

# HOUSE BILL No. 4345

February 18, 1997, Introduced by Reps. Kukuk, Callahan, Gilmer, Anthony, Green, Raczkowski, Gernaat, DeVuyst, Jaye and McNutt and referred to the Committee on Tax Policy.

A bill to amend 1941 PA 122, entitled

"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,"

by amending section 3 (MCL 205.3), as amended by 1986 PA 58.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. The commissioner shall have all the powers and per-  
2 form the duties formerly vested in ~~any~~ A department, board,  
3 commission, or other agency, in connection with taxes due to or  
4 claimed by the state and in connection with unpaid accounts or  
5 amounts due to the state or any of its departments, institutions,

1 or agencies which may be made payable to or collectible by the  
2 department created by this act. ~~, and~~ IN ADDITION, THE COMMIS-  
3 SIONER SHALL HAVE the power and authority incidental to the per-  
4 formance of ALL the following acts, duties, and services:

5 (a) The commissioner or ~~any of the~~ A duly appointed  
6 ~~agents~~ AGENT of the commissioner may examine the books,  
7 records, and papers touching the matter at issue of any person or  
8 taxpayer subject to any tax, unpaid account, or amount the col-  
9 lection of which is charged to the department. The commissioner  
10 or ~~any of the~~ A duly appointed ~~agents~~ AGENT of the commis-  
11 sioner may issue a subpoena requiring a person to appear and be  
12 examined with reference to a matter within the scope of the  
13 inquiry or investigation being conducted by the department and to  
14 produce any books, records, or papers. The commissioner or ~~any~~  
15 ~~of the~~ A duly appointed ~~agents~~ AGENT, ~~referees~~ REFEREE, or  
16 ~~examiners~~ EXAMINER of the commissioner, may administer an oath  
17 to a witness in any matter before the department. The department  
18 may invoke the aid of the circuit court of this state in requir-  
19 ing the attendance and testimony of witnesses and the producing  
20 of books, papers, and documents. The circuit court of the state  
21 within the jurisdiction of which an inquiry is carried on, in  
22 case of contumacy or refusal to obey a subpoena, may issue an  
23 order requiring the person to appear before the department and  
24 produce books, ~~and~~ papers, AND DOCUMENTS if so ordered and any  
25 evidence touching the matter in question, and failure to obey the  
26 order of the court may be punished by the court as a contempt. A  
27 person shall not be excused from testifying or from producing any

1 books, papers, records, or memoranda in any investigation, or  
2 upon any hearing when ordered to do so by the commissioner, upon  
3 the ground that the testimony or evidence, documentary or other-  
4 wise, may tend to incriminate or subject him or her to a criminal  
5 penalty, however, a person shall not be prosecuted or subjected  
6 to any criminal penalty for or on account of any transaction made  
7 or thing concerning which he or she may testify or produce evi-  
8 dence, documentary or otherwise, before the ~~board~~ COMMISSIONER  
9 or ~~its~~ HIS OR HER agent. A person so testifying shall not be  
10 exempt from prosecution and punishment for perjury committed  
11 while testifying.

12 (b) After reasonable notice and public hearing to promulgate  
13 rules consistent with this act in accordance with ~~Act No. 306 of~~  
14 ~~the Public Acts of 1969, as amended, being sections 24.201 to~~  
15 ~~24.328 of the Michigan Compiled Laws~~ THE ADMINISTRATIVE PROCE-  
16 DURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, as may be  
17 necessary to the enforcement of the provisions of tax and other  
18 revenue measures ~~which~~ THAT are administered by the  
19 commissioner.

20 (c) Consult with the governor and the legislature ~~upon~~ ON  
21 the subject of taxation, revenue, and the administration of the  
22 laws in relation to taxation and revenue, and the progress of the  
23 work of the department, including the furnishing of reports,  
24 information, and other assistance as the governor may require.

25 (d) Investigate and study all matters of taxation and reve-  
26 nue as the basis of recommending to the governor and the  
27 legislature those changes and alterations in the tax laws of

1 ~~the~~ THIS state as in the commissioner's judgment may bring  
2 about a more adequate and just system of state and local  
3 taxation.

4 (e) Formulate a standard procedure ~~whereby~~ WHERE the  
5 departments, commissions, boards, institutions, and the agencies  
6 of ~~the~~ THIS state ~~which~~ THAT collect taxes, fees, or accounts  
7 for ~~the~~ THIS state shall report all sums of money due and  
8 uncollected and those uncollected items as may be prescribed by  
9 law and by the commissioner. The procedure prescribed in this  
10 subdivision shall include a standard practice for receiving,  
11 receipting, safeguarding, and periodically reporting all state  
12 revenue receipts, whether current, delinquent, penalty, interest,  
13 or otherwise, and the amounts, kinds, and terms of items either  
14 collected, compromised, or still outstanding, to be summarized,  
15 studied, and reported upon as the commissioner considers  
16 advisable.

17 (f) The ~~department~~ COMMISSIONER may periodically issue  
18 bulletins that index and explain current department interpreta-  
19 tions of current state tax laws. A BULLETIN OR LETTER RULING  
20 ISSUED BY THE COMMISSIONER UNDER THIS ACT REGARDING THE PAYMENT  
21 OF A TAX SHALL APPLY PROSPECTIVELY AND SHALL NOT APPLY  
22 RETROACTIVELY. The department may charge a reasonable fee for  
23 subscriptions to this service not to exceed the cost of  
24 printing. The money received from the sale of such subscription  
25 shall revert to the department and be placed in the taxation  
26 manual revolving fund.