



HOUSE BILL No. 6235

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

A bill to amend the title and section 5 of chapter 1 and sections 3, 41, 43, 60, 62, 64, 66, 73, 82, 84, 85, 87, 88, 89, 92, 93, and 94 of chapter 2 of Act No. 284 of the Public Acts of 1964, entitled

"City income tax act,"

sections 43 and 82 of chapter 2 as amended by Act No. 198 of the Public Acts of 1991 and section 62 of chapter 2 as amended by Act No. 249 of the Public Acts of 1990, being sections 141.505, 141.603, 141.641, 141.643, 141.660, 141.662, 141.664, 141.666, 141.673, 141.682, 141.684, 141.685, 141.687, 141.688, 141.689, 141.692, 141.693, and 141.694 of the Michigan Compiled Laws; to add section 9 to chapter 1 and sections 64a, 86a, and 86b to chapter 2; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and section 5 of chapter 1 and
2 sections 3, 41, 43, 60, 62, 64, 66, 73, 82, 84, 85, 87, 88, 89,
3 92, 93, and 94 of chapter 2 of Act No. 284 of the Public Acts of
4 1964, sections 43 and 82 of chapter 2 as amended by Act No. 198
5 of the Public Acts of 1991 and section 62 of chapter 2 as amended
6 by Act No. 249 of the Public Acts of 1990, being
7 sections 141.505, 141.603, 141.641, 141.643, 141.660, 141.662,
8 141.664, 141.666, 141.673, 141.682, 141.684, 141.685, 141.687,
9 141.688, 141.689, 141.692, 141.693, and 141.694 of the Michigan
10 Compiled Laws, are amended and section 9 is added to chapter 1
11 and sections 64a, 86a, and 86b are added to chapter 2 to read as
12 follows:

13 TITLE

14 An act to permit the imposition and collection by cities of
15 an excise tax levied on or measured by income; TO PERMIT THE COL-
16 LECTION AND ADMINISTRATION OF THE TAX BY THE STATE; to provide
17 the procedure including referendums for, and to require the adop-
18 tion of a prescribed uniform city income tax ordinance by cities
19 desiring to impose and collect such a tax; to limit the imposi-
20 tion and collection by cities and villages of excise taxes levied
21 on or measured by income; to prescribe the powers and duties of
22 ~~the state commissioner of revenue~~ CERTAIN STATE AND MUNICIPAL
23 AGENCIES, DEPARTMENTS, AND OFFICIALS; TO ESTABLISH THE CITY
24 INCOME TAX TRUST FUND; and to provide for appeals. ~~of income tax~~
25 ~~matters.~~

CHAPTER 1

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2 Sec. 5. (1) ~~The appellant and the city, within 30 days~~
3 ~~after receipt of the order of the state commissioner of revenue,~~
4 ~~shall fully comply with all directions and requirements of the~~
5 ~~order unless theretofore excused therefrom during or as a result~~
6 ~~of a final determination pursuant to an appeal from the order of~~
7 ~~the commissioner as hereinafter provided. If the appellant or~~
8 ~~the city is aggrieved by any such order of the commissioner, he~~
9 ~~may commence an action, within 90 days after receipt of notice of~~
10 ~~the order, in the circuit court for the county in which the~~
11 ~~taxing jurisdiction is located to obtain a judicial determination~~
12 ~~of the matter. The issues in the action shall be determined de~~
13 ~~novo by the circuit court.~~ A PERSON LIABLE FOR THE TAX IMPOSED
14 BY THE ORDINANCE SET FORTH IN AND ADOPTED PURSUANT TO THIS ACT OR
15 A CITY THAT IMPOSES A TAX PURSUANT TO THE ORDINANCE SET FORTH IN
16 AND ADOPTED PURSUANT TO THIS ACT HAS THE RIGHTS OF APPEAL FROM A
17 DECISION OR ORDER MADE UNDER THIS ACT AS SET FORTH IN CHAPTER 2.
18 (2) THE CITY INCOME TAX TRUST FUND IS ESTABLISHED IN THE
19 DEPARTMENT OF TREASURY.

20 (3) If a taxpayer OR EMPLOYER, as the result of an appeal
21 UNDER THIS ACT, is found entitled to recover any ~~sums~~ SUM paid,
22 ~~they~~ THE TAXPAYER OR EMPLOYER shall be paid from the general
23 fund of the city EXCEPT THAT IF THE CITY HAS ENTERED INTO AN
24 AGREEMENT PURSUANT TO SECTION 9, THE AMOUNT TO BE PAID SHALL BE
25 PAID BY THE STATE FROM THE CITY INCOME TAX TRUST FUND ESTABLISHED
26 IN SUBSECTION (2). The city OR THE STATE, WHICHEVER IS
27 RESPONSIBLE FOR PAYMENT, shall promptly and uniformly comply with

1 a final order upon appeal. ~~hereunder affecting the~~
2 ~~interpretation, administration or application of the ordinance.~~

3 SEC. 9. (1) FOR THE 1996 TAX YEAR AND EACH YEAR AFTER 1996,
4 A CITY THAT IMPOSES A CITY INCOME TAX PURSUANT TO THIS ACT MAY
5 ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF TREASURY UNDER
6 WHICH, TO THE EXTENT PROVIDED BY THE AGREEMENT, THE DEPARTMENT
7 SHALL ADMINISTER, ENFORCE, AND COLLECT THE CITY INCOME TAX ON
8 BEHALF OF THE CITY.

9 (2) CITY INCOME TAXES COLLECTED UNDER AN AGREEMENT ENTERED
10 INTO PURSUANT TO SUBSECTION (1) SHALL BE KEPT IN A SEPARATE
11 ACCOUNT AND SHALL BE PAID TO THE CITY, EXCEPT THAT A PERCENTAGE
12 OF THE TAXES COLLECTED AS DETERMINED IN THE AGREEMENT MAY BE
13 RETAINED BY THE DEPARTMENT OF TREASURY TO COVER THE COST OF COL-
14 LECTION AND ADMINISTRATION AND THAT PERCENTAGE SHALL BE DEPOSITED
15 INTO THE STATE GENERAL FUND.

16 (3) IF THE CITY ENTERS INTO AN AGREEMENT UNDER SUBSECTION
17 (1), THE AGREEMENT SHALL INCLUDE PROVISIONS THAT RELATE TO ALL OF
18 THE FOLLOWING:

19 (A) THE DEVELOPMENT OF AND DISTRIBUTION OF FORMS REQUIRED BY
20 THE AGREEMENT AND THE ORDINANCE UNDER CHAPTER 2.

21 (B) THE PROCESSING OF ALL PAYMENTS.

22 (C) ENFORCEMENT PROCEDURES.

23 (D) ADMINISTRATIVE AND LEGAL COSTS.

24 (E) DATA EXCHANGE AND TRANSFER OF FUNDS.

25 (F) TERMINATION OF THE AGREEMENT BY EITHER PARTY.

26 (G) ANY ADDITIONAL PROVISIONS AS APPROPRIATE.

CHAPTER 2

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Sec. 3. (1) "Administrator" means the official designated by the city to administer ~~the provisions of~~ this ordinance OR THE DULY AUTHORIZED AGENT OR REPRESENTATIVE OF THAT OFFICIAL.

(2) "Business" means an enterprise, activity, profession, or undertaking of any nature conducted or ordinarily conducted for profit or gain by any person, including the operation of an unrelated business by a charitable, religious, or educational organization.

(3) "Capital gains" and "capital losses" mean ~~the same~~ THOSE TERMS as defined for federal income tax purposes.

Sec. 41. (1) Every corporation doing business in the city and every other person having income taxable under this ordinance in any year AFTER THE 1996 TAX YEAR FOR WHICH THE CITY HAS NOT ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT OF TREASURY PURSUANT TO SECTION 9 OF CHAPTER 1 shall make and file with the city an annual return for that year, on a form furnished or approved by the city, on or before the last day of the fourth month for the same calendar year, fiscal year, or other accounting period, ~~as~~ THAT has been accepted by the internal revenue service for federal income tax purposes for the taxpayer. FOR TAX YEARS AFTER THE 1996 TAX YEAR FOR A CITY THAT HAS ENTERED INTO AN AGREEMENT PURSUANT TO SECTION 9 OF CHAPTER 1, THE ANNUAL RETURN REQUIRED BY THIS SUBSECTION SHALL BE FILED ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH FOR THE SAME CALENDAR YEAR, FISCAL YEAR, OR OTHER ACCOUNTING PERIOD THAT HAS BEEN ACCEPTED BY THE

1 INTERNAL REVENUE SERVICE FOR FEDERAL INCOME TAX PURPOSES FOR THE
2 TAXPAYER.

3 (2) A husband and wife may file a joint return and, in such
4 case, the tax liability is joint and several.

5 (3) IF THE CLAIM FOR REFUND IS REFLECTED ON A JOINT TAX
6 RETURN, THE ADMINISTRATOR SHALL ALLOCATE TO EACH JOINT TAXPAYER
7 HIS OR HER SHARE OF THE REFUND. THE AMOUNT ALLOCATED TO EACH
8 TAXPAYER SHALL BE APPLIED TO HIS OR HER RESPECTIVE LIABILITIES
9 UNDER THIS ORDINANCE.

