

# HOUSE BILL No. 4403

February 28, 1991, Introduced by Rep. Porreca and referred to the Committee on Taxation.

A bill to amend section 24 of Act No. 122 of the Public Acts of 1941, entitled as amended

"An act to establish a revenue division of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to create the position and to define the powers and duties of the state commissioner of revenue; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to provide an appropriation; to abolish the state board of tax administration; and to declare the effect of this act,"

as amended by Act No. 58 of the Public Acts of 1986, being section 205.24 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 24 of Act No. 122 of the Public Acts of  
2 1941, as amended by Act No. 58 of the Public Acts of 1986, being

1 section 205.24 of the Michigan Compiled Laws, is amended to read  
2 as follows:

3       Sec. 24. (1) If a person fails or refuses to file a return  
4 or pay a tax administered under this act within the time speci-  
5 fied, the department, as soon as possible, shall assess the tax  
6 against the person and notify the person of the amount of the  
7 tax.

8       (2) ~~In case of~~ EXCEPT AS PROVIDED IN SUBSECTION (6), FOR  
9 failure or refusal to file a return or pay a tax within the time  
10 specified, a penalty of \$10.00 or 5% of the tax, whichever is  
11 greater, shall be added if the failure is for not more than 1  
12 month, with an additional 5% penalty for each additional month or  
13 fraction of a month during which the failure continues or the tax  
14 and penalty is not paid, to a maximum of 50%. In addition to the  
15 penalty, interest at the rate provided in section 23(2) shall be  
16 added on the tax from the time the tax was due ~~—~~ until paid.

17       (3) If a return is filed or remittance is paid after the  
18 time specified and it is shown to the satisfaction of the depart-  
19 ment that the failure was due to reasonable cause and not to  
20 willful neglect, the penalty may be waived at the discretion of  
21 the commissioner or an authorized representative of the  
22 commissioner.

23       (4) For failure or refusal to file an information return or  
24 other informational report required by a tax statute, within the  
25 time specified, a penalty of \$10.00 per day for each day for each  
26 separate failure or refusal may be added. The total penalty for  
27 each separate failure or refusal shall not exceed \$400.00.

1 (5) For a taxpayer who has failed to file a return during  
2 any previous tax period for which amnesty is available under  
3 section 31 during the amnesty period, a penalty of 50% of any tax  
4 delinquency discovered after the amnesty period shall be added to  
5 the tax.

6 (6) FOR FAILURE OR REFUSAL TO FILE A RETURN OR PAY A TAX  
7 IMPOSED UNDER THE INCOME TAX ACT OF 1967, ACT NO. 281 OF THE  
8 PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO 206.532 OF THE  
9 MICHIGAN COMPILED LAWS, WITHIN THE TIME SPECIFIED, A PENALTY OF  
10 \$10.00 OR 0.5% OF THE TAX, WHICHEVER IS GREATER, SHALL BE ADDED  
11 IF THE FAILURE IS FOR NOT MORE THAN 1 MONTH, WITH AN ADDITIONAL  
12 0.5% PENALTY FOR EACH ADDITIONAL MONTH OR FRACTION OF A MONTH  
13 DURING WHICH THE FAILURE CONTINUES OR THE TAX AND PENALTY ARE NOT  
14 PAID, TO A MAXIMUM OF 25%. IN ADDITION TO THE PENALTY, INTEREST  
15 AT THE RATE PROVIDED IN SECTION 23(2) SHALL BE ADDED ON THE TAX  
16 FROM THE TIME THE TAX WAS DUE UNTIL PAID.