

Update on KMART MICHIGAN PROPERTY SERVICES LLC Decision and Michigan Department of Treasury's Notice Requiring New and Amended SBT Returns

March 10, 2010

Attorneys in Miller Canfield's State and Local Tax practice group have written an article questioning the legality of the Department of Treasury's recent KMPS LLC Notice. The Notice directs taxpayers that had included in their Single Business Tax returns a Single Member LLC which had elected non-entity treatment for federal income tax purposes to now file amended SBT returns excluding SMLLCs and requires each of the SMLLCs which had elected non-entity treatment for federal income tax and which had been treated as a division of its owner for the SBT return to now file new original individual entity SBT returns retroactively for all "open years." The article is in the process of being published in various tax publications and journals. Because these may not reach your attention for at least a few days, an advance copy can be obtained by clicking this link.