You may wish to contact the Michigan Licensing and Regulatory Affairs (LARA), at 517-241-6470 for more information about starting a business.

## Register Your Business Name

Depending on the legal structure chosen, the business name may be registered with the local county clerk's office or the State of Michigan. Sole proprietorships and partnerships should contact the county clerk's office. Corporations, limited partnerships and limited liability companies (LLCs) should contact the Michigan Licensing and Regulatory Affairs (LARA) at 517-241-6470.

## Obtain a Federal Employer Identification Number (FEIN)

This number is issued by the IRS and is required if you will have employees. It is also mandatory for your UIA registration. If you do not have an FEIN, contact the IRS at 1-800-829-3676 to request Form SS-4. You can also obtain Form SS-4 at the IRS Web site at [www.irs.ustreas.gov/formspubs/index.html](http://www.irs.ustreas.gov/formspubs/index.html). When you have completed the form, you may call 1-800-829-4933 and provide the information from the form to the agent. The agent may assign your FEIN while you are on the telephone. To complete your FEIN registration, mail the form to the address shown on the form or fax it to 1-829-292-5760.

## Obtain Special Licenses

Some occupations, professions and business activities require certification or licensing at the state or local level. An abbreviated list of state licensing contacts is provided below.

Department of Agriculture

Food Service..... 1-800-292-3939

Michigan Licensing and Regulatory Affairs (LARA)

Health Services ..... 517-335-0918  
Commercial Services ..... 517-241-6470  
Insurance Bureau..... 517-373-0220 or 1-877-999-6442  
Liquor Control Commission ..... 517-322-1345  
Plumbing ..... 517-241-9330  
Electrical ..... 517-241-9320

Boiler ..... 517-241-9334  
Mechanical ..... 517-241-9325  
Elevator ..... 517-241-9337  
Health Facilities ..... 517-241-4160  
Long-Term Care Division ..... 517-334-8408

You may also contact your local library, chamber of commerce or the nearest Small Business Development Center for information about state licenses. You can reach the Michigan Small Business Development Center Network at 1-877-873-4567. More information can also be found on the Network's Web site at [medc.michigan.org](http://medc.michigan.org). Also check with your county and city clerks for information about local licenses.

## Forms and Information

New business forms can be found on Treasury's Web site at [www.michigan.gov/businessstaxes](http://www.michigan.gov/businessstaxes) or call 517-636-6925 to have forms mailed to you. If you need assistance or more information, contact the appropriate party listed below.

**Registration:** Call 517-636-6925 or e-mail your questions to [treasreg@michigan.gov](mailto:treasreg@michigan.gov).

**UIA:** In Michigan, call toll-free 1-855-484-2636. Questions may also be faxed to 313-456-2130. For questions regarding a specific account number, call 313-456-2300. More information can also be found on UIA's Web site at [www.michigan.gov/uia](http://www.michigan.gov/uia).

## Unemployment Insurance Agency - Tax Office

Employers may now register for a UIA Account Number using an on-line e-Registration application located within the Michigan Business One Stop.

The process is easy, secure, convenient and much faster than registering by mail. After completing the on-line registration, you can receive your new UIA Account Number in as little as three days.

[www.michigan.gov/business](http://www.michigan.gov/business)

## Unemployment Insurance Agency - Tax Office

Whenever you contact UIA for tax assistance, please have your ten-digit UIA Account Number, or if you do not have a UIA Account Number, then your Federal Employer Identification Number (FEIN) available. Contact Tax Status regarding registering a new business, the sale/discontinuance of a business or seasonal designation. Tax Maintenance provides assistance with tax rates, overpayments, and 940 certifications. Contact Tax Collections about assessments, payment plans, and tax liens. For general assistance, you may call 1-855-484-2636 within Michigan or 313-456-2300 outside of Michigan.

| <u>Team</u>     | <u>Telephone Number</u> | <u>E-mail Address</u>  |
|-----------------|-------------------------|--|
| Tax Status      | 313-456-2080            | <a href="mailto:EmployerLiability@michigan.gov">EmployerLiability@michigan.gov</a> |
| Tax Maintenance | 313-456-2010            | <a href="mailto:TaxSupport@michigan.gov">TaxSupport@michigan.gov</a>               |
| Tax Collections | 313-456-2090            | <a href="mailto:TaxCollections@michigan.gov">TaxCollections@michigan.gov</a>       |

# Registration for Michigan Taxes

**It is important that you complete all items on the Registration form. Incomplete or inaccurate information will delay processing and in some cases may subject you to a penalty. Read all instructions carefully before you begin.**

**This form is provided under PA 122 of 1941 and the Michigan Employment Security Act. Filing is mandatory if you are required to pay business taxes in Michigan.**

## **Complete this Registration Form if you:**

- Start a new business or reinstate an old business.
- Purchase or acquire an existing business.
- Need to register for any of the Michigan taxes listed below.
- Change the type of ownership of your business (e.g., change from sole proprietorship to partnership, or incorporate a sole proprietorship or partnership). Submit to the Unemployment Insurance Agency documents for changes in ownership, management or control, or change in management through arm's-length transactions.

