

HOUSE BILL No. 4908

June 12, 2007, Introduced by Reps. Melton, Alma Smith, Cushingberry, Coulouris and Meadows and referred to the Committee on Intergovernmental, Urban and Regional Affairs.

A bill to amend 1964 PA 284, entitled
"City income tax act,"
by amending section 9 of chapter 1 (MCL 141.509), as added by 1996
PA 478.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER 1

2 Sec. 9. (1) For the 1996 tax year and each year after 1996, a
3 city that imposes a city income tax pursuant to this act may enter
4 into an agreement with the department of treasury under which the
5 department of treasury shall administer, enforce, and collect the
6 city income tax on behalf of the city.

7 (2) City income taxes, interest, penalties, and collection
8 fees collected under an agreement entered into pursuant to

1 subsection (1) shall be kept in the city income tax trust fund and
2 shall be paid to the city, except that an amount of the taxes
3 collected as determined in the agreement **OR BEGINNING FOR THE 2008**
4 **TAX YEAR AND EACH TAX YEAR AFTER 2008 5% OF THE TAXES COLLECTED,**
5 **WHICHEVER IS MORE,** may be retained by the department of treasury to
6 cover the cost of collection and administration and that amount
7 shall be deposited into the state general fund. The department of
8 treasury shall not charge to or collect from a taxpayer any amount
9 not otherwise authorized by law in conjunction with the collection
10 of city income tax pursuant to an agreement entered into pursuant
11 to this section.

12 (3) If the city enters into an agreement under subsection (1),
13 the agreement shall include provisions that relate to all of the
14 following:

15 (a) The development of and distribution of forms required by
16 the agreement and the ordinance under chapter 2.

17 (b) The processing of all payments.

18 (c) Enforcement procedures.

19 (d) Administrative and legal costs.

20 (e) Data exchange.

21 (f) Transfer and payment of funds.

22 (g) Termination of the agreement by either party.

23 (h) Any additional provisions as appropriate.