

SENATE BILL No. 28

January 19, 2011, Introduced by Senator HANSEN and referred to the Committee on Finance.

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 this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; 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 19 (MCL 205.19), as amended by 2002 PA 657.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19. (1) All remittances of taxes administered by this act

1 shall be made to the department payable to the state of Michigan by
2 bank draft, check, cashier's check, certified check, money order,
3 cash, **CREDIT CARD**, or electronic funds transfer. The money received
4 shall be credited as provided by law. A remittance other than cash
5 or electronic funds transfer shall not be a final discharge of
6 liability for the tax assessed and levied until the instrument
7 remitted has been honored. **THE DEPARTMENT SHALL DETERMINE WHICH**
8 **MAJOR CREDIT CARDS MAY BE ACCEPTED FOR PAYMENT.**

9 (2) For reporting periods beginning after August 31, 1991, a
10 taxpayer other than a city or a county who paid in the immediately
11 preceding calendar year an average of \$40,000.00 or more per month
12 in income tax withholding pursuant to the income tax act of 1967,
13 1967 PA 281, MCL 206.1 to 206.532, shall deposit Michigan income
14 tax withholding either in the same manner and according to the same
15 schedule as deposits of federal income tax withholding or in
16 another manner that has been approved by the department.

17 (3) For failure to remit a tax administered by this act with a
18 negotiable remittance, the following penalty may be added in
19 addition to any other penalties imposed by this act:

20 (a) For notices of intent to assess issued on or before
21 February 28, 2003, 25% of the tax due.

22 (b) For notices of intent to assess issued after February 28,
23 2003, \$50.00.

24 (4) The department may require that all money collected by the
25 taxpayer for taxes administered by this act that has not been paid
26 to the department ~~of treasury~~ is public money and the property of
27 this state, and shall be held in trust in a separate account and

1 fund for the sole use and benefit of this state until paid over to
2 the department. ~~of treasury.~~

3 (5) For tax years after the 1995 tax year for which taxes are
4 collected under an agreement entered into pursuant to section 9 **OF**
5 **CHAPTER 1** of the city income tax act, 1964 PA 284, MCL 141.509, if
6 a taxpayer pays, when filing his or her annual return, an amount
7 less than the sum of the declared tax liability under the city
8 income tax act, 1964 PA 284, MCL 141.501 to 141.787, and the
9 declared tax liability under the income tax act of 1967, 1967 PA
10 281, MCL 206.1 to 206.532, and if there is no indication of the
11 allocation of payment between the tax liabilities against which the
12 payment should be applied, the amount paid shall first be applied
13 against the taxpayer's tax liability under the city income tax act,
14 1964 PA 284, MCL 141.501 to 141.787, and any remaining amount of
15 the payment shall be applied to the taxpayer's tax liability under
16 the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532. The
17 taxpayer's designation of a payee on a payment is not a dispositive
18 determination of the allocation of that payment under this
19 subsection.