

CITY INCOME TAX ACT (EXCERPT)
Act 284 of 1964

141.505 Right of appeal from decision or order; establishment of city income tax trust fund; payment of recoveries as result of appeal; compliance with final order.

Sec. 5. (1) A person liable for the tax imposed by the ordinance set forth in and adopted pursuant to this act, a city that imposes a tax pursuant to the ordinance set forth in and adopted pursuant to this act or the department has the right of appeal from a decision or order made under this act as set forth in chapter 2.

(2) The city income tax trust fund is established in the department of treasury and all of the following apply to the fund:

(a) The state is prohibited from borrowing from the fund.

(b) The interest earned on the money in the fund shall remain in the fund.

(c) After an agreement entered into pursuant to section 9 is terminated, any liabilities that relate to that agreement shall be paid from the fund and if there are insufficient funds to pay those liabilities, the city that entered into the agreement shall be responsible for paying those liabilities.

(3) If a taxpayer or employer, as the result of an appeal under this act, is found entitled to recover any sum paid, the taxpayer or employer shall be paid from the general fund of the city except that if the city has entered into an agreement pursuant to section 9, the amount to be paid shall be paid by the state from the city income tax trust fund established in subsection (2). Only recoveries based on taxes payable for a tax year for which a city has entered into an agreement under section 9 shall be paid by the state from the city income tax trust fund. The city or the department shall promptly and uniformly comply with a final order upon appeal.

History: 1964, Act 284, Imd. Eff. June 12, 1964;—Am. 1996, Act 478, Eff. Jan. 1, 1997.