10 (4) IF THE ADMINISTRATOR DETERMINES THAT ALL OR A PORTION OF
11 A REFUND CLAIMED ON A JOINT TAX RETURN IS SUBJECT TO APPLICATION
12 TO A LIABILITY OF AN OBLIGATED SPOUSE, THE ADMINISTRATOR SHALL
13 NOTIFY THE JOINT TAXPAYERS BY FIRST CLASS MAIL SENT TO THE
14 ADDRESS SHOWN ON THE JOINT RETURN. THE NOTICE SHALL BE ACCOM-
15 PANIED BY A NONOBLIGATED SPOUSE ALLOCATION FORM. THE NOTICE
16 SHALL STATE ALL OF THE FOLLOWING:

17 (A) THAT ALL OR A PORTION OF THE REFUND CLAIMED BY THE JOINT
18 TAXPAYERS IS SUBJECT TO INTERCEPTION TO SATISFY A LIABILITY OR
19 LIABILITIES OF 1 OR BOTH SPOUSES.

20 (B) THE NATURE OF THE LIABILITY AND THE NAME OF THE OBLI-
21 GATED SPOUSE OR SPOUSES.

22 (C) THAT A NONOBLIGATED SPOUSE MAY CLAIM HIS OR HER SHARE OF
23 THE REFUND BY FILING A NONOBLIGATED SPOUSE ALLOCATION FORM WITH
24 THE CITY NOT MORE THAN 30 DAYS AFTER THE DATE THE NOTICE WAS
25 MAILED.

26 (D) A STATEMENT OF THE PENALTIES UNDER SUBSECTION (7).

1 (5) A NONOBLIGATED SPOUSE WHO WISHES TO CLAIM HIS OR HER
2 SHARE OF A TAX REFUND SHALL FILE WITH THE CITY A NONOBLIGATED
3 SPOUSE ALLOCATION FORM. THE NONOBLIGATED SPOUSE ALLOCATION FORM
4 SHALL BE IN A FORM SPECIFIED BY THE ADMINISTRATOR AND SHALL
5 REQUIRE THE SPOUSES TO STATE THE AMOUNT OF INCOME OR OTHER TAX
6 BASE AND ALL ADJUSTMENTS TO THE INCOME OR OTHER TAX BASE, INCLUD-
7 ING ALL SUBTRACTIONS, ADDITIONS, DEDUCTIONS, CREDITS, AND EXEMP-
8 TIONS, STATED ON THE JOINT TAX RETURN THAT IS THE BASIS FOR THE
9 CLAIMED REFUND, AND AN ALLOCATION OF THOSE AMOUNTS BETWEEN THE
10 OBLIGATED AND NONOBLIGATED SPOUSE. IN ALLOCATING THESE AMOUNTS,
11 ALL OF THE FOLLOWING APPLY:

12 (A) INDIVIDUAL INCOME SHALL BE ALLOCATED TO THE SPOUSE WHO
13 EARNED THE INCOME. JOINT INCOME SHALL BE ALLOCATED EQUALLY
14 BETWEEN THE SPOUSES.

15 (B) EACH SPOUSE SHALL BE ALLOCATED THE PERSONAL EXEMPTIONS
16 HE OR SHE WOULD BE ENTITLED TO CLAIM IF SEPARATE FEDERAL RETURNS
17 HAD BEEN FILED, EXCEPT THAT DEPENDENCY EXEMPTIONS SHALL BE PRO-
18 RATED ACCORDING TO THE RELATIVE INCOME OF THE SPOUSES.

19 (C) ADJUSTMENTS RESULTING FROM A BUSINESS SHALL BE ALLOCATED
20 TO THE SPOUSE WHO CLAIMED INCOME FROM THE BUSINESS.

21 (D) OWNERSHIP OF OTHER ASSETS RELEVANT TO THE ALLOCATION
22 SHALL BE DISCLOSED UPON REQUEST OF THE ADMINISTRATOR.

23 (6) A NONOBLIGATED SPOUSE ALLOCATION FORM SHALL BE SIGNED BY
24 BOTH JOINT TAXPAYERS. HOWEVER, THE FORM MAY BE SUBMITTED WITHOUT
25 THE SIGNATURE OF THE OBLIGATED SPOUSE IF HIS OR HER SIGNATURE
26 CANNOT BE OBTAINED. THE NONOBLIGATED SPOUSE SHALL CERTIFY THAT
27 HE OR SHE HAS MADE A GOOD FAITH EFFORT TO OBTAIN THE SIGNATURE OF

1 THE OBLIGATED SPOUSE AND SHALL STATE THE REASON THAT THE
2 SIGNATURE WAS NOT OBTAINED.

3 (7) A PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT ON A NON-
4 OBLIGATED SPOUSE ALLOCATION FORM IS SUBJECT TO A PENALTY OF
5 \$25.00 OR 25% OF THE EXCESSIVE CLAIM FOR HIS OR HER SHARE OF THE
6 REFUND, WHICHEVER IS GREATER, AND OTHER PENALTIES AS PROVIDED IN
7 THIS ORDINANCE.

8 (8) A NONOBLIGATED SPOUSE TO WHOM THE ADMINISTRATOR HAS SENT
9 A NOTICE UNDER SUBSECTION (4), WHO FAILS TO FILE A NONOBLIGATED
10 SPOUSE ALLOCATION FORM WITHIN 30 DAYS AFTER THE DATE THE NOTICE
11 WAS MAILED, SHALL BE BARRED FROM COMMENCING ANY ACTION AGAINST
12 THE CITY OR THE ADMINISTRATOR TO RECOVER AN AMOUNT WITHHELD TO
13 SATISFY A LIABILITY OF THE OBLIGATED SPOUSE TO WHICH A JOINT TAX
14 REFUND IS APPLIED UNDER THIS SECTION. THE PAYMENT BY THE CITY OF
15 ANY AMOUNT APPLIED TO A LIABILITY OF A TAXPAYER UNDER THIS SEC-
16 TION SHALL RELEASE THE CITY AND THE ADMINISTRATOR FROM ALL
17 LIABILITY TO THE OBLIGATED SPOUSE, THE NONOBLIGATED SPOUSE, AND
18 ANY OTHER PERSON HAVING OR CLAIMING ANY INTEREST IN THE AMOUNT
19 PAID.

20 (9) AS USED IN THIS SECTION:

21 (A) "NONOBLIGATED SPOUSE" MEANS A PERSON WHO HAS FILED A
22 JOINT CITY INCOME TAX RETURN AND WHO IS NOT LIABLE FOR AN OBLIGA-
23 TION OF HIS OR HER SPOUSE DESCRIBED IN THIS ORDINANCE.

24 (B) "OBLIGATED SPOUSE" MEANS A PERSON WHO HAS FILED A JOINT
25 CITY INCOME TAX RETURN AND WHO IS LIABLE FOR AN OBLIGATION
26 DESCRIBED IN THIS ORDINANCE FOR WHICH HIS OR HER SPOUSE IS NOT
27 LIABLE.

1 Sec. 43. (1) A balance of the tax that is due the city at
2 the time of filing an annual return shall be paid with the return
3 unless the balance is less than \$1.00, in which case payment is
4 not required.

5 (2) If the annual return reflects an overpayment of the tax,
6 the declaration of the overpayment on the return constitutes a
7 claim for refund. If the city agrees that a claim is valid, the
8 city may apply the overpayment first to a delinquent tax liabil-
9 ity under this ordinance of the taxpayer to the city. The city
10 shall apply any remaining overpayment against a subsequent
11 liability under this ordinance or, at the election of the tax-
12 payer and if indicated on the return, shall refund the
13 overpayment. However, the city shall not pay a refund of less
14 than \$1.00.

15 (3) If a valid claim for a refund of taxes, except a refund
16 under section 61, due for the taxable year 1992 or a taxable year
17 after 1992 is filed, interest at the rate established in
18 section 30(3) of Act No. 122 of the Public Acts of 1941, being
19 section 205.30 of the Michigan Compiled Laws, shall be added to
20 the refund beginning 45 days after the claim is filed or 45 days
21 after the date established under this ordinance for the filing of
22 the return, whichever is later.

23 (4) FOR TAX YEARS AFTER THE 1995 TAX YEAR AND FOR TAXES COL-
24 LECTED UNDER AN AGREEMENT ENTERED INTO PURSUANT TO SECTION 9 OF
25 CHAPTER 1, IF A TAXPAYER PAYS, WHEN FILING HIS OR HER ANNUAL
26 RETURN, AN AMOUNT LESS THAN THE SUM OF THE TAX OWED UNDER THIS
27 ACT, AND THE TAX OWED UNDER THE INCOME TAX ACT OF 1967, ACT

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

7 Sec. 60. ~~An~~ EXCEPT AS PROVIDED IN SUBSECTION (2), AN
8 employer shall file a return, furnished by or obtainable on
9 request from the city, and pay to the city the full amount of the
10 tax withheld on or before the last day of the month following the
11 close of each calendar quarter.

12 Sec. 62. (1) A person who anticipates taxable income from
13 which the city income tax will not be withheld shall file a dec-
14 laration of estimated tax on a form furnished by or obtainable on
15 request from the city. A calendar year taxpayer shall file a
16 declaration on or before each April 30 OR FOR TAX YEARS AFTER THE
17 1996 TAX YEAR AND FOR WHICH A CITY HAS ENTERED INTO AN AGREEMENT
18 WITH THE DEPARTMENT OF TREASURY PURSUANT TO SECTION 9 OF CHAPTER
19 1, ON OR BEFORE EACH APRIL 15. A taxpayer on a fiscal year basis
20 or other accounting period shall file a declaration within 4
21 months after the beginning of each fiscal year or other account-
22 ing period.

