

## Resources

### Michigan Income Tax Deadlines Postponed by Governor Whitmer's Executive Order 2020-26

March 30, 2020

On Friday, March 27, 2020, Michigan Governor Gretchen Whitmer issued Executive Order 2020-26 (the "Order"), postponing tax filing and payment deadlines for Michigan taxpayers in order to grant some amount of relief to individuals and businesses amid the Coronavirus/COVID-19 crisis. The Order provides Michigan taxpayers with the ability to defer Michigan state and city income tax payments otherwise due by April 15, 2020 or April 30, 2020, and also postpones the filing deadline for those same income tax returns. The Order does not, however, postpone or alter the deadline for estimated quarterly payments due in June of 2020.

#### Executive Order Issued under Authority Granted by Emergency Declaration

On March 10, 2020, Governor Whitmer issued Executive Order 2020-4 in response to the COVID-19 pandemic, which declared a state of emergency under the Emergency Management Act, the Emergency Powers of the Governor Act, and Section 1 of Article 5 of the Michigan Constitution. The Emergency Management Act empowers the Governor to address dangers to the State of Michigan or its residents due to disaster or emergency by way of executive order which is given the effect of law. The Emergency Powers of the Governor Act empowers the Governor to "promulgate reasonable orders, rules, and regulations" as she deems necessary to protect life and property during an emergency situation.

In Executive Order 2020-26, the Governor stated that it was necessary to extend the April deadlines for filing state and city income taxes in Michigan in order to protect the public health of the State of Michigan and to provide relief to its taxpayers.

#### Applicable Filing and Payment Due Date

The Order postpones the due date for the filing of Michigan income tax returns (including city income tax returns) otherwise due in April and the payment of income taxes associated with those returns. Returns and payments normally due April 15 or April 30 are postponed by 3 months, moving the date returns must be filed and payment must be made from April 15, 2020 to July 15, 2020 or from April 30, 2020 to July 31, 2020, as applicable. The postponed deadlines apply to all Michigan state and city income tax returns and payments otherwise due on April 15 or April 30, including income taxes owed for the 2019 tax year and quarterly estimated income tax payments for the 2020 tax year (specifically those due in April).

The deadline for Quarter 2 estimated tax payments, which are due in June of 2020, has not been postponed by the Order. Accordingly, as due dates for Quarter 1 estimated tax payments have been moved from April to July, Quarter 2 estimated tax payments will effectively be due one month prior to Quarter 1 estimated tax payments.

#### Calculation of Interest and Penalties

For amounts properly deferrable under the Order, the 3-month period by which a state or city return is delayed will be disregarded for the calculation of interest and penalties on unpaid taxes. For all such unpaid taxes, interest and penalties will begin to accrue as of July 16, 2020 (for returns and payments otherwise due on April 15) or August 1, 2020 (for payments and returns otherwise due on April 30).

The Order only temporarily suspends the calculation of interest and penalties associated with returns and payments with an original due date of April 15, 2020 or April 30, 2020. Accordingly, any currently overdue unpaid taxes will continue to accrue interest and penalties without suspension.

## Accrual of Interest on Unpaid Refunds Delayed

The Order temporarily suspends the calculation of interest on unpaid Michigan state or city tax refunds to taxpayers. Under the Order, interest will begin accruing on all unpaid refunds 45 days after the later of (1) the date on which the return claiming a refund was filed or (2) the due date of the return claiming a refund. Therefore, as the Order postpones the due date for all state and city income tax returns until July, the date on which interest may begin accruing for unpaid refunds will not be until the end of August for returns originally due April 15 or mid-September for returns originally due April 30.

## Executive Order Mirrors Action Taken by Federal Government Regarding Federal Taxes

Federal tax payments and returns otherwise due by April 15, 2020 have had their deadlines postponed until July 15, 2020 by Notice 2020-18 issued by the U.S. Department of the Treasury on Friday, March 20, 2020. Therefore, Michigan residents may delay paying and filing all income taxes, including city, state, and federal income taxes, until July of 2020 (unless a taxpayer must file and pay state or city income taxes in another state with different deadlines).

For more information regarding Michigan Executive Order 2020-26, Michigan state or city income tax return filing deadlines and further available extensions, or Michigan state or city tax payment deadlines, please contact Scott Kocienski (248-203-0868 or [skocienski@dykema.com](mailto:skocienski@dykema.com)), Tony Frasca (734-214-7614 or [afrasca@dykema.com](mailto:afrasca@dykema.com)), Michael Cumming (248-203-0740 or [mcumming@dykema.com](mailto:mcumming@dykema.com)), Tyler Kemper (734-214-7694 or [tkemper@dykema.com](mailto:tkemper@dykema.com)), or your Dykema relationship attorney.

**Stay ahead of emerging issues with Dykema's COVID-19 Legal Resource Center and subscribe to all relevant publications so you can easily leverage information, stay up to date on evolving developments, and better position yourself for success.**

## Attorneys

Erica L. Berezny  
Andrew J. Buczek  
Laura M. Callahan  
Michael G. Cumming  
Nardeen Dalli  
Marie R. Deveney  
Andrew H. Doerr  
Anthony J. Frasca  
Nazneen S. Hasan  
Margaret Adams Hunter  
Tyler J. Kemper  
Scott R. Kocienski  
Richard L. Lieberman  
Asel M. Lindsey  
Robert W. Nelson  
Carl Rashid, Jr.  
Robert P. Tiplady  
Mark W. Weisbard

Michigan Income Tax Deadlines Postponed by Governor Whitmer's Executive Order 2020-26 (Cont.)

## Practice Areas

COVID-19 Legal Resource Center

Taxation

As part of our service to you, we regularly compile short reports on new and interesting developments and the issues the developments raise. Please recognize that these reports do not constitute legal advice and that we do not attempt to cover all such developments. Rules of certain state supreme courts may consider this advertising and require us to advise you of such designation. Your comments are always welcome. © 2021 Dykema Gossett PLLC.