

**SUBSTITUTE FOR
SENATE BILL NO. 892**

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 1998 PA 221.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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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 county
12 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 department, institution,
15 or agency of state government for the performance of duties under
16 this act. Departments, institutions, or agencies of state gov-
17 ernment shall furnish the information and records upon receipt of
18 the commissioner's request. Upon request of the commissioner,
19 any department, institution, or agency of state government shall
20 hold a hearing under the administrative procedures act of 1969,
21 1969 PA 306, MCL 24.201 to 24.328, to consider withholding a
22 license or permit of a person for nonpayment of taxes or accounts
23 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 ~~the~~ THIS
27 state or unpaid accounts or amounts due to any department,

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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 RETURN OR INFORMA-
12 TION CONTAINED IN A RETURN UNLESS IT IS APPROPRIATE FOR THE
13 PROPER ADMINISTRATION OF A TAX LAW ADMINISTERED UNDER THIS ACT. A
14 person may disclose information described in this subdivision if
15 the disclosure is required for the proper administration of a tax
16 law administered under this act, pursuant to a judicial order
17 sought by an agency charged with the duty of enforcing or inves-
18 tigating support obligations pursuant to an order of a court in a
19 domestic relations matter as that term is defined in section ~~31-~~
20 2 of the friend of the court act, 1982 PA 294, MCL ~~552.531-~~
21 552.502, or pursuant to a judicial order sought by an agency of
22 the federal, state, or local government charged with the respon-
23 sibility for the administration or enforcement of criminal law
24 for purposes of investigating or prosecuting criminal matters or
25 for federal or state grand jury proceedings or a judicial order
26 if the taxpayer's liability for a tax administered under this act
27 is to be adjudicated by the court that issued the judicial

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1 order. A PERSON MAY DISCLOSE THE ADJUSTED GROSS RECEIPTS AND THE
2 WAGERING TAX PAID BY A CASINO LICENSEE LICENSED UNDER THE
3 MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF
4 1996, MCL 432.201 TO 432.226, PURSUANT TO SECTION 18, SECTIONS
5 341, 342, AND 386 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
6 MCL 18.1341, 18.1342, AND 18.1386, OR AUTHORIZATION BY THE EXECU-
7 TIVE DIRECTOR OF THE GAMING CONTROL BOARD. However, the commis-
8 sioner or a person designated by the commissioner may divulge
9 information set forth or disclosed in a return or report or by an
10 investigation or audit to any department, institution, or agency
11 of state government upon receipt of a written request from a head
12 of the department, institution, or agency of state government if
13 it is required for the effective administration or enforcement of
14 the laws of this state, to a proper officer of the United States
15 department of treasury, and to a proper officer of another state
16 reciprocating in this privilege. The commissioner may enter into
17 reciprocal agreements with other departments of state government,
18 the United States department of treasury, local governmental
19 units within this state, or taxing officials of other states for
20 the enforcement, collection, and exchange of data after ascer-
21 taining that any information provided will be subject to confi-
22 dentiality restrictions substantially the same as the provisions
23 of this act.

24 (2) A person who violates subsection (1)(e) or (1)(f) is
25 guilty of a felony, punishable by a fine of not more than
26 \$5,000.00, or imprisonment for not more than 5 years, or both,
27 together with the costs of prosecution. In addition, if the

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1 offense is committed by an employee of this state, the person
2 shall be dismissed from office or discharged from employment upon
3 conviction.

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

8 (4) AS USED IN SUBSECTION (1), "ADJUSTED GROSS RECEIPTS" AND
9 "WAGERING TAX" MEAN THOSE TERMS AS DESCRIBED IN THE MICHIGAN
10 GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF 1996,
11 MCL 432.201 TO 432.226.