23 (2) If a taxpayer has not previously been required to file,
24 the declaration shall be filed on or before the first date for
25 making a quarterly payment that occurs after the taxpayer becomes
26 subject to the requirement to file a declaration. A taxpayer
27 shall file a declaration for the same calendar year, fiscal year,

1 or other accounting period that has been accepted by the federal
2 internal revenue service for federal income tax purposes. A dec-
3 laration by an individual or unincorporated entity is not
4 required if the total estimated tax, less any credits applicable
5 to the tax, does not exceed \$100.00. A declaration by a corpora-
6 tion is not required if the total estimated tax, less any credits
7 applicable to the tax, does not exceed \$250.00. A declaration by
8 or on behalf of an estate or trust is not required.

9 Sec. 64. (1) The filing of a declaration of estimated tax
10 does not excuse the taxpayer from filing an annual return even
11 though there is no change in the declared tax liability. An
12 annual return shall be filed by the end of the fourth month OR
13 FOR TAX YEARS AFTER THE 1996 TAX YEAR AND FOR WHICH A CITY HAS
14 ENTERED INTO AN AGREEMENT PURSUANT TO SECTION 9 OF CHAPTER 1, ON
15 OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH of the year fol-
16 lowing that for which the declaration was filed. Upon written
17 request of a taxpayer the administrator may extend the time for
18 filing the annual return for not to exceed 6 months. The admin-
19 istrator may require a tentative return and payment of the esti-
20 mated tax.

21 (2) A penalty or interest shall not be assessed if the
22 return is filed and the final tax paid within the extended time
23 and all other filing and payment requirements of this ordinance
24 are satisfied, and the estimated tax paid equals 70% or more of
25 the tax shown due on the final return or 70% or more of the tax
26 shown due on the taxpayer's return for the preceding taxable
27 year.

1 SEC. 64A. (1) IF A PERSON LIABLE FOR THE TAX IMPOSED UNDER
2 THIS ORDINANCE SELLS A BUSINESS OR THE STOCK OF GOODS OF A BUSI-
3 NESS OR QUILTS A BUSINESS, THE PERSON SHALL MAKE A FINAL RETURN
4 WITHIN 15 DAYS AFTER THE DATE THE BUSINESS IS SOLD OR QUIT. THE
5 PURCHASER OR SUCCEEDING PURCHASERS, IF ANY, WHO PURCHASE A GOING
6 OR CLOSED BUSINESS OR STOCK OF GOODS OF A GOING OR CLOSED BUSI-
7 NESS SHALL ESCROW SUFFICIENT MONEY TO COVER THE AMOUNT OF TAXES,
8 INTEREST, AND PENALTIES THAT MAY BE DUE AND UNPAID UNTIL THE
9 FORMER OWNER PRODUCES A RECEIPT FROM THE ADMINISTRATOR THAT SHOWS
10 THAT THE TAXES DUE HAVE BEEN PAID, OR A CERTIFICATE THAT STATES
11 THAT TAXES ARE NOT DUE. IF THE OWNER PROVIDES A WRITTEN WAIVER
12 OF CONFIDENTIALITY, THE ADMINISTRATOR MAY RELEASE TO A PURCHASER
13 A BUSINESS'S KNOWN TAX LIABILITY FOR THE PURPOSES OF ESTABLISHING
14 AN ESCROW ACCOUNT FOR THE PAYMENT OF TAXES. IF THE PURCHASER OR
15 SUCCEEDING PURCHASERS OF A BUSINESS OR STOCK OF GOODS OF A BUSI-
16 NESS FAIL TO COMPLY WITH THE ESCROW REQUIREMENTS OF THIS SUBSEC-
17 TION, THE PURCHASER IS PERSONALLY LIABLE FOR THE PAYMENT OF THE
18 TAXES, INTEREST, AND PENALTIES ACCRUED AND UNPAID BY THE BUSINESS
19 OF THE FORMER OWNER. THE PURCHASER'S OR SUCCEEDING PURCHASER'S
20 PERSONAL LIABILITY IS LIMITED TO THE FAIR MARKET VALUE OF THE
21 BUSINESS LESS THE AMOUNT OF ANY PROCEEDS APPLIED TO BALANCES DUE
22 ON SECURED INTERESTS THAT ARE SUPERIOR TO ANY LIEN PROVIDED FOR
23 IN THIS ORDINANCE.

24 (2) IF A CORPORATION THAT IS LIABLE FOR THE TAX IMPOSED
25 UNDER THIS ORDINANCE FAILS FOR ANY REASON TO FILE THE REQUIRED
26 RETURNS OR TO PAY THE TAX DUE, ANY OFFICERS OF THE CORPORATION
27 THAT HAVE CONTROL OR SUPERVISION OF, OR WHO ARE CHARGED WITH THE

1 RESPONSIBILITY FOR, MAKING THE RETURNS OR PAYMENTS ARE PERSONALLY
2 LIABLE FOR THE FAILURE TO FILE OR PAY. THE SIGNATURE OF ANY COR-
3 PORATE OFFICER ON A RETURN OR NEGOTIABLE INSTRUMENT SUBMITTED IN
4 PAYMENT OF A TAX IS PRIMA FACIE EVIDENCE OF THE OFFICER'S RESPON-
5 SIBILITY FOR MAKING THE RETURNS AND PAYMENTS. THE DISSOLUTION OF
6 A CORPORATION DOES NOT DISCHARGE AN OFFICER'S LIABILITY FOR A
7 PRIOR FAILURE OF THE CORPORATION TO MAKE A RETURN OR REMIT A TAX
8 DUE. THE SUM DUE FOR A LIABILITY MAY BE ASSESSED AND COLLECTED
9 UNDER THIS ORDINANCE.

10 Sec. 66. (1) ~~In~~ FOR TAX YEARS AFTER THE 1996 TAX YEAR AND
11 FOR WHICH A CITY HAS NOT ENTERED INTO AN AGREEMENT WITH THE
12 DEPARTMENT OF TREASURY PURSUANT TO SECTION 9 OF CHAPTER 1, IN
13 withholding ~~or in paying~~ the tax due under this ordinance, a
14 fractional part of a cent shall be disregarded unless it amounts
15 to 1/2 cent or more, in which case it shall be increased to 1
16 cent. FOR TAX YEARS AFTER THE 1996 TAX YEAR AND FOR WHICH A CITY
17 HAS ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT OF TREASURY
18 PURSUANT TO SECTION 9 OF CHAPTER 1, IN WITHHOLDING THE TAX DUE
19 UNDER THIS ORDINANCE IF ANY AMOUNT OTHER THAN A WHOLE DOLLAR
20 AMOUNT IS USED, THE ADMINISTRATOR SHALL DISREGARD THE FRACTIONAL
21 PART OF THE DOLLAR UNLESS THE FRACTIONAL PART AMOUNTS TO 1/2
22 DOLLAR OR MORE, IN WHICH CASE THE AMOUNT SHALL BE INCREASED BY
23 \$1.00.

24 (2) FOR TAX YEARS AFTER THE 1996 TAX YEAR EVERY CORPORATION
25 OR OTHER PERSON WHO FILES AN ANNUAL RETURN UNDER SECTION 41(1)
26 SHALL USE WHOLE DOLLAR AMOUNTS TO COMPLETE THE ANNUAL RETURN FOR
27 THE TAXABLE YEAR. IF A TAXPAYER USED ANY AMOUNT OTHER THAN A

1 WHOLE DOLLAR AMOUNT, THE ADMINISTRATOR SHALL DISREGARD THE
2 FRACTIONAL PART OF THE DOLLAR UNLESS THE FRACTIONAL PART AMOUNTS
3 TO 1/2 DOLLAR OR MORE, IN WHICH CASE THE AMOUNT SHALL BE
4 INCREASED BY \$1.00. THIS SUBSECTION DOES NOT APPLY TO ITEMS THAT
5 ARE TAKEN INTO ACCOUNT IN MAKING THE COMPUTATIONS NECESSARY TO
6 DETERMINE THE AMOUNT REQUIRED TO BE SHOWN ON THE ANNUAL RETURN.

7 Sec. 73. (1) ~~The~~ IF A TAXPAYER OR EMPLOYER FAILS OR
8 REFUSES TO MAKE A RETURN OR PAYMENT AS REQUIRED, IN WHOLE OR IN
9 PART, OR IF THE ADMINISTRATOR HAS REASON TO BELIEVE THAT A RETURN
10 MADE DOES NOT SUPPLY SUFFICIENT INFORMATION FOR AN ACCURATE
11 DETERMINATION OF THE AMOUNT OF TAX DUE, THE administrator
12 ~~personally, or his duly authorized agent or a duly authorized~~
13 ~~city employee,~~ MAY OBTAIN INFORMATION ON WHICH TO BASE AN
14 ASSESSMENT OF THE TAX. THE ADMINISTRATOR may examine the books,
15 papers, and records of any person, employer, taxpayer, or ~~his~~
16 agent or representative OF ANY PERSON, EMPLOYER, OR TAXPAYER OR
17 AUDIT THE ACCOUNTS OF ANY PERSON, EMPLOYER, OR TAXPAYER OR ANY
18 OTHER RECORDS PERTAINING TO THE TAX, ~~for the purpose of~~
19 ~~verifying~~ TO VERIFY the accuracy and completeness of a return
20 filed, or, if no return was filed, to ascertain the tax, with-
21 holding, penalties, or interest due under this ordinance.

