



**House  
Legislative  
Analysis  
Section**

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**REVENUE ACT AMENDMENTS**

**Senate Bill 1446 (Substitute H-1)**

**Sponsor: Sen. Joanne G. Emmons**

**Addendum to SFA Analysis (12-4-02)**

**Senate Committee: Finance**

**House Committee: Tax Policy**

**ADDENDUM TO SENATE FISCAL AGENCY ANALYSIS OF SB 1446 DATED 10-3-02:**

***HOUSE COMMITTEE ACTION:***

The House Committee on Tax Policy reported out a substitute that puts in effective dates for changes made on the Senate floor to various taxpayer penalties in the Revenue Act. The Senate changed the following penalties. 1) The current penalty for failing to remit a tax with “a negotiable remittance” (i.e. sending a bad check) is 25 percent of the tax due; the bill would change that to \$50. 2) The current general penalty for failing or refusing to file a return or pay a tax is a penalty of \$10 or 5 percent of the tax, whichever is greater, if the failure is for not more than one month, with an additional 5 percent penalty for each additional month or fraction of a month, up to a maximum of 50 percent. Under the bill 5 percent would be added if the failure was for not more than two months, with an additional 5 percent for each additional month, up to a maximum of 25 percent. 3) The current maximum penalty for failing to remit income tax withheld is 50 percent of the tax. The maximum penalty under the bill would be 25 percent. The House substitute would make each of these penalty changes effective for notices of intent to assess issued after February 28, 2003. The bill also would eliminate an existing penalty for failing to file during a period of tax amnesty since the tax amnesty program has ended.

***POSITIONS:***

The Department of Treasury supports the bill. (12-4-02)

Analyst: C. Couch

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.