Michigan State University – East Lansing Income Tax FAQ
As of November 13, 2018

1. **Who will pay the East Lansing (EL) income tax?**
   a) Residents of East Lansing
   b) Nonresidents working in East Lansing, including most of Michigan State University’s central campus.

2. **I have an East Lansing address for my residence and/or my location of work. How can I determine if I am subject to the EL income tax?**

   Please see the City of East Lansing’s [Income Tax Boundary Maps](#). This jurisdiction map is intended to support taxpayers in determining their tax status for residency and location of work. If you are still unsure of your tax status, please consult your local tax authority.

3. **How much is the tax?**

   1 percent for residents and 0.5 percent for nonresidents working in East Lansing.

4. **When is it effective?**

   Jan. 1, 2019. MSU is required to withhold this tax on applicable MSU employees beginning with payrolls in January 2019. This includes the Jan. 4, 2019, biweekly payroll for pay dates Dec. 9 – Dec. 22, 2018.

5. **The City of East Lansing has published the EL-W-4 Employees Withholding Certificate. Is this the form I need to file with MSU?**

   No. All MSU employees will complete their W-4 Local Tax withholding form directly in EBS. All MSU employees will need to review and confirm the W-4 Local Tax form for residency and work location. [W-4 Local Tax forms with an East Lansing option will not be available in EBS until December 17, 2018 – further information will be provided at a later date.](#)

6. **What if I live in East Lansing but work outside of East Lansing in a city that also has an income tax?**

   Most Michigan cities that impose a tax do so at a maximum tax of 1 percent. So, an East Lansing resident who works in another city with an income tax levied at 1 percent (e.g., Lansing) will be subject to 0.5 percent in East Lansing and 0.5 percent in the city of work. Exceptions include working in Detroit and Grand Rapids. In this case, you are subject to 0.5 percent East Lansing tax and the [published nonresident rate](#).

7. **How will my MSU withholdings be handled?**

   MSU employees are required by Michigan law to complete and certify a W-4 Local Tax form for both residency and location of work in EBS. [Please note, electronic W-4 Local Tax forms with an East Lansing option will not be available in EBS until December 17, 2018 – further information will be provided at a later date.](#)
8. **MSU already has my home address and knows where I work. Why do I need to complete and certify W-4 Local Tax forms in EBS?**

   Taxable boundaries are not the same as city (address) boundaries. For this reason, the use of city or zip code in an address is not a completely reliable indicator of taxability (see question 2 above for tax jurisdiction map). Therefore, each employee will be required to complete and certify their W-4 Local Tax forms in EBS to declare taxability.

9. **I am not an East Lansing resident, and I have a nine-month appointment working in East Lansing during the academic year. Do I still owe taxes?**

   Yes. All wages earned at an East Lansing location are required to pay the 0.5 percent nonresident work tax.

10. **Are students exempt from the East Lansing income tax?**

    No, student status alone does not exempt an individual from the tax. All wages earned at an East Lansing location are required to pay the .5 percent non-resident work tax. If your driver’s license has an East Lansing address or your permanent address in EBS is East Lansing, you may be considered a resident and be required to pay the 1.0 percent resident tax. Exemption information can be found in the City of East Lansing’s [Income Tax FAQ for Individuals](#).

11. **I work at an MSU extension office full time outside of East Lansing. Am I required to pay the tax?**

    No. You are only required to pay the tax if you are a resident of or work in East Lansing. However, you are still required to complete and certify your W-4 Local Tax form.

12. **I work in more than one taxable city location (e.g. East Lansing and Grand Rapids). How do I determine my proper W-4 Local Tax – Location of Work status?**

    Nonresidents of East Lansing are subject to East Lansing location of work withholding only if East Lansing is the predominant place of employment (PPE). PPE applies to work in taxing cities only. Your PPE is the location where you earn the greatest percentage of compensation, other than your city of residence, provided that percentage is 25 percent or more. Further information will be provided at a later date.

13. **I don’t work in East Lansing and I live in a nontaxing city. Do I have to pay the East Lansing nonresident work tax?**

    No. You will select ‘Other/no applicable city tax’ on your W-4 Local Tax for residency and location of work.

14. **I work at an MSU location that is not in the city of East Lansing. Do I have to pay the East Lansing income tax?**

    No. Only employees working in a location within the city of East Lansing are required to pay the non-resident income tax.
15. Thanks, but I still need help!

The Payroll Office is happy to help. Please email all East Lansing income tax-related questions or comments to ctlr.payroll@ctlr.msu.edu and we will answer any question for which we know the answer at this time.

The city’s General FAQ also may be of assistance. We are working closely with city officials and will share more detailed information as it is confirmed.