22 (2) ~~The administrator or his duly authorized agent may~~
23 ~~examine any person, under oath, concerning income which was or~~
24 ~~should have been reported for taxation under this ordinance, and~~
25 ~~for this purpose may compel the production of books, papers and~~
26 ~~records and the attendance of all parties before him, whether as~~
27 ~~parties or witnesses, if he believes such persons have knowledge~~

1 ~~of such income.~~ FOR TAX YEARS AFTER THE 1996 TAX YEAR AND FOR
2 WHICH A CITY HAS ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT OF
3 TREASURY PURSUANT TO SECTION 9 OF CHAPTER 1, ALL OF THE FOLLOWING
4 APPLY TO IMPLEMENT THIS SECTION:

5 (A) THE DEPARTMENT OF TREASURY SHALL SEND TO THE TAXPAYER OR
6 EMPLOYER A LETTER OF INQUIRY STATING, IN A COURTEOUS AND UNINTIM-
7 IDATING MANNER, THE DEPARTMENT'S OPINION THAT THE TAXPAYER OR
8 EMPLOYER NEEDS TO FURNISH FURTHER INFORMATION OR OWES TAXES TO
9 THE CITY, AND THE REASON FOR THAT OPINION. A LETTER OF INQUIRY
10 SHALL ALSO EXPLAIN THE PROCEDURE BY WHICH THE TAXPAYER OR
11 EMPLOYER MAY INITIATE COMMUNICATION WITH THE DEPARTMENT TO
12 RESOLVE ANY DISPUTE. THIS SUBDIVISION DOES NOT APPLY IN ANY OF
13 THE FOLLOWING CIRCUMSTANCES:

14 (i) THE TAXPAYER OR EMPLOYER FILES A RETURN THAT SHOWS A TAX
15 DUE AND FAILS TO PAY THAT TAX.

16 (ii) THE DEFICIENCY RESULTED FROM AN AUDIT OF THE TAXPAYER'S
17 OR EMPLOYER'S BOOKS AND RECORDS BY THE CITY.

18 (iii) THE TAXPAYER OR EMPLOYER OTHERWISE AFFIRMATIVELY
19 ADMITS THAT A TAX IS DUE AND OWING.

20 (B) IF THE DISPUTE IS NOT RESOLVED WITHIN 30 DAYS AFTER THE
21 DEPARTMENT OF TREASURY SENDS THE TAXPAYER OR EMPLOYER A LETTER OF
22 INQUIRY OR IF A LETTER OF INQUIRY IS NOT REQUIRED UNDER
23 SUBDIVISION (A), THE DEPARTMENT, AFTER DETERMINING THE AMOUNT OF
24 TAX DUE FROM A TAXPAYER OR EMPLOYER, SHALL GIVE NOTICE TO THE
25 TAXPAYER OR EMPLOYER OF THE DEPARTMENT'S INTENT TO ASSESS THE
26 TAX. THE NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

1 (i) THE AMOUNT OF THE TAX THE DEPARTMENT CLAIMS THE TAXPAYER
2 OR EMPLOYER OWES.

3 (ii) THE REASON FOR THE DEFICIENCY.

4 (iii) A STATEMENT ADVISING THE TAXPAYER OR EMPLOYER OF HIS
5 OR HER RIGHT TO AN INFORMAL CONFERENCE.

6 (iv) THE REQUIREMENT OF A WRITTEN REQUEST BY THE TAXPAYER OR
7 EMPLOYER FOR THE INFORMAL CONFERENCE THAT INCLUDES THE TAXPAYER'S
8 OR EMPLOYER'S STATEMENT OF THE CONTESTED AMOUNTS AND AN EXPLANA-
9 TION OF THE DISPUTE, AND THE 30-DAY TIME LIMIT FOR THAT REQUEST.

10 (C) IF THE TAXPAYER OR EMPLOYER SERVES WRITTEN NOTICE UPON
11 THE DEPARTMENT OF TREASURY NOT MORE THAN 30 DAYS AFTER THE TAX-
12 PAYER OR EMPLOYER RECEIVES A NOTICE OF INTENT TO ASSESS, REMITS
13 THE UNCONTESTED PORTION OF THE LIABILITY, AND PROVIDES A STATE-
14 MENT OF THE CONTESTED AMOUNTS AND AN EXPLANATION OF THE DISPUTE,
15 THE TAXPAYER OR EMPLOYER IS ENTITLED TO AN INFORMAL CONFERENCE ON
16 THE QUESTION OF LIABILITY FOR THE ASSESSMENT.

17 (D) WHEN THE DEPARTMENT OF TREASURY RECEIVES A TAXPAYER'S OR
18 EMPLOYER'S WRITTEN NOTICE, THE DEPARTMENT SHALL SET A MUTUALLY
19 AGREED UPON OR REASONABLE TIME AND PLACE FOR AN INFORMAL CONFER-
20 ENCE AND SHALL GIVE THE TAXPAYER OR EMPLOYER REASONABLE WRITTEN
21 NOTICE NOT LESS THAN 20 DAYS BEFORE THE INFORMAL CONFERENCE. THE
22 NOTICE SHALL SPECIFY THE INTENT TO ASSESS AND TAX YEAR THAT IS
23 THE SUBJECT OF THE INFORMAL CONFERENCE. THE INFORMAL CONFERENCE
24 PROVIDED FOR BY THIS SUBDIVISION IS SUBJECT TO RULES GOVERNING
25 INFORMAL CONFERENCES PROMULGATED UNDER THE ADMINISTRATIVE PROCE-
26 DURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969, BEING
27 SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS. THE

1 TAXPAYER OR EMPLOYER MAY APPEAR OR BE REPRESENTED BY ANY PERSON
2 BEFORE THE DEPARTMENT AT AN INFORMAL CONFERENCE, AND MAY PRESENT
3 TESTIMONY AND ARGUMENT. AT THE PARTY'S OWN EXPENSE AND WITH
4 ADVANCE NOTICE TO THE OTHER PARTY, A TAXPAYER OR EMPLOYER, OR THE
5 DEPARTMENT, OR BOTH, MAY MAKE AN AUDIO RECORDING OF AN INFORMAL
6 CONFERENCE.

7 (E) AFTER THE INFORMAL CONFERENCE, THE DEPARTMENT OF TREA-
8 SURY SHALL RENDER A DECISION AND ORDER IN WRITING THAT SETS FORTH
9 THE REASONS AND AUTHORITY FOR THE DECISION AND ORDER, AND SHALL
10 ASSESS THE TAX, INTEREST, AND PENALTY DUE AND PAYABLE. A DECI-
11 SION AND ORDER UNDER THIS SECTION ARE LIMITED TO THE SUBJECT OF
12 THE INFORMAL CONFERENCE AS INCLUDED IN THE NOTICE UNDER SUBDIVI-
13 SION (D).

14 (F) IF THE TAXPAYER OR EMPLOYER DOES NOT PROTEST THE NOTICE
15 OF INTENT TO ASSESS WITHIN THE TIME PROVIDED IN SUBDIVISION (C),
16 THE DEPARTMENT OF TREASURY MAY ASSESS THE TAX AND THE INTEREST
17 AND PENALTY ON THE TAX THAT THE DEPARTMENT BELIEVES ARE DUE AND
18 PAYABLE. AN ASSESSMENT UNDER THIS SUBDIVISION OR SUBDIVISION (E)
19 IS FINAL AND SUBJECT TO APPEAL AS PROVIDED IN SECTIONS 92 TO 94.
20 THE FINAL NOTICE OF ASSESSMENT SHALL INCLUDE A STATEMENT THAT
21 ADVISES THE TAXPAYER OR EMPLOYER OF HIS OR HER RIGHT TO APPEAL.

22 (3) IF A PROTEST TO THE NOTICE OF INTENT TO ASSESS THE TAX
23 IS DETERMINED BY THE DEPARTMENT OF TREASURY TO BE A FRIVOLOUS
24 PROTEST OR A DESIRE BY THE TAXPAYER OR EMPLOYER TO DELAY OR
25 IMPEDE THE ADMINISTRATION OF THE TAX UNDER THIS ORDINANCE, A PEN-
26 ALTY OF \$25.00 OR 25% OF THE AMOUNT OF TAX UNDER PROTEST,
27 WHICHEVER IS GREATER, SHALL BE ADDED TO THE TAX.

