

REVENUE DIVISION OF DEPARTMENT OF TREASURY (EXCERPT)
Act 122 of 1941

205.4 Submitting rules for public hearing; guidelines; electronic filing of request for rule-making; intentional use of collection goal or quota; damages; publishing handbook for taxpayers and tax preparers.

Sec. 4. (1) Not later than April 1, 1994, the department of treasury shall submit rules for a public hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, that provide for all of the following:

(a) Standards to be followed by department officers and employees for the fair and courteous treatment of the public, and a system for monitoring compliance with those standards.

(b) The procedures governing an informal conference held under section 21. These procedures shall include at least all of the following:

(i) A method by which the department attempts to schedule the informal conference at a mutually convenient time and place.

(ii) A requirement that the department include in the notice for the informal conference the scope and nature of the subject of the informal conference.

(iii) Authorization for the taxpayer at whose request the informal conference is being held to make a sound recording of the informal conference with prior notice to the department and for the department to do the same with prior notice to the taxpayer.

(2) Not later than April 1, 1994, the department shall develop guidelines to govern departmental employee responses to inquiries from the public and standards for tax audit activities. The guidelines shall explicitly exclude the use of a collection goal or quota for evaluating an employee. The department shall assemble the guidelines required by this subsection into an employee handbook. However, the handbook shall not disclose information or parameters excluded from disclosure under section 28(1)(f). The department shall distribute the handbook to all departmental employees involved in the collection or auditing of taxes and shall make the handbook available to the public.

(3) Not later than January 1, 2015, the department shall electronically file a request for rule-making under section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, with the office of regulatory reinvention. The proposed rules shall provide for all of the following:

(a) Standards for the fair and courteous treatment of the public to be followed by the department's contractors, consultants, and agents and a system for monitoring compliance with these standards.

(b) Standards that ensure that all statutes and rules shall be fairly and consistently applied to all taxpayers.

(c) A requirement that the department shall not use collection goals or quotas during the conduct of an audit of a tax administered under this act or an examination of records under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265.

(4) If the department intentionally uses a collection goal or quota in the conduct of an audit of a tax administered under this act or the examination of records under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, the taxpayer may be awarded actual damages, including reasonable attorney fees, sustained as a result of the department's action. An award under this subsection shall not exceed \$45,000.00. Actual damages do not include taxes owed or deliverable abandoned property.

(5) The department shall publish a handbook for taxpayers and tax preparers. The handbook shall be made available at a reasonable cost, not to exceed the actual cost of publication, and shall contain all of the following:

(a) The audit and collection procedures used by the department and agents of the department.

(b) The procedures governing departmental communications with taxpayers in the audit and collection process.

History: Add. 1993, Act 14, Imd. Eff. Apr. 1, 1993;—Am. 2002, Act 657, Imd. Eff. Dec. 23, 2002;—Am. 2014, Act 277, Imd. Eff. July 2, 2014.

Compiler's note: Former MCL 205.4, which prohibited commissioner and employees from taking part in political campaigns, was repealed by Act 188 of 1970, Eff. Aug. 6, 1970.

Popular name: Revenue Act

Administrative rules: R 205.1001 et seq. of the Michigan Administrative Code.