

SENATE BILL NO. 583

September 25, 2025, Introduced by Senators CAVANAGH and IRWIN and referred to Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1941 PA 122, entitled

"An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of this state; to prescribe certain powers and duties of the state treasurer; to establish the collection duties of certain other state departments for money or accounts owed to this state; to regulate the importation, stamping, and disposition of certain tobacco products; 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 2023 PA 102, and by adding section 28a.

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,~~ **Except as otherwise provided in this subdivision,**
5 **notice,** if required, must be given either by personal service or by
6 certified mail addressed to the last known address of the taxpayer.
7 Service ~~upon~~**on** the department may be made in the same manner. **If a**
8 **taxpayer has given and not revoked consent to receive notice by**
9 **electronic means under section 28a, notice may be given by email to**
10 **the email address most recently provided by the taxpayer under**
11 **section 28a.**

12 (b) An injunction must not issue to stay proceedings for the
13 assessment and collection of a tax.

14 (c) In addition to the mode of collection provided in this
15 act, the department may institute an action at law in any county in
16 which the taxpayer resides or transacts business.

17 (d) The state treasurer may request in writing information or
18 records in the possession of any other department, institution, or
19 agency of state government for the performance of duties under this
20 act. Departments, institutions, or agencies of state government
21 shall furnish the information and records ~~upon~~**on** receipt of the
22 state treasurer's request. ~~Upon~~**On** request of the state treasurer,
23 any department, institution, or agency of state government shall

1 hold a hearing under the administrative procedures act of 1969,
2 1969 PA 306, MCL 24.201 to 24.328, to consider withholding a
3 license or permit of a person for nonpayment of taxes or accounts
4 collected under this act.

5 (e) Except as otherwise provided in sections 21(2)(e), 23a,
6 and 30c, the state treasurer or an employee of the department shall
7 not compromise or reduce in any manner the taxes due to or claimed
8 by this state or unpaid accounts or amounts due to any department,
9 institution, or agency of state government. This subdivision does
10 not prevent a compromise of interest or penalties, or both.

11 (f) Except as otherwise provided in this subdivision, in
12 subsection (6) or (7), or in section 23a, an employee, authorized
13 representative, former employee or authorized representative of the
14 department, or anyone connected with the department shall not
15 divulge any facts or information obtained in connection with the
16 administration of a tax or information or parameters that would
17 enable a person to ascertain the audit selection or processing
18 criteria of the department for a tax administered by the
19 department. An employee or authorized representative shall not
20 willfully inspect any return or information contained in a return
21 unless it is appropriate for the proper administration of a tax law
22 administered under this act. A person may disclose information
23 described in this subdivision if the disclosure is required for the
24 proper administration of a tax law administered under this act or
25 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,
26 pursuant to a judicial order sought by an agency charged with the
27 duty of enforcing or investigating support obligations pursuant to
28 an order of a court in a domestic relations matter as that term is
29 defined in section 2 of the friend of the court act, 1982 PA 294,

1 MCL 552.502, pursuant to a judicial order sought by an agency of
2 the federal, state, or local government charged with the
3 responsibility for the administration or enforcement of criminal
4 law for purposes of investigating or prosecuting criminal matters
5 or for federal or state grand jury proceedings, or pursuant to a
6 judicial order if the taxpayer's liability for a tax administered
7 under this act is to be adjudicated by the court that issued the
8 judicial order. A person required to disclose information under
9 section 10(1)(j) of the Michigan economic growth authority act,
10 1995 PA 24, MCL 207.810, may disclose the information only to the
11 individuals described in that section. A person may disclose the
12 information required for the report described in section 9 of the
13 Michigan strategic fund act, 1984 PA 270, MCL 125.2009, for
14 programs with new written agreements entered into after August 25,
15 2017 for programs operated under the Michigan strategic fund act,
16 1984 PA 270, MCL 125.2001 to 125.2094. A person may disclose the
17 adjusted gross receipts and the wagering tax paid by a casino
18 licensee licensed under the Michigan Gaming Control and Revenue
19 Act, 1996 IL 1, MCL 432.201 to 432.226, pursuant to section 18,
20 **pursuant to** sections 341, 342, and 386 of the management and budget
21 act, 1984 PA 431, MCL 18.1341, 18.1342, and 18.1386, or as
22 authorized by the executive director of the gaming control board.
23 However, the state treasurer or a person designated by the state
24 treasurer may divulge information set forth or disclosed in a
25 return or report or by an investigation or audit to any department,
26 institution, or agency of state government ~~upon~~**-on** receipt of a
27 written request from a head of the department, institution, or
28 agency of state government if it is required for the effective
29 administration or enforcement of the laws of this state, to a

1 proper officer of the United States Department of Treasury, and to
2 a proper officer of another state reciprocating in this privilege.
3 The state treasurer may enter into reciprocal agreements with other
4 departments of state government, the United States Department of
5 Treasury, local governmental units within this state, or taxing
6 officials of other states for the enforcement, collection, and
7 exchange of data after ascertaining that any information provided
8 will be subject to confidentiality restrictions substantially the
9 same as the provisions of this act. The state treasurer or a person
10 designated by the state treasurer may disclose the address of each
11 housing unit that is part of a housing project exempt from ad
12 valorem taxes under section 15a of the state housing development
13 authority act of 1966, 1966 PA 346, MCL 125.1415a, or under section
14 11a of 1933 (Ex Sess) PA 18, MCL 125.661a, and whether the unit is
15 subject to a service charge in lieu of ad valorem taxes. The state
16 treasurer or a person designated by the state treasurer may also
17 disclose the millage rates of property taxes as defined in section
18 512a of the income tax act of 1967, 1967 PA 281, MCL 206.512a. A
19 person required to disclose information under section 10120 of the
20 public health code, 1978 PA 368, MCL 333.10120, from a donor
21 registry schedule received under section 474 of the income tax act
22 of 1967, 1967 PA 281, MCL 206.474, may disclose the information
23 only to those organizations described in that section for the
24 administration of the donor registry program.