1 Sec. 82. (1) All taxes imposed in a taxable year before the
2 1992 taxable year on a taxpayer and money withheld by an employer
3 under this ordinance and remaining unpaid after the taxes or
4 money withheld are due bear interest from the due date at the
5 rate of 1/2 of 1% per month until paid. For the 1992 taxable
6 year and each SUBSEQUENT taxable year ~~after 1992~~ BEFORE THE
7 1997 TAXABLE YEAR, all taxes imposed on a taxpayer and money
8 withheld by an employer under this ordinance and remaining unpaid
9 after the taxes or money withheld are due bear interest from the
10 due date at the current monthly rate of 1 percentage point above
11 the adjusted prime rate per annum per month until the tax or
12 money is paid. FOR TAXABLE YEARS AFTER THE 1996 TAXABLE YEAR, IF
13 THE AMOUNT OF A TAX PAID IS LESS THAN THE AMOUNT THAT SHOULD HAVE
14 BEEN PAID OR AN EXCESSIVE CLAIM HAS BEEN MADE, THE DEFICIENCY AND
15 INTEREST ON THE DEFICIENCY AT THE CURRENT MONTHLY INTEREST RATE
16 OF 1 PERCENTAGE POINT ABOVE THE ADJUSTED PRIME RATE PER ANNUM
17 FROM THE TIME THE TAX WAS DUE, AND UNTIL PAID, ARE DUE AND PAY-
18 ABLE AFTER A FINAL ASSESSMENT AS PROVIDED IN SECTION 73 OR 85. A
19 DEFICIENCY IN AN ESTIMATED PAYMENT REQUIRED BY THIS ORDINANCE
20 SHALL BE TREATED IN THE SAME MANNER AS A TAX DUE AND IS SUBJECT
21 TO THE SAME CURRENT MONTHLY INTEREST RATE OF 1 PERCENTAGE POINT
22 ABOVE THE ADJUSTED PRIME RATE PER ANNUM FROM THE TIME THE PAYMENT
23 WAS DUE, UNTIL PAID. The term "adjusted prime rate" means the
24 average predominant prime rate quoted by not less than 3 commer-
25 cial banks to large businesses, as determined by the department
26 of treasury. The adjusted prime rate is to be based on the
27 average prime rate charged by not less than 3 commercial banks

1 during the ~~+2-month~~ 6-MONTH period ending on MARCH 31 AND THE
2 6-MONTH PERIOD ENDING ON September 30. One percentage point
3 shall be added to the adjusted prime rate, and the resulting sum
4 shall be divided by 12 to establish the current monthly interest
5 rate. The resulting current monthly interest rate based on the
6 ~~+2-month~~ 6-MONTH PERIOD ENDING MARCH 31 BECOMES EFFECTIVE ON
7 THE FOLLOWING JULY 1, AND THE RESULTING CURRENT MONTHLY INTEREST
8 RATE BASED ON THE 6-MONTH period ending September 30 ~~will~~
9 ~~become~~ BECOMES effective on January 1 of the following year.

10 (2) A person failing to file a return, pay the tax, or remit
11 withholding, when due, is liable, in addition to the interest, to
12 a penalty of 1% of the amount of the unpaid tax for each month or
13 fraction of a month, not to exceed a total penalty of 25% of the
14 unpaid tax. If a return is filed or remittance is paid after the
15 time specified and it is shown to the satisfaction of the city
16 that the failure was due to reasonable cause and not to willful
17 neglect, the penalty shall be waived by the administrator. If
18 the total interest or interest and penalty to be assessed is less
19 than \$2.00, the administrator shall instead assess \$2.00.

20 (3) EXCEPT AS PROVIDED IN SUBSECTION (4), IF ANY PART OF THE
21 DEFICIENCY OR AN EXCESSIVE CLAIM FOR CREDIT IS DUE TO NEGLIGENCE,
22 BUT WITHOUT INTENT TO DEFRAUD, A PENALTY OF \$10.00 OR 10% OF THE
23 TOTAL AMOUNT OF THE DEFICIENCY IN THE TAX, WHICHEVER IS GREATER,
24 PLUS INTEREST AS PROVIDED IN SUBSECTION (1), SHALL BE ADDED. THE
25 PENALTY BECOMES DUE AND PAYABLE AFTER A FINAL ASSESSMENT IS
26 ISSUED AS PROVIDED IN SECTION 73 OR 85. IF A TAXPAYER SUBJECT TO
27 A PENALTY UNDER THIS SUBSECTION DEMONSTRATES TO THE SATISFACTION

1 OF THE ADMINISTRATION THAT THE DEFICIENCY OR EXCESS CLAIM FOR
2 CREDIT WAS DUE TO REASONABLE CAUSE, THE ADMINISTRATOR SHALL WAIVE
3 THE PENALTY.

4 (4) IF ANY PART OF THE DEFICIENCY OR AN EXCESSIVE CLAIM FOR
5 CREDIT IS DUE TO INTENTIONAL DISREGARD OF THIS ORDINANCE, BUT
6 WITHOUT INTENT TO DEFRAUD, A PENALTY OF \$25.00 OR 25% OF THE
7 TOTAL AMOUNT OF THE DEFICIENCY IN THE TAX, WHICHEVER IS GREATER,
8 PLUS INTEREST AS PROVIDED IN SUBSECTION (1), SHALL BE ADDED. THE
9 PENALTY BECOMES DUE AND PAYABLE AFTER A FINAL ASSESSMENT IS
10 ISSUED AS PROVIDED IN SECTION 73 OR 85. IF A PENALTY IS IMPOSED
11 UNDER THIS SUBSECTION AND THE TAXPAYER SUBJECT TO THE PENALTY
12 SUCCESSFULLY DISPUTES THE PENALTY, THE ADMINISTRATOR SHALL NOT
13 IMPOSE A PENALTY PRESCRIBED BY SUBSECTION (2) TO THE TAX OTHER-
14 WISE DUE.

15 (5) IF ANY PART OF THE DEFICIENCY OR AN EXCESSIVE CLAIM FOR
16 CREDIT IS DUE TO FRAUDULENT INTENT TO EVADE THE TAX IMPOSED UNDER
17 THIS ORDINANCE, OR TO OBTAIN A REFUND FOR A FRAUDULENT CLAIM, A
18 PENALTY OF 100% OF THE DEFICIENCY, PLUS INTEREST AS PROVIDED IN
19 SUBSECTION (1), SHALL BE ADDED. THE PENALTY BECOMES DUE AND PAY-
20 ABLE AFTER A FINAL ASSESSMENT IS ISSUED AS PROVIDED IN SECTION 73
21 OR 85.

22 Sec. 84. (1) ~~if~~ EXCEPT AS PROVIDED IN SECTION 73(2), IF
23 the administrator determines that a taxpayer or an employer
24 subject to the provisions of this ordinance has failed to pay the
25 full amount of the tax due or tax withheld, he OR SHE shall issue
26 a proposed assessment showing the amount due and unpaid, together
27 with interest and penalties that may have accrued thereon. The

1 proposed assessment shall be served upon the taxpayer or employer
2 in person ~~or by mailing~~ by registered or certified mail to
3 the last known address of the taxpayer or employer. Proof of
4 mailing the proposed assessment is prima facie evidence of a
5 receipt ~~thereof~~ OF THE PROPOSED ASSESSMENT by the addressee.

6 (2) A taxpayer or employer has 30 days after receipt of a
7 proposed assessment within which to file a written protest with
8 the administrator, who shall then give the taxpayer or employer
9 or his OR HER duly authorized representative an opportunity to be
10 heard and present evidence and arguments in his OR HER behalf.

11 Sec. 85. (1) ~~After~~ EXCEPT AS PROVIDED IN SECTION 73(2),
12 AFTER the hearing the administrator shall issue a final assess-
13 ment setting forth the total amount found due in the proposed
14 assessment and any adjustment he OR SHE may have made as a result
15 of the protest. The final assessment shall be served in the same
16 manner as a proposed assessment. Proof of mailing of the final
17 assessment is prima facie evidence of a receipt thereof by the
18 addressee.

19 (2) If a protest UNDER SUBSECTION (1) is not filed in
20 respect to a proposed assessment, a taxpayer or employer is
21 deemed to have received a final assessment 30 days after receipt
22 of the proposed assessment.

23 SEC. 86A. (1) THE ADMINISTRATOR MAY CAUSE A DEMAND TO BE
24 MADE ON A TAXPAYER FOR THE PAYMENT OF THE TAX IMPOSED UNDER THIS
25 ORDINANCE, AN UNPAID ACCOUNT, OR AN AMOUNT DUE THE CITY. IF THE
26 LIABILITY REMAINS UNPAID FOR 10 DAYS AFTER THE DEMAND AND
27 PROCEEDINGS ARE NOT TAKEN TO REVIEW THE LIABILITY, THE

1 ADMINISTRATOR MAY ISSUE A WARRANT UNDER THE OFFICIAL SEAL OF THE
2 CITY OR, FOR TAX YEARS AFTER THE 1996 TAX YEAR AND FOR WHICH THE
3 CITY HAS ENTERED INTO AN AGREEMENT WITH THE DEPARTMENT OF TREA-
4 SURY PURSUANT TO SECTION 9 OF CHAPTER 1, UNDER THE OFFICIAL SEAL
5 OF THE STATE. EXCEPT AS PROVIDED IN SUBSECTION (5), THE ADMINIS-
6 TRATOR, THROUGH ANY OFFICER AUTHORIZED TO SERVE PROCESS OR
7 THROUGH HIS OR HER AUTHORIZED EMPLOYEES, MAY LEVY ON ALL PROPERTY
8 AND RIGHTS TO PROPERTY, REAL AND PERSONAL, TANGIBLE AND INTANGI-
9 BLE, BELONGING TO THE TAXPAYER OR ON WHICH A LIEN IS PROVIDED BY
10 LAW FOR THE AMOUNT OF THE DEFICIENCY, AND SELL THE REAL AND PER-
11 SONAL PROPERTY OF THE TAXPAYER FOUND WITHIN THE CITY FOR THE PAY-
12 MENT OF THE AMOUNT DUE, THE COST OF EXECUTING THE WARRANT, AND
13 THE ADDITIONAL PENALTIES AND INTEREST. EXCEPT AS PROVIDED IN
14 SUBSECTION (7), THE OFFICER OR AGENT SERVING THE WARRANT SHALL
15 PROCEED UPON THE WARRANT IN ALL RESPECTS AND IN THE SAME MANNER
16 AS PRESCRIBED BY LAW IN RESPECT TO EXECUTIONS ISSUED AGAINST
17 PROPERTY UPON JUDGMENTS BY A COURT OF RECORD. THE CITY, THROUGH
18 THE ADMINISTRATOR, MAY BID FOR AND PURCHASE ANY PROPERTY SOLD
19 PURSUANT TO THIS SECTION.