## **Do not complete this Registration Form if you:**

- Make sales at fewer than three events in Michigan during a calendar year. Instead, file a *Concessionaire's Sales Tax Return and Payment* (Form 2271).
- Wish to apply for an ID number for your bank account. Use your Social Security number for this purpose.

## **Register for Sales Tax if you:**

- Sell tangible personal property to the end user from a Michigan location (wholesalers do not need to register).

For more information regarding Sales Tax, go to [www.michigan.gov/businessstaxes](http://www.michigan.gov/businessstaxes) or call 517-636-6925.

## **Register for Use Tax if you:**

- Lease tangible personal property in Michigan.
- Sell telecommunication services.
- Provide transient hotel or motel room rentals.
- Buy goods for your own use from out-of-state unlicensed vendors.
- Launder or clean textiles under a sole rental or service agreement with a term of at least five days.

For more information regarding Use Tax, go to [www.michigan.gov/businessstaxes](http://www.michigan.gov/businessstaxes) or call 517-636-6925.

## **Register for Employer and Retirement Withholding**

### **Tax if you:**

- Are an employer withholding federal income tax from employee compensation (see *Federal Employer's Tax Guide Circular E*).
- Effective January 1, 2012, Michigan's tax treatment of pension and retirement benefits changed and these benefits will be subject to income tax for many recipients. Michigan law now requires the administrators of pension and retirement benefits to withhold income tax on payments that will be subject to tax.

For more information regarding Withholding Tax, go to [www.michigan.gov/businessstaxes](http://www.michigan.gov/businessstaxes) or call 517-636-6925. Individual owners and partners may not remit withholding on their wages through their business account numbers. They must file quarterly income tax estimates. For information about quarterly estimates, call 517-636-4486.

## **Corporate Income Tax**

Michigan's Corporate Income Tax (CIT) imposes a 6 percent income tax on entities that are treated as C Corporations for federal income tax purposes. Insurance companies and financial institutions pay special taxes. The CIT replaces the Michigan Business Tax (MBT) effective January 1, 2012.

## **Register for Corporate Income Tax if you:**

- Have apportioned or allocated gross receipts greater than \$350,000 (with the exception of insurance companies and financial institutions).

For more information regarding business taxes, visit Treasury's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or call 517-636-6925.

## **Register for Flow through Withholding if you:**

- Are a partnership or S Corporation (or entity taxed federally as such) and any partner or shareholder is an individual not residing in Michigan.
- Are a partnership (or entity taxed federally as such) with Michigan business income reasonably expected, and any partner is taxed federally as a C Corporation.

## **Register for Motor Fuel Tax if you:**

- Operate a terminal or refinery for gasoline, diesel or aviation fuel or import from a foreign country.
- Transport fuel across a Michigan border for hire.
- Are a position holder in a fuel terminal.
- Sell diesel fuel for use in watercraft.
- Sell LPG for highway use.
- Sell aviation fuel for resale.

For more information regarding Motor Fuel Tax, visit Treasury's website at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or call 517-636-4600.

## **Register for IFTA Tax if you:**

- Operate a diesel-powered vehicle for transport across Michigan's borders, having three or more axles, or having two axles and a gross vehicle weight over 26,000 pounds.

For more information regarding IFTA Tax, visit Treasury's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or call 517-636-4580.

## **Register for Tobacco Products Tax if you:**

- Sell cigarettes or other tobacco products for resale.
- Purchase any tobacco products from unlicensed out-of-state sources.
- Sell cigarettes or other tobacco products in a vending machine.

For more information regarding Tobacco Tax, go to [www.michigan.gov/tobaccotaxes](http://www.michigan.gov/tobaccotaxes) or call 517-636-4630. If, after reviewing your registration, Treasury determines that you need to file a Tobacco Tax License, you will be contacted with instructions on how to apply for a license.

## **Register for State Unemployment Tax if you:**

- Have employees performing services in Michigan.
- Plan to have employees working or performing services in Michigan.
- Have acquired all/part of the payroll, accounts, services or assets of a business having employees in Michigan.

