

HOUSE BILL No. 6107

September 26, 1990, Introduced by Reps. Gubow and Berman and referred to the Committee on Taxation.

A bill to amend sections 43 and 82 of Act No. 284 of the Public Acts of 1964, entitled "City income tax act," being sections 141.643 and 141.682 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 43 and 82 of Act No. 284 of the Public
2 Acts of 1964, being sections 141.643 and 141.682 of the Michigan
3 Compiled Laws, are amended to read as follows:

4 Sec. 43. (1) ~~Any~~ A balance of the tax ~~which~~ THAT is due
5 the city at the time of filing ~~the~~ AN annual return shall be
6 paid ~~therewith~~ WITH THE RETURN unless the balance is less than
7 \$1.00, in which ~~event~~ CASE payment is not required.

8 (2) If the annual return reflects an overpayment of the tax,
9 the declaration ~~thereof~~ OF THE OVERPAYMENT on the return

1 constitutes a claim for refund. ~~and~~ THE CITY SHALL APPLY the
2 overpayment ~~shall be applied~~ against any subsequent liability
3 ~~thereunder~~ UNDER THIS ORDINANCE or, at the election of the tax-
4 payer and ~~when so~~ IF indicated on the return, SHALL REFUND the
5 overpayment. ~~shall be refunded but refunds for amounts~~
6 HOWEVER, THE CITY SHALL NOT PAY A REFUND of less than \$1.00.
7 ~~shall not be paid.~~

8 (3) IF A VALID CLAIM FOR A REFUND IS FILED, INTEREST AT A
9 RATE OF 3/4 OF 1% PER MONTH SHALL BE ADDED TO THE REFUND BEGIN-
10 NING 45 DAYS AFTER THE CLAIM IS FILED, OR 45 DAYS AFTER THE DATE
11 ESTABLISHED UNDER THIS ORDINANCE FOR THE FILING OF THE RETURN,
12 WHICHEVER IS LATER.

13 Sec. 82. (1) All taxes imposed ~~upon taxpayers~~ ON A
14 TAXPAYER and ~~moneys~~ MONEY withheld by ~~employers~~ AN EMPLOYER
15 under this ordinance and remaining unpaid after ~~they~~ THE TAXES
16 OR MONEY WITHHELD are due bear interest from ~~such~~ THE due date
17 at ~~the rate of 1/2 of 1% per month until paid.~~ THE CURRENT
18 MONTHLY RATE OF 1 PERCENTAGE POINT ABOVE THE ADJUSTED PRIME RATE
19 PER ANNUM PER MONTH UNTIL THE TAX OR MONEY IS PAID. THE TERM
20 "ADJUSTED PRIME RATE" MEANS THE AVERAGE PREDOMINANT PRIME RATE
21 QUOTED BY NOT LESS THAN 3 COMMERCIAL BANKS TO LARGE BUSINESSES,
22 AS DETERMINED BY THE DEPARTMENT OF TREASURY. THE ADJUSTED PRIME
23 RATE IS TO BE BASED ON THE AVERAGE PRIME RATE CHARGED BY NOT LESS
24 THAN 3 COMMERCIAL BANKS DURING THE 6-MONTH PERIOD ENDING ON
25 MARCH 31 AND THE 6-MONTH PERIOD ENDING ON SEPTEMBER 30. ONE PER-
26 CENTAGE POINT SHALL BE ADDED TO THE ADJUSTED PRIME RATE, AND THE
27 RESULTING SUM SHALL BE DIVIDED BY 12 TO ESTABLISH THE CURRENT

1 MONTHLY INTEREST RATE. THE RESULTING CURRENT MONTHLY INTEREST
2 RATE BASED ON THE 6-MONTH PERIOD ENDING MARCH 31 WILL BECOME
3 EFFECTIVE ON THE FOLLOWING JULY 1, AND THE RESULTING CURRENT
4 MONTHLY INTEREST RATE BASED ON THE 6-MONTH PERIOD ENDING
5 SEPTEMBER 30 WILL BECOME EFFECTIVE ON JANUARY 1 OF THE FOLLOWING
6 YEAR.

7 (2) A person failing to file a return, ~~or to~~ pay the tax,
8 or ~~to~~ remit withholding, when due, is liable, in addition to
9 the interest, to a penalty of 1% of the amount of the unpaid tax
10 for each month or fraction ~~thereof~~ OF A MONTH, not to exceed a
11 total penalty of 25% of the unpaid tax. The administrator may
12 abate the penalty or a part ~~thereof~~ OF THE PENALTY for just
13 cause. If the total interest or interest and penalty to be
14 assessed is less than \$2.00, the administrator ~~, in lieu~~
15 ~~thereof,~~ shall INSTEAD assess ~~a penalty in the amount of~~
16 \$2.00.