Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 327 (as reported without amendment)
Sponsor: Senator Dave Robertson
Committee: Finance

CONTENT

The bill would amend the revenue Act to provide that, beginning October 1, 2013, the Department of Treasury, consultants, contractors, agents, and their employees involved in the administration, collection, or auditing of taxes or other money or fees, including unclaimed property, administered by the Department, would be subject to the following:

-- They would be prohibited from using collection goals, budgets, or quotas in actions or decisions relating to the administration, audit, assessment, or collection of money or fees administered by the Department.
-- They would have to be independent and carry out their duties and responsibilities without bias as to the application of the governing statutes and rules.
-- They would have to apply all statutes and rules fairly and equally to all taxpayers.

The bill also provides that an action or decision would be subject to review, and an employee could be subject to disciplinary actions (felony prosecution and discharge from employment), if an employee, consultant, contractor, or agent made a decision or took an action affecting a taxpayer based on targeted collection goals, budgets, or quotas, including the potential for revenue loss to the State not supported by statute or law.

In addition, the Department could be ordered to pay costs and fees, including attorney fees, to reimburse a taxpayer for contesting an unauthorized action.

MCL 205.4 Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have the potential to increase the operating costs of the Department of Treasury due to the proposal for payment of costs and fees to a taxpayer who successfully contested a specified, unauthorized action by a Department employee or contractor. The proposed prohibitions regarding collection and audit goals and quotas would have an unknown but likely minimal impact on State revenue.

Employees in violation of this legislation could be subject to a felony penalty of up to five years' imprisonment. Therefore, the bill could have a marginal, but perhaps negligible, fiscal impact on State and local criminal justice costs. There are no data to indicate how many employees would be found in violation and subject to criminal penalties, but it would likely be a small number or zero.

Date Completed: 5-23-13

Fiscal Analyst: Dan O'Connor
Elizabeth Pratt