



Senate Fiscal Agency  
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**BILL ANALYSIS**

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Senate Bill 337 (Substitute S-1 as reported)  
Sponsor: Senator Jack Brandenburg  
Committee: Finance

**CONTENT**

The bill would amend the revenue Act to do the following:

- Set a 30-day deadline for the Department of Treasury to release a business's known tax liability to the purchaser of the business upon the purchaser's request, and make the release mandatory, if the owner waived confidentiality.
- Release the purchaser of a business from liability for its unpaid taxes if the Department failed to provide the tax liability information as required.
- Provide that, if the Department initiated an examination of a taxpayer's records to verify returns made, the taxpayer would have to be given written notice and the Department would have to determine the taxpayer's correct tax liability within one year after the 48-month examination period expired (subject to certain exceptions).
- Provide that, if a claim for refund had not been approved within one year after it was received, the claim could be treated as denied, and the taxpayer could appeal the denial to the Tax Tribunal or Court of Claims.
- Delete a provision that suspends the four-year statute of limitations (for the assessment of a deficiency, interest, or penalty) during the period pending a final determination of tax, including audit, conference, hearing, and litigation of liability for Federal income tax or a tax administered by the Department, and for one year after that period.

MCL 205.27a & 205.30

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have an indeterminate effect on the operations costs of the Department of Treasury and State revenue. The proposed 30-day requirement to release certain tax information would increase the Department's costs. The release of taxpayer liability if the Department failed to meet the timeline potentially would reduce State revenue. The proposed one-year timeline on Treasury decisions regarding taxpayer refunds would permit some taxpayers to pursue appeals with the Tax Tribunal or the Court of Claims. This would have an unknown impact on State revenue. The proposed elimination of an exception to the statute of limitations would possibly reduce State revenue by an unknown amount if the time to pursue some cases expired.

Date Completed: 5-24-13

Fiscal Analyst: Elizabeth Pratt