

**SUBSTITUTE FOR
SENATE BILL NO. 121**

A bill to amend 1941 PA 122, entitled

"An act to establish the revenue collection duties 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 regulate the importation, stamping, and disposition of certain tobacco products; 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 prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,"

by amending section 3 (MCL 205.3), as amended by 2002 PA 657.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. The department shall have all the powers and
2 perform the duties formerly vested in ~~any~~ a department, board,
3 commission, or other agency, in connection with taxes due to or

1 claimed by ~~the~~ **this** state and in connection with unpaid
2 accounts or amounts due to ~~the~~ **this** state or any of its
3 departments, institutions, or agencies ~~which~~ **that** may be made
4 payable to or collectible by the department created by this act.
5 ~~—, and~~ **The department has** the power and authority incidental to
6 the performance of the following acts, duties, and services:

7 (a) The state treasurer or ~~any of the~~ **a** duly appointed
8 ~~agents~~ **agent** of the state treasurer may examine the books,
9 records, and papers touching the matter at issue of any person or
10 taxpayer subject to any tax, unpaid account, or amount the
11 collection of which is charged to the department. The state
12 treasurer or ~~any of the~~ **a** duly appointed ~~agents~~ **agent** of the
13 state treasurer may issue a subpoena requiring a person to appear
14 and be examined with reference to a matter within the scope of
15 the inquiry or investigation being conducted by the department
16 and to produce any books, records, or papers. The state
17 treasurer or ~~any of the~~ **a** duly appointed ~~agents, referees, or~~
18 ~~examiners~~ **agent, referee, or examiner** of the state treasurer may
19 administer an oath to a witness in any matter before the
20 department. The department may invoke the aid of the circuit
21 court of this state in requiring the attendance and testimony of
22 witnesses and the producing of books, papers, and documents. The
23 circuit court of ~~the~~ **this** state within the jurisdiction of
24 which an inquiry is carried on, in case of contumacy or refusal
25 to obey a subpoena, may issue an order requiring the person to
26 appear before the department and produce books and papers if so
27 ordered and any evidence touching the matter in question, and

1 failure to obey the order of the court may be punished by the
2 court as a contempt. A person shall not be excused from
3 testifying or from producing any books, papers, records, or
4 memoranda in any investigation, or upon any hearing when ordered
5 to do so by the state treasurer, upon the ground that the
6 testimony or evidence, documentary or otherwise, may tend to
7 incriminate or subject him or her to a criminal penalty, however,
8 a person shall not be prosecuted or subjected to any criminal
9 penalty for or on account of any transaction made or thing
10 concerning which he or she may testify or produce evidence,
11 documentary or otherwise, before the ~~board~~ **department** or its
12 agent. A person ~~so~~ testifying ~~shall~~ **is** not ~~be~~ exempt from
13 prosecution and punishment for perjury committed while
14 testifying.

15 (b) After reasonable notice and public hearing, ~~to the~~
16 **department may** promulgate rules consistent with this act in
17 accordance with the administrative procedures act of 1969, 1969
18 PA 306, MCL 24.201 to 24.328, ~~as may be~~ necessary to the
19 enforcement of the provisions of tax and other revenue measures
20 ~~which~~ **that** are administered by the department.

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

27 (d) ~~Investigate~~ **The department may investigate** and study

1 all matters of taxation and revenue as the basis of recommending
2 to the governor and the legislature those changes and alterations
3 in the tax laws of ~~the~~ **this** state, as in the state treasurer's
4 judgment may bring about a more adequate and just system of state
5 and local taxation.

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

19 (f) The department may periodically issue bulletins that
20 index and explain current department interpretations of current
21 state tax laws. **Beginning 90 days after the effective date of**
22 **the amendatory act that added this sentence, each bulletin or**
23 **letter ruling issued by the department on or after August 18,**
24 **2000 shall be published and made available to the public in**
25 **printed and electronic formats.** The department may charge a
26 reasonable fee for subscriptions to this service not to exceed
27 the cost of printing. The money received from the sale of ~~such~~

1 ~~subscription~~ **subscriptions** shall revert to the department and be
2 placed in the taxation manual revolving fund.