25 (2) A person who violates subsection (1)(e), (1)(f), or (4) is
26 guilty of a felony punishable by a fine of not more than \$5,000.00
27 or imprisonment for not more than 5 years, or both, together with
28 the costs of prosecution. In addition, if the offense is committed
29 by an employee of this state, the person ~~shall~~**must** be dismissed

1 from office or discharged from employment ~~upon~~**on** conviction.

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

6 (4) A person who receives information under subsection (1)(f)
7 for the proper administration of the general property tax act, 1893
8 PA 206, MCL 211.1 to 211.155, shall not willfully disclose that
9 information for any purpose other than the administration of the
10 general property tax act, 1893 PA 206, MCL 211.1 to 211.155. A
11 person who violates this subsection is subject to the penalties
12 provided in subsection (2).

13 (5) A person identified in section 10(1) of the Michigan
14 economic growth authority act, 1995 PA 24, MCL 207.810, who
15 receives information under section 10(1)(j) of the Michigan
16 economic growth authority act, 1995 PA 24, MCL 207.810, as
17 permitted in subsection (1)(f), shall not willfully disclose that
18 information for any purpose other than the proper administration of
19 ~~his or her~~**that person's** legislative duties ~~nor~~**and shall not**
20 disclose that information to anyone other than an employee of the
21 legislature, who is also bound by the same restrictions. A person
22 who violates this subsection is responsible for and subject to a
23 civil fine of not more than \$5,000.00 per violation.

24 (6) The department shall annually prepare a report containing
25 statistics described in this subsection concerning the Michigan
26 business tax act, 2007 PA 36, MCL 208.1101 to ~~208.1601,~~**208.1519,**
27 for the most recent tax year for which reliable return data have
28 been processed and cleared in the ordinary course of return
29 processing by the department. A copy of the report must be provided

1 to the chairpersons of the senate and house of representatives
2 standing committees that have jurisdiction over matters relating to
3 taxation and finance, the director of the senate fiscal agency, and
4 the director of the house fiscal agency. The department shall
5 report the following information broken down by business sector
6 and, ~~provided that if~~ no grouping consists of fewer than 10
7 taxpayers, by firm size in compliance with subsection (1)(f) and in
8 a manner that does not result in the disclosure of information
9 regarding any specific taxpayer:

10 (a) Apportioned business income tax base.

11 (b) Apportioned modified gross receipts tax base.

12 (c) Business income tax liability.

13 (d) Use of credits.

14 (e) Modified gross receipts tax liability.

15 (f) Total final liability.

16 (g) Total liability before credits.

17 (7) A person may disclose the following information described
18 in this subsection:

19 (a) Information required to be reported under section 455 of
20 the Michigan business tax act, 2007 PA 36, MCL 208.1455.

21 (b) An application to enter into an agreement, a communication
22 denying an application to enter into an agreement, an agreement, a
23 postproduction certificate, a communication denying a
24 postproduction certificate, or the total amount of credits claimed
25 in a tax year under section 455 of the Michigan business tax act,
26 2007 PA 36, MCL 208.1455, notwithstanding section 455(6) of the
27 Michigan business tax act, 2007 PA 36, MCL 208.1455.

28 (c) An application to enter into an agreement, a communication
29 denying an application to enter into an agreement, an agreement, an

1 investment expenditure certificate, a communication denying an
2 investment expenditure certificate, or the total amount of credits
3 claimed in a tax year under section 457 of the Michigan business
4 tax act, 2007 PA 36, MCL 208.1457, notwithstanding section 457(6)
5 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

6 (d) An application to enter into an agreement, a communication
7 denying an application to enter into an agreement, an agreement, a
8 qualified job training expenditures certificate, a communication
9 denying a qualified job training expenditures certificate, or the
10 total amount of credits claimed in a tax year under section 459 of
11 the Michigan business tax act, 2007 PA 36, MCL 208.1459,
12 notwithstanding section 459(6) of the Michigan business tax act,
13 2007 PA 36, MCL 208.1459.

14 (8) As used in subsection (1), "adjusted gross receipts" and
15 "wagering tax" mean those terms as described in the Michigan Gaming
16 Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

17 **Sec. 28a. (1) A taxpayer may consent to receive notice from**
18 **the department by electronic means.**

19 (2) A taxpayer that has consented to receive notice by
20 electronic means under subsection (1) may revoke that consent.

21 (3) The department shall prescribe the form and manner in
22 which consent to receive notice by electronic means under
23 subsection (1) and revocation of that consent under subsection (2)
24 may be made.

25 (4) The department may promulgate rules to implement this
26 section under the administrative procedures act of 1969, 1969 PA
27 306, MCL 24.201 to 24.328.

28 (5) Notice provided by email is complete when the email is
29 transmitted.