

HOUSE BILL No. 4487

March 6, 1991, Introduced by Rep. Gubow and referred to the Committee on Taxation.

A bill to amend sections 43 and 82 of chapter 2 of Act No. 284 of the Public Acts of 1964, entitled "City income tax act," being sections 141.643 and 141.682 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 43 and 82 of chapter 2 of Act No. 284
2 of the Public Acts of 1964, being sections 141.643 and 141.682 of
3 the Michigan Compiled Laws, are amended to read as follows:

4 CHAPTER 2

5 Sec. 43. (1) ~~Any~~ A balance of the tax ~~which~~ THAT is due
6 the city at the time of filing ~~the~~ AN annual return shall be
7 paid ~~therewith~~ WITH THE RETURN unless the balance is less than
8 \$1.00, in which ~~event~~ CASE payment is not required.

1 (2) If the annual return reflects an overpayment of the tax,
 2 the declaration ~~thereof~~ OF THE OVERPAYMENT on the return
 3 constitutes a claim for refund. ~~and~~ IF THE CITY AGREES THAT A
 4 CLAIM IS VALID, THE CITY MAY APPLY the overpayment ~~shall be~~
 5 ~~applied~~ FIRST TO A TAX LIABILITY OF THE TAXPAYER TO THE CITY.
 6 THE CITY SHALL APPLY ANY REMAINING OVERPAYMENT against ~~any~~ A
 7 subsequent liability ~~thereunder~~ UNDER THIS ORDINANCE or, at the
 8 election of the taxpayer and ~~when so~~ IF indicated on the
 9 return, SHALL REFUND the overpayment. ~~shall be refunded but~~
 10 ~~refunds for amounts~~ HOWEVER, THE CITY SHALL NOT PAY A REFUND of
 11 less than \$1.00. ~~shall not be paid.~~

12 (3) IF A VALID CLAIM FOR A REFUND OF TAXES DUE IN THE TAX-
 13 ABLE YEAR 1991 OR A TAXABLE YEAR AFTER 1991 IS FILED, INTEREST AT
 14 A RATE OF 3/4 OF 1% PER MONTH SHALL BE ADDED TO THE REFUND BEGIN-
 15 NING 45 DAYS AFTER THE CLAIM IS FILED OR 45 DAYS AFTER THE DATE
 16 ESTABLISHED UNDER THIS ORDINANCE FOR THE FILING OF THE RETURN,
 17 WHICHEVER IS LATER.

18 Sec. 82. (1) All taxes imposed ~~upon taxpayers~~ IN THE TAX-
 19 ABLE YEAR 1991 OR A TAXABLE YEAR AFTER 1991 ON A TAXPAYER and
 20 ~~moneys~~ MONEY withheld by ~~employers~~ AN EMPLOYER under this
 21 ordinance and remaining unpaid after ~~they~~ THE TAXES OR MONEY
 22 WITHHELD are due bear interest from ~~such~~ THE due date at ~~the~~
 23 ~~rate of 1/2 of 1% per month until paid.~~ THE CURRENT MONTHLY RATE
 24 OF 1 PERCENTAGE POINT ABOVE THE ADJUSTED PRIME RATE PER ANNUM PER
 25 MONTH UNTIL THE TAX OR MONEY IS PAID. THE TERM "ADJUSTED PRIME
 26 RATE" MEANS THE AVERAGE PREDOMINANT PRIME RATE QUOTED BY NOT LESS
 27 THAN 3 COMMERCIAL BANKS TO LARGE BUSINESSES, AS DETERMINED BY THE

1 DEPARTMENT OF TREASURY. THE ADJUSTED PRIME RATE IS TO BE BASED
2 ON THE AVERAGE PRIME RATE CHARGED BY NOT LESS THAN 3 COMMERCIAL
3 BANKS DURING THE 12-MONTH PERIOD ENDING ON SEPTEMBER 30. ONE
4 PERCENTAGE POINT SHALL BE ADDED TO THE ADJUSTED PRIME RATE, AND
5 THE RESULTING SUM SHALL BE DIVIDED BY 12 TO ESTABLISH THE CURRENT
6 MONTHLY INTEREST RATE. THE RESULTING CURRENT MONTHLY INTEREST
7 RATE BASED ON THE 12-MONTH PERIOD ENDING SEPTEMBER 30 WILL BECOME
8 EFFECTIVE ON JANUARY 1 OF THE FOLLOWING YEAR.

9 (2) A person failing to file a return, ~~or to~~ pay the tax,
10 or ~~to~~ remit withholding, when due, is liable, in addition to
11 the interest, to a penalty of 1% of the amount of the unpaid tax
12 for each month or fraction ~~thereof~~ OF A MONTH, not to exceed a
13 total penalty of 25% of the unpaid tax. The administrator may
14 abate the penalty or a part ~~thereof~~ OF THE PENALTY for just
15 cause. If the total interest or interest and penalty to be
16 assessed is less than \$2.00, the administrator ~~, in lieu~~
17 ~~thereof,~~ shall INSTEAD assess ~~a penalty in the amount of~~
18 \$2.00.