

Legislative Analysis



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TAX TRIBUNAL FEES

House Bill 4264

Sponsor: Rep. Paul Opsommer

Committee: Tax Policy

Complete to 2-14-12

A SUMMARY OF HOUSE BILL 4264 AS INTRODUCED 2-16-11

The bill would amend the Tax Tribunal Act. The Tribunal is described as the state's tax court and has authority over property assessment disputes. It holds hearings to hear evidence from the parties involved and renders written decisions to resolve the disputes.

Under the statute, the Tribunal prescribes filing fees and other fees by rule. Fees are paid to the clerk of the Tribunal and are deposited in the Michigan Tax Tribunal Fund to be used solely for the operation of the tribunal.

The statute says that, if a taxpayer who has filed a petition regarding the value of property with the Tribunal paid additional taxes as a result of the unlawful assessments on the same property after filing the petition, or if in subsequent years an unlawful assessment is made against the same property, the taxpayer may amend the original petition to join all of the claims for a determination of the property's taxable value, state equalized valuation, or exempt status and for a refund of payments based on the unlawful assessments. At present, the motion to amend the petition to add a subsequent year must be accompanied by a motion fee equal to 50% of the filing fee to file a petition to commence an appeal for that property in that year.

House Bill 4264 would say that, as of January 1, 2012, the appeal for each subsequent year would be added automatically to the petition without need for a motion or filing fee, and the Tribunal would notify each petitioner of that. However, a petitioner could move to exclude or amend the appeal of any subsequent year at the time of the hearing on the petition.

MCL 205.737

FISCAL IMPACT:

House Bill 4264 would have a negative fiscal impact on the Tax Tribunal. In FY 2011, 7,186 Motions to Amend were filed with the Tax Tribunal at an average fee of approximately \$200. Using the FY 2011 data, the amendment would reduce revenue to the Tax Tribunal by approximately \$1,437,200 per year. In FY 2011, the Tax Tribunal collected \$5,051,211 in fees. The fiscal impact of the amendment would reduce Tax tribunal fee revenue by approximately 28% per year.

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