20 (2) A PERSON WHO REFUSES OR FAILS TO SURRENDER ANY PROPERTY
21 OR RIGHTS TO PROPERTY SUBJECT TO LEVY UPON DEMAND BY THE ADMINIS-
22 TRATOR IS PERSONALLY LIABLE TO THE CITY IN A SUM EQUAL TO THE
23 VALUE OF THE PROPERTY OR RIGHTS NOT SURRENDERED, BUT NOT TO
24 EXCEED THE AMOUNT DUE FOR WHICH THE LEVY WAS MADE, TOGETHER WITH
25 COSTS AND INTEREST ON THE SUM AT THE RATE PROVIDED IN SECTION 82
26 FROM THE DATE OF THE LEVY. ANY AMOUNT, OTHER THAN COSTS,

1 RECOVERED UNDER THIS SUBSECTION SHALL BE CREDITED AGAINST THE
2 LIABILITY FOR THE COLLECTION OF WHICH THE LEVY WAS MADE.

3 (3) IN ADDITION TO THE PERSONAL LIABILITY IMPOSED BY SUBSEC-
4 TION (2), IF A PERSON REQUIRED TO SURRENDER PROPERTY OR RIGHTS TO
5 PROPERTY FAILS OR REFUSES TO SURRENDER THE PROPERTY OR RIGHTS TO
6 PROPERTY WITHOUT REASONABLE CAUSE, THE PERSON IS LIABLE FOR A
7 PENALTY EQUAL TO 50% OF THE AMOUNT RECOVERABLE UNDER SUBSECTION
8 (2), AND THE PENALTY SHALL NOT BE CREDITED AGAINST THE LIABILITY
9 FOR THE COLLECTION OF WHICH THE LEVY WAS MADE.

10 (4) A PERSON IN POSSESSION OF OR OBLIGATED WITH RESPECT TO
11 PROPERTY OR PROPERTY RIGHTS SUBJECT TO LEVY AND UPON WHICH A LEVY
12 HAS BEEN MADE WHO, UPON DEMAND OF THE ADMINISTRATOR, SURRENDERS
13 THE PROPERTY OR RIGHTS TO PROPERTY OR DISCHARGES THE OBLIGATION
14 TO THE ADMINISTRATOR OR WHO PAYS A LIABILITY UNDER SUBSECTION (1)
15 SHALL HAVE HIS OR HER OBLIGATION TO A PERSON DELINQUENT IN PAY-
16 MENT OF A TAX OR OTHER ACCOUNT REDUCED IN AN AMOUNT EQUAL TO THE
17 PROPERTY OR RIGHTS TO PROPERTY SURRENDERED OR AMOUNTS PAID TO THE
18 STATE.

19 (5) ALL OF THE FOLLOWING ARE EXEMPT FROM LEVY UNDER THIS
20 SECTION:

21 (A) FOR AN UNPAID TAX, THE TYPE OF PROPERTY AND THE AMOUNT
22 OF THAT PROPERTY AS PROVIDED IN SECTION 6334 OF THE INTERNAL REV-
23 ENUE CODE.

24 (B) FOR AN UNPAID ACCOUNT OR AMOUNT DUE THE CITY OTHER THAN
25 AN UNPAID TAX, DISPOSABLE EARNINGS TO THE EXTENT PROVIDED IN SEC-
26 TION 303 OF THE CONSUMER CREDIT PROTECTION ACT, 15 U.S.C. 1673.

1 (6) THE EFFECT OF A LEVY ON SALARY OR WAGES SHALL BE
2 CONTINUOUS FROM THE DATE THE LEVY IS FIRST MADE UNTIL THE
3 LIABILITY OUT OF WHICH THE LEVY AROSE IS SATISFIED.

4 (7) A WARRANT-NOTICE OF LEVY MAY BE SERVED BY CERTIFIED
5 MAIL, RETURN RECEIPT REQUESTED, ON ANY PERSON IN POSSESSION OF OR
6 OBLIGATED WITH RESPECT TO PROPERTY AND RIGHTS TO PROPERTY, REAL
7 AND PERSONAL, TANGIBLE AND INTANGIBLE, THAT BELONGS TO THE TAX-
8 PAYER OR ON WHICH A LIEN IS PROVIDED BY LAW. THE DATE OF DELIV-
9 ERY ON THE RECEIPT IS THE DATE THE LEVY IS MADE. A PERSON MAY,
10 UPON WRITTEN NOTICE TO THE ADMINISTRATOR, HAVE ALL NOTICES OF
11 LEVY BY MAIL SENT TO 1 DESIGNATED OFFICE.

12 SEC. 86B. (1) THE TAX IMPOSED UNDER THIS ORDINANCE,
13 TOGETHER WITH THE INTEREST AND PENALTIES ON THAT TAX, SHALL BE A
14 LIEN IN FAVOR OF THE CITY AGAINST ALL PROPERTY AND RIGHTS OF
15 PROPERTY, BOTH REAL AND PERSONAL, TANGIBLE AND INTANGIBLE, OWNED
16 AT THE TIME THE LIEN ATTACHES, OR AFTERWARDS ACQUIRED BY A PERSON
17 LIABLE FOR THE TAX, TO SECURE THE PAYMENT OF THE TAX. THE LIEN
18 SHALL ATTACH TO THE PROPERTY FROM AND AFTER THE DATE THAT ANY
19 REPORT OR RETURN ON WHICH THE TAX IS LEVIED IS REQUIRED TO BE
20 FILED WITH THE CITY AND SHALL CONTINUE FOR 7 YEARS AFTER THE DATE
21 OF ATTACHMENT. THE LIEN MAY BE EXTENDED FOR ANOTHER 7 YEARS BY
22 REFILING PURSUANT TO SUBSECTION (2) IF THE REFILING IS MADE
23 WITHIN THE 6 MONTHS IMMEDIATELY PRECEDING THE EXPIRATION DATE OF
24 THE ORIGINAL 7-YEAR PERIOD.

25 (2) THE LIEN IMPOSED BY THIS ORDINANCE SHALL TAKE PRECEDENCE
26 OVER ALL OTHER LIENS AND ENCUMBRANCES, EXCEPT BONA FIDE LIENS
27 RECORDED BEFORE THE DATE THE LIEN UNDER THIS ORDINANCE IS

1 RECORDED. HOWEVER, BONA FIDE LIENS RECORDED BEFORE THE LIEN
2 UNDER THIS ORDINANCE IS RECORDED SHALL TAKE PRECEDENCE ONLY TO
3 THE EXTENT OF DISBURSEMENTS MADE UNDER A FINANCING ARRANGEMENT
4 BEFORE THE FORTY-SIXTH DAY AFTER THE DATE OF THE TAX LIEN RECORD-
5 ING, OR BEFORE THE PERSON MAKING THE DISBURSEMENTS HAD ACTUAL
6 KNOWLEDGE OF A TAX LIEN RECORDING UNDER THIS ORDINANCE, WHICHEVER
7 IS EARLIER. A LIEN SHALL BE RECORDED AND DISCHARGED IN ACCORD-
8 ANCE WITH THE STATE TAX LIEN REGISTRATION ACT, ACT NO. 203 OF THE
9 PUBLIC ACTS OF 1968, BEING SECTIONS 211.681 TO 211.687 OF THE
10 MICHIGAN COMPILED LAWS.

11 (3) A PURCHASER OR SUCCEEDING PURCHASER OF PROPERTY FROM A
12 TAXPAYER IN OTHER THAN THE ORDINARY COURSE OF BUSINESS AGAINST
13 WHICH A LIEN HAS BEEN PROPERLY RECORDED PURSUANT TO SUBSECTION
14 (2) SHALL BE PERSONALLY LIABLE FOR THE UNPAID TAXES THAT ARE DUE
15 ON THE LIEN. THE PURCHASER'S LIABILITY SHALL BE LIMITED TO THE
16 VALUE OF THE PROPERTY LESS ANY PROCEEDS THAT WERE APPLIED TO BAL-
17 ANCES DUE ON SECURED INTERESTS THAT ARE SUPERIOR TO THE LIEN
18 RECORDED UNDER SUBSECTION (2).

