

Act No. 198
Public Acts of 2010
Approved by the Governor
October 5, 2010
Filed with the Secretary of State
October 5, 2010
EFFECTIVE DATE: October 5, 2010

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Senators Cassis, Jansen and Brown

ENROLLED SENATE BILL No. 884

AN ACT 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 31 (MCL 205.31), as amended by 2002 PA 657.

The People of the State of Michigan enact:

Sec. 31. (1) If a taxpayer does not satisfy a tax liability or makes an excessive claim for a refund as a result of reliance on erroneous current written information provided by the department, the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the department of treasury pursuant to this act if the taxpayer makes a written request for a waiver, files a return or an amended return, and makes full payment of the tax and interest.

(2) For the period beginning May 15, 2011 and ending June 30, 2011, there shall be an amnesty period during which the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the department of treasury under this act if the taxpayer makes a written request for a waiver on a form prescribed by the department, submits any unfiled returns or amended returns, and makes full payment of the tax and interest due for any prior period not later than the last day of the amnesty period. This subsection does not apply to taxes due after December 31, 2009.

(3) This section applies to the nonreporting and underreporting of tax liabilities and to the nonpayment of taxes previously determined to be due, but only to the extent of the penalties attributable to the taxes that were previously due and that are paid during the amnesty period provided for in subsection (2).

(4) The department shall administer this section.

(5) There is appropriated from the revenues generated by taxes paid under subsection (2) the sum of \$6,800,000.00 to the department of treasury for administration and public awareness of the amnesty program created by the amendatory act that amended this subsection. This appropriation is allotted for expenditure on and after October 1, 2010. The appropriation authorized in this subsection is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide technical and administrative support for and public awareness of the 2011 tax amnesty program in the department of treasury. Costs related to this project will include, but are not limited to:

(i) Information technology systems changes.

(ii) Staffing-related costs.

(iii) Costs to promote public awareness.

(iv) Any other costs related to implementation and dissolution of the program, including the resolution of accounts.

(b) The work project will be accomplished through the use of interagency agreements, grants, state employees, and contracts.

(c) The total estimated completion cost of the project is \$6,800,000.00.

(d) The expected completion date is September 30, 2012.

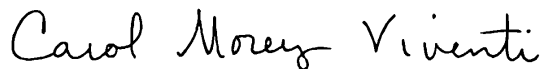
(6) The state treasurer shall not waive criminal and civil penalties applicable to a tax under subsection (2) if 1 or more of the following circumstances apply:

(a) If the taxpayer is eligible to enter into a voluntary disclosure agreement under section 30c for that tax.

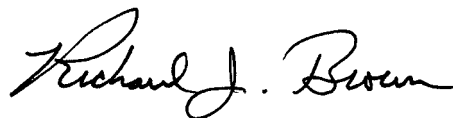
(b) If the tax is attributable to income derived from a criminal act, if the taxpayer is under criminal investigation or involved in a civil action or criminal prosecution for that tax, or if the taxpayer has been convicted of a felony under this act or the internal revenue code of 1986.

(7) The department shall provide reasonable notice to taxpayers that may be eligible for the amnesty program at least 30 days before the start of the designated amnesty period. Notification shall include, but is not limited to, a description of the amnesty program on appropriate tax instruction forms and on the internet.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor