



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

TAX COMMISSION CORRECTIONS

**House Bill 5535 (Substitute H-1)
First Analysis (3-5-96)**

**Sponsor: Rep. Willis Bullard, Jr.
Committee: Tax Policy**

THE APPARENT PROBLEM:

Under the General Property Tax Act, if the state tax commission determines that property liable to taxation had been incorrectly reported or omitted for any previous year (not to exceed the current assessment year and two years immediately preceding the date of discovery), it is required to place the corrected assessment value on the then current assessment roll. Tax specialists say the correcting of the tax roll is more appropriately the job of the treasurer with possession of the roll. Further, the act contains no deadline for a taxpayer to pay any additional property taxes that become due as a result of the correction and contains no deadline for an appeal of the tax commission's determination. Legislation has been introduced to address these matters.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act (MCL 211.154) so that the state tax commission, when it determined that property had been incorrectly reported or omitted for a previous year, would direct the treasurer who had custody of the tax roll to place the corrected assessment on the tax roll for that tax year (rather than having the commission make the correction itself). The bill also would provide a deadline of February 15 for additional property taxes to be paid when such assessment changes resulted in increased property taxes. However, if February 15 was less than 30 days after receipt of the notice of increased taxes, then the taxpayer would have to pay the additional taxes within 30 days after receipt of the notice. Additional taxes remaining unpaid after the deadline would be subject to the accrual of interest and penalty in the same manner and at the same time as the then current year's county tax collection and would be considered delinquent on the March 1 immediately succeeding the date of the state tax commission determination. Finally, the bill would specify that an appeal to the state tax commission of the corrected assessment would have to be filed within 35 days of the determination. (Currently the act permits an appeal but does not specify a deadline.)

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill has no significant fiscal impact. (Fiscal Note dated 2-14-96)

ARGUMENTS:

For:

The bill would make some technical improvements to the administration of the property tax system. It would, tax specialists say, treat changes in the tax roll when ordered by the state tax commission in the same manner as those of the state tax tribunal.

POSITIONS:

The Department of Treasury supports the bill. (2-29-96)

A representative of the Oakland County Treasurer and the Michigan Association of Treasurers testified in support of the bill. (2-29-96)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.