19 (4) IF THE CITY FILES FOR RECORDING A LIEN PURSUANT TO THIS
20 ORDINANCE AGAINST PROPERTY OR RIGHTS OF PROPERTY UNDER ACT
21 NO. 203 OF THE PUBLIC ACTS OF 1968 TO SATISFY A TAX LIABILITY AND
22 THE CITY DETERMINES THAT THE TAX LIABILITY OUT OF WHICH THE LIEN
23 AROSE IS SATISFIED, THE CITY SHALL FILE FOR RECORDING A RELEASE
24 REGARDING THE PROPERTY OR RIGHTS OF PROPERTY, AS APPLICABLE,
25 UNDER ACT NO. 203 OF THE PUBLIC ACTS OF 1968 NOT MORE THAN 20
26 BUSINESS DAYS AFTER FUNDS TO SATISFY THE TAX LIABILITY OUT OF

1 WHICH THE LIEN AROSE HAVE BEEN APPLIED TO THE TAXPAYER'S
2 ACCOUNT.

3 (5) IF THE CITY FILES FOR RECORDING A LIEN IMPOSED PURSUANT
4 TO THIS ACT AGAINST PROPERTY OR RIGHTS OF PROPERTY UNDER ACT
5 NO. 203 OF THE PUBLIC ACTS OF 1968 TO SATISFY A TAX LIABILITY AND
6 UPON REQUEST THE CITY DETERMINES THAT THE TAXPAYER NAMED ON THE
7 RECORDED LIEN DOES NOT HAVE ANY INTEREST IN CERTAIN PROPERTIES
8 OWNED BY ANOTHER PERSON, THE CITY SHALL FILE FOR RECORDING A CER-
9 TIFICATE OF NONATTACHMENT REGARDING THE PROPERTY OR RIGHTS OF
10 PROPERTY, AS APPLICABLE, UNDER ACT NO. 203 OF THE PUBLIC ACTS OF
11 1968 WITH ALL DUE HASTE BUT NOT MORE THAN 5 BUSINESS DAYS AFTER
12 THE CITY DETERMINES THAT THE LIEN IS RECORDED OR FILED AGAINST
13 PROPERTY OR RIGHTS OF PROPERTY TO WHICH THE CITY DOES NOT HAVE A
14 LIEN INTEREST UNDER THIS SECTION. THE CITY SHALL CLEARLY INDI-
15 CATE ON THE CERTIFICATE OF NONATTACHMENT THAT THE TAXPAYER NAMED
16 ON THE RECORDED LIEN DOES NOT HAVE ANY INTEREST IN THE PROPERTY
17 OR RIGHTS OF PROPERTY OF THE OTHER PERSON.

18 (6) IF A WARRANT OR WARRANT-NOTICE OF LEVY IS ISSUED AND
19 SERVED UPON A PERSON TO LEVY ON PROPERTY OR RIGHTS OF PROPERTY TO
20 SATISFY A TAX LIABILITY AND THE CITY DETERMINES THAT THE TAX
21 LIABILITY OUT OF WHICH THE WARRANT OR WARRANT-NOTICE OF LEVY
22 AROSE IS SATISFIED, THE CITY SHALL SERVE A RELEASE OF LEVY
23 REGARDING THE PROPERTY OR RIGHTS OF PROPERTY ON THE PERSON WHO
24 WAS SERVED THE WARRANT OR WARRANT-NOTICE OF LEVY NOT MORE THAN 10
25 BUSINESS DAYS AFTER FUNDS TO SATISFY THE TAX LIABILITY OUT OF
26 WHICH THE WARRANT OR WARRANT-NOTICE OF LEVY AROSE HAVE BEEN
27 APPLIED TO THE TAXPAYER'S ACCOUNT.

1 (7) IF A WARRANT OR WARRANT-NOTICE OF LEVY IS ISSUED AND
2 SERVED UPON A PERSON TO LEVY ON PROPERTY OR RIGHTS OF PROPERTY TO
3 SATISFY A TAX LIABILITY AND THE CITY DETERMINES THAT THE PROPERTY
4 OR RIGHTS OF PROPERTY ARE NOT SUBJECT TO LEVY UNDER SECTION 25(1)
5 OR (5), THE CITY SHALL SERVE A RELEASE OF LEVY REGARDING THE
6 PROPERTY OR RIGHTS OF PROPERTY ON THE PERSON WHO WAS SERVED THE
7 WARRANT OR WARRANT-NOTICE OF LEVY WITH ALL DUE HASTE BUT NOT MORE
8 THAN 5 BUSINESS DAYS AFTER THE CITY DETERMINES THAT THE PROPERTY
9 OR RIGHTS OF PROPERTY ARE NOT SUBJECT TO LEVY UNDER SECTION 25(1)
10 OR (5). THE ADMINISTRATOR SHALL CLEARLY INDICATE ON THE RELEASE
11 OF LEVY THAT THE PROPERTY OR RIGHTS OF PROPERTY WERE NOT SUBJECT
12 TO LEVY UNDER SECTION 25(1) OR (5).

13 (8) IF A PERSON IS REQUIRED TO PAY A FEE TO THE CITY, A
14 BANK, OR OTHER FINANCIAL INSTITUTION AS THE RESULT OF AN ERRONE-
15 OUS RECORDING OR FILING OF A LIEN AS DESCRIBED IN SUBSECTION (5),
16 OR AN ERRONEOUS ISSUANCE AND SERVICE OF A WARRANT OR
17 WARRANT-NOTICE OF LEVY AS DESCRIBED IN SUBSECTION (7), THE CITY
18 SHALL REIMBURSE THE FEE TO THAT PERSON.

19 (9) IF THE CITY RECEIVES MONEY TO SATISFY A TAX LIABILITY OR
20 LIABILITIES OR RECEIVES INFORMATION THAT WOULD CANCEL THAT TAX
21 LIABILITY OR THOSE LIABILITIES AND SUBSEQUENTLY FILES A LIEN FOR
22 RECORDING SPECIFYING THAT OR THOSE LIABILITIES UNDER ACT NO. 203
23 OF THE PUBLIC ACTS OF 1968, THE ADMINISTRATOR, UPON REQUEST AND
24 UPON A DETERMINATION BY THE ADMINISTRATOR THAT THE LIEN WAS FILED
25 AND RECORDED IN ERROR, WITH ALL DUE HASTE, BUT NOT MORE THAN 5
26 BUSINESS DAYS AFTER THE ADMINISTRATOR DETERMINES THAT A LIEN HAS
27 BEEN ERRONEOUSLY FILED FOR RECORDING, SHALL FILE FOR RECORDING A

1 CERTIFICATE OF WITHDRAWAL FOR THAT TAX LIABILITY OR THOSE
2 LIABILITIES THAT WERE SATISFIED THAT STATES THAT THE RECORDED
3 LIEN FOR THAT TAX LIABILITY OR THOSE LIABILITIES WAS FILED IN
4 ERROR.

5 (10) IF THE CITY RECEIVES MONEY TO SATISFY A TAX LIABILITY
6 OR LIABILITIES OR RECEIVES INFORMATION THAT WOULD CANCEL THAT TAX
7 LIABILITY OR THOSE LIABILITIES AND SUBSEQUENTLY ISSUES A WARRANT
8 OR WARRANT-NOTICE OF LEVY SPECIFYING THAT LIABILITY OR THOSE
9 LIABILITIES PURSUANT TO THIS ORDINANCE, UPON REQUEST AND UPON A
10 DETERMINATION BY THE ADMINISTRATOR THAT THE WARRANT OR
11 WARRANT-NOTICE OF LEVY WAS ISSUED IN ERROR, WITH ALL DUE HASTE,
12 BUT NOT MORE THAN 5 BUSINESS DAYS AFTER THE ADMINISTRATOR DETER-
13 MINES THAT A WARRANT OR WARRANT-NOTICE OF LEVY HAS BEEN ERRONE-
14 OUSLY ISSUED, THE ADMINISTRATOR SHALL ISSUE A RELEASE OF LEVY FOR
15 THAT TAX LIABILITY OR THOSE LIABILITIES THAT WERE SATISFIED THAT
16 STATES THAT THE LEVY FOR THAT TAX LIABILITY OR THOSE LIABILITIES
17 WAS ISSUED IN ERROR.

18 Sec. 87. (1) If the ~~city~~ ADMINISTRATOR believes that col-
19 lection of the tax withheld from an employee's compensation as
20 imposed under this ordinance will be jeopardized by delay, the
21 city, whether or not the time otherwise prescribed by the ordi-
22 nance for making the return and paying the tax has expired, shall
23 immediately assess the tax and interest and additions provided by
24 the ordinance. The tax, interest, and additions shall
25 ~~thereupon~~ become immediately due and payable, and the ~~city~~
26 ADMINISTRATOR shall make an immediate notice and demand for
27 payment, notwithstanding ~~the fact that~~ WHEN the withheld tax

1 ~~is not due under the ordinance until the last day of the month~~
2 ~~following the end of the calendar quarter~~ IS OTHERWISE DUE AND
3 PAYABLE.

