



# HOUSE BILL No. 6233

November 21, 1996, Introduced by Rep. Gilmer and referred to the Committee on Tax Policy.

A bill to amend the title and sections 13 and 19 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,"

section 13 as amended by Act No. 50 of the Public Acts of 1996 and section 19 as amended by Act No. 83 of the Public Acts of 1991, being sections 205.13 and 205.19 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. The title and sections 13 and 19 of Act No. 122  
2 of the Public Acts of 1941, section 13 as amended by Act No. 50  
3 of the Public Acts of 1996 and section 19 as amended by Act  
4 No. 83 of the Public Acts of 1991, being sections 205.13 and  
5 205.19 of the Michigan Compiled Laws, are amended to read as  
6 follows:

7 TITLE

8 An act to establish a revenue division of the department of  
9 treasury; to prescribe its powers and duties as the revenue col-  
10 lection agency of the state; to prescribe certain powers and  
11 duties of the state treasurer; to create the position and to  
12 define the powers and duties of the state commissioner of reve-  
13 nue; to provide for the transfer of powers and duties now vested  
14 in certain other state boards, commissions, departments and  
15 offices; to prescribe certain duties of and require certain  
16 reports from the department of treasury; to provide procedures  
17 for the payment, administration, audit, assessment, levy of  
18 interests or penalties on, and appeals of taxes and tax liabili-  
19 ty; TO PRESCRIBE ITS POWERS AND DUTIES IF AN AGREEMENT TO ACT AS  
20 AGENT FOR A CITY TO ADMINISTER, COLLECT, AND ENFORCE THE CITY  
21 INCOME TAX ACT ON BEHALF OF A CITY IS ENTERED INTO WITH ANY CITY;  
22 to provide an appropriation; to abolish the state board of tax  
23 administration; and to declare the effect of this act.

24 Sec. 13. The department of treasury shall administer and  
25 enforce the following laws ~~as amended~~ and shall succeed to and  
26 is ~~hereby~~ vested with all of the powers, duties, functions,

1 responsibilities, and jurisdiction now or hereafter conferred  
2 upon THE FOLLOWING:

3 (a) State board of tax administration, by the general sales  
4 tax act, Act No. 167 of the Public Acts of 1933, being sections  
5 205.51 to 205.78 of the Michigan Compiled Laws, and by the use  
6 tax act, Act No. 94 of the Public Acts of 1937, being sections  
7 205.91 to 205.111 of the Michigan Compiled Laws.

8 (b) Auditor general, by Act No. 282 of the Public Acts of  
9 1905, being sections 207.1 to 207.21 of the Michigan Compiled  
10 Laws, and by the Michigan estate tax act, Act No. 188 of the  
11 Public Acts of 1899, being sections 205.201 to 205.256 of the  
12 Michigan Compiled Laws.

13 (c) State tax commission, by Act No. 48 of the Public Acts  
14 of 1929, being sections 205.301 to 205.317 of the Michigan  
15 Compiled Laws, and by Act No. 301 of the Public Acts of 1939,  
16 being sections 205.131 to 205.147 of the Michigan Compiled Laws.

17 (d) State tax commission, by section 61524 of part 615  
18 (supervisor of wells) of the natural resources and environmental  
19 protection act, Act No. 451 of the Public Acts of 1994, being  
20 section 324.61524 of the Michigan Compiled Laws.

21 (e) The commission shall also succeed to and is ~~hereby~~  
22 vested with all of the powers, duties, functions, responsibili-  
23 ties, and jurisdiction of the corporation and securities commis-  
24 sion over the enforcement, investigation, and collection of past  
25 due and delinquent corporate privilege and franchise fees and  
26 license fees of any nature. The corporation and securities  
27 commission shall, whenever requested by the department, report to

1 ~~said~~ THE department the names of all delinquent corporations  
2 and delinquent licensees, and the department shall be charged  
3 with the collection of all fees and licenses covered in ~~such~~  
4 THE reports.

5 (f) The department shall succeed to and is hereby vested  
6 with all powers, duties, functions, responsibilities, and juris-  
7 diction of the attorney general over the collection of all past  
8 due money and accounts ~~which~~ THAT are owing to the state of  
9 Michigan or any department, commission, or institution ~~thereof~~  
10 OF THIS STATE, heretofore vested in the attorney general by Act  
11 No. 375 of the Public Acts of 1927, being sections 14.131 to  
12 14.134 of the Michigan Compiled Laws.