## **All employers must complete a *Liability Questionnaire* (UIA Schedule A) and a *Successorship Questionnaire* (UIA Schedule B).**

For more information, visit Treasury's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes) or UIA's Web site at [www.michigan.gov/uia](http://www.michigan.gov/uia).

For specific information regarding missing UIA payments, reports, penalties, and/or interest, in Michigan, call 1-855-484-2636. Be sure to have your UIA Account Number, or if you do not have a UIA Account Number, then your Federal Employer Identification Number (FEIN) available.

## **Mailing Instructions**

Mail your completed registration and UIA schedules to:  
Michigan Department of Treasury  
P.O. Box 30778  
Lansing, MI 48909-8278

Mail your application at least six weeks, but not more than six months, before you intend to start your business to allow your registration to be processed. Treasury will forward your application to UIA. You may also fax your forms to 517-636-4520.

# Instructions for Completing Form 518, Registration for Michigan Taxes

Treasury will mail your personalized Sales, Use and Withholding Tax returns. UIA will issue your unemployment account number.

*Lines not listed are explained on the form.*

**Reason for This Application.** Check the reason why you are completing this application. If more than one reason applies, in most cases, check all that apply. The sole exception arises if you are registering for withholding on an employee payroll, and for withholding on pension payments to retirees, and one of those will be performed by a third party (e.g., a payroll service). In that case, file a separate Form 518 for the each of the two functions, so as to identify clearly which party (taxpayer or payroll service) is handling each function.

**Line 1, Federal Employer Identification Number (FEIN).** The Internal Revenue Service (IRS) issues the FEIN. If you need an FEIN, contact the IRS at 1-800-829-3676 and ask for Form SS-4, or visit the IRS Web site at [www.irs.ustreas.gov/formspubs/index.html](http://www.irs.ustreas.gov/formspubs/index.html) to download the form.

**Line 2, Company Name.** If your company is a partnership or corporation, include the appropriate indicator in this box: LLP, LLC, Corp, Inc, PC or LC. If your business is a sole proprietorship, enter the owner's name here and the business name on line 3.

**Line 4, Legal Address.** Enter the street address where your books and records are kept for audit purposes. You must also receive mail there.

**Line 5, Mailing Address.** This may be a Post Office box or any other address where you want business tax forms mailed.

**Line 6, Physical Address.** Enter the Michigan physical address if the actual location of your business is different from the legal address, line 4.

**Line 7, Business Ownership Type Code.** Enter the business type code from the list below that precisely describes the business entity being registered.

|                                  |    |
|----------------------------------|----|
| Sole Proprietorship.....         | 10 |
| Husband/Wife Proprietorship..... | 20 |

## Partnerships

|                                |    |
|--------------------------------|----|
| Limited Partnership (LP) ..... | 33 |
| General Partnership .....      | 30 |

## Limited Liability Companies (LLC)

*Select a code based on how the LLC files its federal income tax*

|   |    |
|---|----|
| Files federal tax as a sole proprietor (Form 1040) .....  | 35 |
| Files federal tax as a partnership (Form 1065) .....  | 36 |
| Files federal tax as a C Corporation (Form 1120) ..   | 37 |
| Files federal tax as an S Corporation (Form 1120S) ..   | 38 |
| Wholly owned by another entity (not by an individual) and files federal tax as a disregarded entity on the owner's return ..... | 39 |

## Corporation incorporated under Michigan law

|  |    |
|--|----|
| Files federal tax as a C-Corporation (Form 1120) ..  | 40 |
| Files federal tax as a S-Corporation (Form 1120S) .. | 41 |

## Corporation incorporated under law of any other state or country

|   |    |
|---|----|
| Files federal tax as a C-Corporation (Form 1120) ..   | 50 |
| Files federal tax as a S-Corporation (Form 1120S) ... | 51 |
| Trust or Estate (Fiduciary) .....                     | 60 |
| Joint Stock Club .....                                | 70 |
| Social Club or Fraternal Organization .....           | 80 |
| Any Other Type of Business .....                      | 90 |

**Line 8, Michigan Licensing and Regulatory Affairs (LARA) Corporate ID Number.** This item is only applicable if you have a Michigan business entity. A non-Michigan entity will not be issued a LARA Corporate ID number.

**Line 9, Business Code.** Locate the six-digit code that best describes your business on the list of North American Industrial Classification System (NAICS) codes found at: <http://www.census.gov/eos/www/naics>. Enter that code on Line 9. **You must supply a NAICS code.**

**Line 10, Business Activity.** Briefly describe the specific business activity or affairs the business will be transacting or conducting in Michigan.