4 (2) IF THE ADMINISTRATOR FINDS THAT A PERSON LIABLE FOR A
5 TAX ADMINISTERED UNDER THIS ORDINANCE INTENDS QUICKLY TO DEPART
6 FROM THE CITY OR TO REMOVE PROPERTY FROM THIS CITY, TO CONCEAL
7 THE PERSON OR THE PERSON'S PROPERTY IN THIS CITY, OR TO DO ANY
8 OTHER ACT TENDING TO RENDER WHOLLY OR PARTLY INEFFECTUAL PROCEED-
9 INGS TO COLLECT THE TAX UNLESS PROCEEDINGS ARE BROUGHT WITHOUT
10 DELAY, THE ADMINISTRATOR SHALL GIVE NOTICE OF THE FINDINGS TO THE
11 PERSON, TOGETHER WITH A DEMAND FOR AN IMMEDIATE RETURN AND IMME-
12 DIATE PAYMENT OF THE TAX. A WARRANT OR WARRANT-NOTICE OF LEVY
13 MAY ISSUE IMMEDIATELY UPON ISSUANCE OF A JEOPARDY ASSESSMENT.
14 WHEN THE WARRANT OR WARRANT-NOTICE IS ISSUED, THE TAX SHALL
15 BECOME IMMEDIATELY DUE AND PAYABLE. IF THE PERSON IS NOT IN
16 DEFAULT IN MAKING A RETURN OR PAYING A TAX PRESCRIBED BY THIS
17 ORDINANCE, AND FURNISHES EVIDENCE SATISFACTORY TO THE ADMINISTRA-
18 TOR THAT THE RETURN WILL BE FILED AND THE TAX TO WHICH THE
19 ADMINISTRATOR'S FINDING RELATES WILL BE PAID, THEN THE TAX SHALL
20 NOT BE PAYABLE BEFORE THE TIME OTHERWISE FIXED FOR PAYMENT.

21 Sec. 88. (1) Except in case of fraud, failure to file a
22 return, failure to comply with the withholding provisions of this
23 ordinance, or omission of substantial portions of income subject
24 to the tax, an additional assessment shall not be made after ~~3~~
25 4 years from the date the return was due, including extensions,
26 ~~thereof,~~ OR FROM THE DATE THE RETURN WAS FILED, or the tax was
27 paid, whichever is later. An omission of more than 25% of gross

1 income is considered a substantial omission of income. Under
2 this section a declaration of estimated tax is not considered a
3 return.

4 (2) If the federal internal revenue service and a taxpayer
5 execute a waiver of the federal statute of limitations, as to a
6 taxable year, the expiration of the period within which an addi-
7 tional assessment may be made by the administrator or a claim for
8 refund filed by the taxpayer for such taxable year for city
9 income tax purposes shall be 6 months from the date of expiration
10 of the waiver.

11 Sec. 89. (1) Except as otherwise provided in this ordi-
12 nance, a tax erroneously paid shall not be refunded unless a
13 claim for refund is made within ~~3~~ 4 years from the date the
14 payment was made or the ORIGINAL final return was due, including
15 extensions, ~~thereof~~, whichever is later, unless the administra-
16 tor and the taxpayer mutually agree to extend the time for
17 assessment or refund. Under this section a declaration of esti-
18 mated tax is not considered a return. Upon denial of a refund a
19 taxpayer may follow the same procedure for appeal as provided in
20 the case of a deficiency assessment.

21 (2) A tax deficiency as finally determined and interest or
22 penalties thereon shall be paid within 30 days after receipt of a
23 final assessment ~~where~~ IF no appeal is made.

24 Sec. 92. (1) A taxpayer or employer may file a written
25 notice of appeal with the secretary of the income tax board of
26 review ~~within~~ NOT MORE THAN 30 days after receipt BY THE
27 TAXPAYER OR EMPLOYER of a final assessment, denial in whole or

1 part of a claim for refund, DECISION, ORDER, or special ruling of
2 the administrator. THE UNCONTESTED PORTION OF A FINAL ASSESS-
3 MENT, ORDER, OR DECISION SHALL BE PAID AS A PREREQUISITE TO
4 APPEAL. Upon receipt of the notice of appeal, the INCOME TAX
5 board of review shall notify the administrator, who shall forward
6 within 15 days to the board a certified transcript of all actions
7 and findings taken by ~~him relating~~ THE ADMINISTRATOR THAT
8 RELATE to the matter under appeal. The appellant or his OR HER
9 duly authorized representative may inspect the transcript.

10 (2) The INCOME TAX board of review shall grant the appellant
11 a hearing at which the appellant or his OR HER duly authorized
12 representative and the administrator ~~and his authorized agent~~
13 have an opportunity to present evidence ~~relating~~ THAT RELATES
14 to the matter under appeal. After conclusion of the hearing, the
15 INCOME TAX board ~~acting~~ OF REVIEW by a majority vote of its 3
16 members shall affirm, reverse, or modify the ~~matter~~ ASSESSMENT,
17 DENIAL, DECISION, OR ORDER under appeal and furnish a copy of
18 ~~its~~ THE decision to the appellant and to the administrator.

19 (3) The provisions of this ordinance as to the confidential
20 character of tax data are applicable to proceedings pending
21 before or submitted to the INCOME TAX board OF REVIEW.

22 (4) A tax deficiency or refund and any interest or penalties
23 ~~thereon~~ ON A DEFICIENCY OR REFUND shall be paid ~~within~~ NOT
24 MORE THAN 30 days after receipt BY THE TAXPAYER OR EMPLOYER OR BY
25 THE CITY of notice of determination by the INCOME TAX board OF
26 REVIEW if no further appeal is made.

1 Sec. 93. (1) A taxpayer, employer, or other person
 2 aggrieved by a rule adopted by the administrator ~~or a taxpayer,~~
 3 ~~employer, person or city aggrieved by a determination of the~~
 4 ~~board of review on a final assessment, denial in whole or in part~~
 5 ~~of a claim for refund, or a special ruling,~~ may file a timely
 6 appeal ~~therefrom~~ to the state commissioner of revenue in ~~such~~
 7 THE form and manner ~~as~~ PRESCRIBED BY the commissioner. ~~shall~~
 8 ~~prescribe. Within~~

9 (2) A TAXPAYER OR EMPLOYER AGGRIEVED BY AN ASSESSMENT,
 10 DENIAL, DECISION, OR ORDER OF THE INCOME TAX BOARD OF REVIEW
 11 OTHER THAN A DECISION UNDER SUBSECTION (1), MAY APPEAL THE
 12 ASSESSMENT, DENIAL, DECISION, OR ORDER TO THE TAX TRIBUNAL NOT
 13 MORE THAN 90 DAYS AFTER THE ASSESSMENT, DENIAL, DECISION, OR
 14 ORDER WAS ISSUED. AN APPEAL UNDER THIS SUBSECTION SHALL BE PER-
 15 FECTED AS PROVIDED UNDER THE TAX TRIBUNAL ACT, ACT NO. 186 OF THE
 16 PUBLIC ACTS OF 1973, BEING SECTIONS 205.701 TO 205.779 OF THE
 17 MICHIGAN COMPILED LAWS, AND RULES PROMULGATED UNDER THAT ACT FOR
 18 THE TAX TRIBUNAL.

19 (3) NOT MORE THAN 30 days after a final order of the
 20 ~~commissioner upon the appeal~~ TAX TRIBUNAL, the taxpayer,
 21 EMPLOYER, OR OTHER PERSON shall pay the city the taxes, interest,
 22 and penalty found due ~~from the taxpayer~~ to the city, and the
 23 city shall refund to the taxpayer, EMPLOYER, OR OTHER PERSON any
 24 amount found to have been overpaid by the taxpayer, EMPLOYER, OR
 25 OTHER PERSON.

26 Sec. 94. (1) If a taxpayer, employer, OTHER person, or THE
 27 city is aggrieved by a decision of the ~~state commissioner of~~

1 ~~revenue~~ TAX TRIBUNAL, the aggrieved party may ~~bring an action~~
2 ~~within 90 days in the circuit court for the county in which the~~
3 ~~taxing jurisdiction is located to obtain a judicial determination~~
4 ~~of the matter~~ TAKE AN APPEAL BY RIGHT FROM A DECISION OF THE TAX
5 TRIBUNAL TO THE COURT OF APPEALS. THE APPEAL SHALL BE TAKEN ON
6 THE RECORD MADE BEFORE THE TAX TRIBUNAL. THE TAXPAYER, EMPLOYER,
7 OTHER PERSON, OR DEPARTMENT MAY TAKE FURTHER APPEAL TO THE
8 SUPREME COURT IN ACCORDANCE WITH THE COURT RULES PROVIDED FOR
9 APPEALS TO THE SUPREME COURT.

10 (2) AN ASSESSMENT IS FINAL, CONCLUSIVE, AND NOT SUBJECT TO
11 FURTHER CHALLENGE AFTER 90 DAYS AFTER THE ISSUANCE OF THE ASSESS-
12 MENT, DECISION, OR ORDER OF THE ADMINISTRATOR, AND A PERSON IS
13 NOT ENTITLED TO A REFUND OF ANY TAX, INTEREST, OR PENALTY PAID
14 PURSUANT TO AN ASSESSMENT UNLESS THE AGGRIEVED PERSON HAS
15 APPEALED THE ASSESSMENT IN THE MANNER PROVIDED BY THIS ORDINANCE.

16 Section 2. (1) Section 9 of chapter 1 of Act No. 284 of the
17 Public Acts of 1964, as added by this amendatory act, is effec-
18 tive January 1, 1996.

19 (2) Except as provided in subsection (1), this amendatory
20 act is effective January 1, 1997.

21 Section 3. Section 81 of chapter 2 of Act No. 284 of the
22 Public Acts of 1964 is repealed effective January 1, 1997.