

# Consumers Energy

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*Theodore J. Vogel*  
Vice President  
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The Honorable Wayne A. Schmidt  
Committee Chair, Commerce Committee  
Michigan House of Representatives  
124 N. Capitol  
N-1099 House Office Building  
Lansing, MI 48933

Dear Representative Schmidt:

We urge your support of House Bill 4563, which, if enacted, will exempt “business-to-business” transactions from Michigan’s unclaimed property law. An increasing number of states have adopted this exemption to strike a proper balance between protecting the rights of individuals and imposing undue burdens on business.

Unclaimed property laws require that property held by one person but rightfully owned by another person who cannot be located be turned over to the state to be held for its rightful owner. Although this requirement should be retained as an important protection for individuals, it imposes an unnecessary and undue burden on businesses engaged in business-to-business transactions. The lack of an exemption for business-to-business transactions in current law gives rise to audit abuse where the focus, often by contingent fee third-party audit firms, is on creating state assessments based on minor theoretical discrepancies in ancient paperwork rather than on restoring truly unclaimed property to its rightful owner. Businesses today are fully capable of tracking their own accounts and resolving paperwork discrepancies as part of their ongoing business relationships.

Exempting “business-to-business” transactions from unnecessary and burdensome unclaimed property audits will leave businesses free to resolve their accounting matters as part of their ongoing business relationships while retaining the protection for individuals who are the rightfully owners of unclaimed property.

Sincerely,

