

# HOUSE BILL No. 6015

May 7, 2002, Introduced by Reps. Tabor, DeWeese, Hummel, DeRossett, Howell, Newell, Vander Veen, Voorhees, Patterson, Caul, Raczkowski, Julian, George, Bisbee and Vear and referred to the Committee on Family and Children Services.

A bill to amend 1941 PA 122, entitled

"An act to establish a revenue division of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to create the position and to define the powers and duties of the state commissioner of revenue; 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 28 (MCL 205.28), as amended by 2000 PA 308.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 28. (1) The following conditions apply to all taxes  
2 administered under this act unless otherwise provided for in the  
3 specific tax statute:

4           (a) Notice, if required, shall be given either by personal  
5 service or by certified mail addressed to the last known address  
6 of the taxpayer. Service upon the commissioner may be made in  
7 the same manner.

8           (b) An injunction shall not issue to stay proceedings for  
9 the assessment and collection of a tax.

10          (c) In addition to the mode of collection provided in this  
11 act, the department may institute an action at law in ~~any~~ A  
12 county in which the taxpayer resides or transacts business.

13          (d) The commissioner may request in writing information or  
14 records in the possession of ~~any other~~ ANOTHER department,  
15 institution, or agency of state government for the performance of  
16 duties under this act. Departments, institutions, or agencies of  
17 state government shall furnish the information and records upon  
18 receipt of the commissioner's request. Upon request of the com-  
19 missioner, ~~any~~ A department, institution, or agency of state  
20 government shall hold a hearing under the administrative proce-  
21 dures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to consider  
22 withholding a license or permit of a person for nonpayment of  
23 taxes or accounts collected under this act.

24          (e) Except as otherwise provided in section 30c, the commis-  
25 sioner or an employee of the department shall not compromise or  
26 reduce in any manner the taxes due to or claimed by this state or  
27 unpaid accounts or amounts due to ~~any~~ A department,

1 institution, or agency of state government. This subdivision  
2 does not prevent a compromise of interest or penalties, or both.

3 (f) Except as otherwise provided in this subdivision, an  
4 employee, authorized representative, or former employee or autho-  
5 rized representative of the department or anyone connected with  
6 the department shall not divulge any facts or information  
7 obtained in connection with the administration of a tax or infor-  
8 mation or parameters that would enable a person to ascertain the  
9 audit selection or processing criteria of the department for a  
10 tax administered by the department. An employee or authorized  
11 representative shall not willfully inspect ~~any~~ A return or  
12 information contained in a return unless it is appropriate for  
13 the proper administration of a tax law administered under this  
14 act. A person may disclose information described in this subdi-  
15 vision if the disclosure is required for the proper administra-  
16 tion of a tax law administered under this act, ~~pursuant to~~  
17 UNDER a judicial order sought by an agency charged with the duty  
18 of enforcing or investigating support obligations ~~pursuant to~~  
19 UNDER an order of a court in a domestic relations matter as that  
20 term is defined in section 2 of the ~~friend of the court~~ COURT  
21 FAMILY SERVICES OFFICE act, 1982 PA 294, 552.502, or ~~pursuant~~  
22 ~~to~~ UNDER a judicial order sought by an agency of the federal,  
23 state, or local government charged with the responsibility for  
24 the administration or enforcement of criminal law for purposes of  
25 investigating or prosecuting criminal matters or for federal or  
26 state grand jury proceedings or a judicial order if the  
27 taxpayer's liability for a tax administered under this act is to

1 be adjudicated by the court that issued the judicial order. A  
2 person may disclose the adjusted gross receipts and the wagering  
3 tax paid by a casino licensee licensed under the Michigan gaming  
4 control and revenue act, the Initiated Law of 1996, MCL 432.201  
5 to 432.226, ~~pursuant to~~ UNDER section 18, sections 341, 342,  
6 and 386 of the management and budget act, 1984 PA 431,  
7 MCL 18.1341, 18.1342, and 18.1386, or authorization by the execu-  
8 tive director of the gaming control board. However, the commis-  
9 sioner or a person designated by the commissioner may divulge  
10 information set forth or disclosed in a return or report or by an  
11 investigation or audit to ~~any~~ A department, institution, or  
12 agency of state government upon receipt of a written request from  
13 a head of the department, institution, or agency of state govern-  
14 ment if it is required for the effective administration or  
15 enforcement of the laws of this state, to a proper officer of the  
16 United States department of treasury, and to a proper officer of  
17 another state reciprocating in this privilege. The commissioner  
18 may enter into reciprocal agreements with other departments of  
19 state government, the United States department of treasury, local  
20 governmental units within this state, or taxing officials of  
21 other states for the enforcement, collection, and exchange of  
22 data after ascertaining that any information provided will be  
23 subject to confidentiality restrictions substantially the same as  
24 the provisions of this act.

25 (2) A person who violates subsection (1)(e) or (1)(f) is  
26 guilty of a felony, punishable by a fine of not more than  
27 \$5,000.00, or imprisonment for not more than 5 years, or both,

1 together with the costs of prosecution. In addition, if the  
2 offense is committed by an employee of this state, the person  
3 shall be dismissed from office or discharged from employment upon  
4 conviction.

5 (3) A person liable for any tax administered under this act  
6 shall keep accurate and complete records necessary for the proper  
7 determination of tax liability as required by law or rule of the  
8 department.

9 (4) As used in subsection (1), "adjusted gross receipts" and  
10 "wagering tax" mean those terms as described in the Michigan  
11 gaming control and revenue act, the Initiated Law of 1996,  
12 MCL 432.201 to 432.226.

13 Enacting section 1. This amendatory act does not take  
14 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 6011  
15 (request no. 04605'01 \*) of the 91st Legislature is enacted into  
16 law.