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**SFA****BILL ANALYSIS**

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Senate Bill 121 (as introduced 1-30-03)  
Sponsor: Senator Nancy Cassis  
Committee: Finance

Date Completed: 5-7-03

### **CONTENT**

The bill would amend the revenue Act to require the Department of Treasury to publish and make available to the public, in printed and electronic format, a bulletin or letter ruling issued by the Department.

MCL 205.3

### **BACKGROUND**

Under the Act, the Department may periodically issue bulletins that index and explain its interpretations of current State tax laws. According to the Department's website, a revenue administrative bulletin (RAB) is a directive issued to promote uniform application of tax laws throughout the State, and to provide information and guidance to taxpayers. An RAB states the Department's official position, has the status of precedent unless revoked or modified, and may be relied on by taxpayers when facts, circumstances, and issues are substantially similar to those described in the bulletin.

According to RAB 2000-6, a letter ruling is published to give the public an example of how the Department would apply tax law to a particular set of facts, and provides a fast and informal way of increasing public understanding of the Department's interpretation of tax law. It is not binding on either the Department or taxpayers; if it is used in a written response to a specific taxpayer's request, however, it is binding on the Department and that taxpayer. Letter rulings are withdrawn when they become obsolete or when they are likely to confuse rather than assist the public.

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bill would have a minimal impact on the Department of Treasury.

Fiscal Analyst: Bill Bowerman

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