**Line 11, Products You Sell.** Briefly describe what products you will sell to the final consumer.

**Lines 12 to 16, Taxes.** Check the box for each tax type you expect to pay. Indicate in the space next to each tax type the date your liability for that tax begins. For Sales Tax, Use Tax and Employer and Retirement Withholding, check the box that indicates how much each month you expect to pay of that tax. Please note that a C Corporation (or entity taxed federally as such) is required to pay the Michigan Corporate Income Tax if its apportioned or allocated gross receipts exceed \$350,000 in a year. A partnership or S Corporation (or entity taxed federally as such) must pay flow-through withholding if any partner or shareholder is an individual not residing in Michigan. A partnership (or entity taxed federally as such) with Michigan business income of more than \$200,000 must pay flow-through withholding if any partner is an entity (corporation, partnership, LLC).

**Line 17, Unemployment Insurance Tax.** If you will be paying this tax, you should already have received an FEIN from the IRS. Be sure to enter this number on Line 1 and complete the attached Unemployment Insurance Agency (UIA) Schedule A and Schedule B. If this is the only tax you will be paying, send these forms and other requested documents to Unemployment Insurance Agency, Tax Office at:

|                          |              |
|--------------------------|--------------|
| UIA                      | Or Fax to:   |
| P.O. Box 8068            | 313-456-2130 |
| Royal Oak, MI 48068-8068 |              |

**Line 18a, Motor Fuel Tax.** Check this box if your business will be selling motor fuel or if your business will include operation of a commercial vehicle transporting motor fuel.

**Line 18b, IFTA Tax.** Check this box if your commercial vehicle qualifies for IFTA and you will have interstate travel.

**Line 19, Tobacco Tax.** Check this box if you will be selling tobacco products to other businesses or will be purchasing untaxed tobacco from an unlicensed source.

**Line 20, Number of Locations.** Enter the number of Michigan locations that will need a Sales Tax License.

**Line 21, Fiscal Year.** Enter the two-digit number that corresponds to the month in which you close your tax books. For instance, if your tax year is from July to June, enter "06" for June.

**Line 22, Seasonal Business.** Complete this only if your business is not open the entire year. Enter two two-digit numbers corresponding to the months your business opens and closes, respectively. For example, if your business is open from October to May, enter "10" on the first line and "05" on the second line. **Note:** Seasonal businesses are required to file monthly returns for the months that they are open.

Do not submit this form solely for the purpose of making sales at only one or two events in Michigan per year. Instead, submit a *Concessionaire's Sales Tax Return and Payment* (Form 2271). This

form can be found on Treasury's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes), or you can call 517-636-6925 to have this form mailed to you.

**Line 23, Payroll Service.** This refers to you only if you contract with a company that prints payroll checks for your business (or processes EFT payments to your employees) and makes payments on your company's behalf for income tax withholding. If you contract with such a company, you should access Michigan Treasury Online (MTO) at [www.michigan.gov/mtobusiness](http://www.michigan.gov/mtobusiness) to add this information or fill out an *Authorized Representative Declaration (Power of Attorney)* (Form 151). This form can be found on Treasury's Web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes), or call 517-636-6925 to have this form mailed to you. Do not check this box if you or your company produce your own paychecks for your employees and you hire an accounting firm that manages your payroll. If you do have a payroll service, provide its name so that Registration staff can assist you with this.

**Line 24.** If your business succeeds or replaces an existing business or businesses because of incorporation, purchase or merger, provide the names and account numbers of those previous business(es).

**Lines 29 to 32.** You must supply at least one name. If there are more than four owners or partners (other than non-officer shareholders), attach a separate sheet of paper.

**NOTE:** You must provide a signature certifying that the information provided on the form is true, correct and complete to the best of your knowledge and belief.

#### **Accepted Ownership Titles & Codes:**

##### **All Types of LLCs**

Member..... 35, 36, 37, 38, 39

##### **Sole Prop & Husband/Wife Partnerships**

Owner ..... 10, 20, 35, 36

##### **All Types of Partnerships**

Partner/General Partner ..... 30, 36

##### **Limited Partnerships**

General Partner ..... 33

##### **All Types of Entities**

President  
Vice President  
Secretary  
Treasurer  
Chief Accounting Officer  
Chief Administrative Officer  
Chief Executive Officer  
Chief Financial Officer  
Chief Operations Officer  
Chief Restructuring Officer  
Compensation and Benefits Mgr  
Controller  
Director  
Employee Relations Mgr/Adv.  
Executive Director  
General Manager  
Human Resources Manager  
Of Counsel/Attorney  
Operation Director  
Resident Agent  
Superintendent  
Trust Executive