13 (G) FOR CITIES THAT ENTER INTO AN AGREEMENT WITH THE DEPART-  
14 /MENT OF TREASURY PURSUANT TO SECTION 9 OF THE CITY INCOME TAX  
15 ACT, ACT NO. 284 OF THE PUBLIC ACTS OF 1964, BEING SECTION  
16 141.509 OF THE MICHIGAN COMPILED LAWS, THE DEPARTMENT OF TREASURY  
17 IS VESTED WITH ALL THE POWERS, DUTIES, FUNCTIONS, RESPONSIBILI-  
18 TIES, AND JURISDICTION TO ADMINISTER, COLLECT UNDER, AND ENFORCE  
19 ACT NO. 284 OF THE PUBLIC ACTS OF 1964 AS PROVIDED IN ACT NO. 284  
20 OF THE PUBLIC ACTS OF 1964 AND THE AGREEMENT.

21 Sec. 19. (1) All remittances of taxes administered by this  
22 act shall be made to the department payable to the state of  
23 Michigan by bank draft, check, cashier's check, certified check,  
24 money order, cash, or electronic funds transfer. The money  
25 received shall be credited as provided by law. A remittance  
26 other than cash or electronic funds transfer shall not be a final

1 discharge of liability for the tax assessed and levied until the  
2 instrument remitted has been honored.

3 (2) For reporting periods beginning after August 31, 1991, a  
4 taxpayer other than a city or a county who paid in the immedi-  
5 ately preceding calendar year an average of \$40,000.00 or more  
6 per month in income tax withholding pursuant to the income tax  
7 act of 1967, Act No. 281 of the Public Acts of 1967, being sec-  
8 tions 206.1 to 206.532 of the Michigan Compiled Laws, shall  
9 deposit Michigan income tax withholding either in the same manner  
10 and according to the same schedule as deposits of federal income  
11 tax withholding or in another manner that has been approved by  
12 the commissioner.

13 (3) For failure to remit a tax administered by this act with  
14 a negotiable remittance, a penalty of 25% of the tax due may be  
15 added in addition to any other penalties imposed by this act.

16 (4) The commissioner may require that all money collected by  
17 the taxpayer for taxes administered by this act that has not been  
18 paid to the department of treasury is public money and the prop-  
19 erty of this state, and shall be held in trust in a separate  
20 account and fund for the sole use and benefit of this state until  
21 paid over to the department of treasury.

22 (5) FOR TAX YEARS AFTER THE 1995 TAX YEAR AND FOR TAXES COL-  
23 LECTED UNDER AN AGREEMENT ENTERED INTO PURSUANT TO SECTION 9 OF  
24 THE CITY INCOME TAX ACT, ACT NO. 284 OF THE PUBLIC ACTS OF 1964,  
25 BEING SECTION 141.509 OF THE MICHIGAN COMPILED LAWS, IF A TAX-  
26 PAYER PAYS, WHEN FILING HIS OR HER ANNUAL RETURN, AN AMOUNT LESS  
27 THAN THE SUM OF THE TAX OWED UNDER ACT NO. 284 OF THE PUBLIC ACTS

1 OF 1964, BEING SECTIONS 141.501 TO 141.787 OF THE MICHIGAN  
2 COMPILED LAWS, AND THE TAX OWED UNDER THE INCOME TAX ACT OF 1967,  
3 ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO  
4 206.532 OF THE MICHIGAN COMPILED LAWS, AND THERE IS NOT A DESIG-  
5 NATION AS TO THE TAX LIABILITY AGAINST WHICH THE PAYMENT SHOULD  
6 BE APPLIED, THE AMOUNT PAID SHALL BE PROPORTIONATELY APPLIED  
7 AGAINST THE AMOUNTS OWED UNDER EACH ACT BASED ON THE RATIO OF THE  
8 TAXPAYER'S TAX LIABILITY UNDER EACH ACT.

9       (6) IF THERE IS ANY CONFLICT BETWEEN A PROVISION OF THIS  
10 SECTION AND ANY OTHER PROVISION OF THIS ACT, THIS SECTION  
11 PREVAILS.