

Act No. 424
Public Acts of 2014
Approved by the Governor
December 30, 2014
Filed with the Secretary of State
December 30, 2014
EFFECTIVE DATE: December 30, 2014

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Reps. Barnett, Shirkey, Farrington, Abed, Banks, Brinks, Brown, Brunner, Cavanagh, Cochran, Cotter, Darany, Denby, Dianda, Dillon, Driskell, Durhal, Faris, Foster, Geiss, Hobbs, Hovey-Wright, Irwin, Kandrevas, Kesto, Kivela, Knezek, Kosowski, Lamonte, Lane, LaVoy, Lipton, Nathan, Phelps, Roberts, Robinson, Rutledge, Santana, Schmidt, Schor, Singh, Slavens, Smiley, Stallworth, Switalski, Talabi, Tlaib, Townsend, Yanez, Yonker and Zemke

ENROLLED HOUSE BILL No. 4760

AN ACT 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 30 (MCL 205.30), as amended by 2014 PA 3.

The People of the State of Michigan enact:

Sec. 30. (1) The department shall credit or refund an overpayment of taxes; taxes, penalties, and interest erroneously assessed and collected; and taxes, penalties, and interest that are found unjustly assessed, excessive in amount, or wrongfully collected with interest at the rate calculated under section 23 for deficiencies in tax payments.

(2) A taxpayer who paid a tax that the taxpayer claims is not due may petition the department for refund of the amount paid within the time period specified as the statute of limitations in section 27a. If a tax return reflects an overpayment or credits in excess of the tax, the declaration of that fact on the return constitutes a claim for refund. If the department agrees the claim is valid, the amount of overpayment, penalties, and interest shall be first applied to any known liability as provided in section 30a, and the excess, if any, shall be refunded to the taxpayer or credited, at the taxpayer's request, against any current or subsequent tax liability. Claims for refunds, other than those made under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, that have not been approved, denied, or adjusted within 1 year of the date received may be treated as denied at the election of the taxpayer, and may be appealed by the taxpayer in accordance with section 22.

(3) The department shall certify a refund to the state disbursing authority who shall pay the amount out of the proceeds of the tax in accordance with the accounting laws of the state. Interest at the rate calculated under section 23 for deficiencies in tax payments shall be added to the refund commencing 45 days after the claim is filed or 45 days after the date established by law for the filing of the return, whichever is later. Interest on refunds intercepted and applied as provided in section 30a shall cease as of the date of interception. Refunds for amounts of less than \$1.00 shall not be paid.

(4) Beginning January 1, 2014, in addition to and separate from the interest added to a refund under subsection (3), for refunds for taxes imposed under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, the state disbursing authority shall add interest to refunds that are not paid within 1 of the following dates for the applicable tax year:

(a) May 1, for returns received by the department on or before March 1 of the applicable tax year.

(b) Sixty days from the date the return was received by the department for returns received by the department after March 1 of the applicable tax year.

(5) Interest described in subsection (4) shall be paid at a rate of 3% per annum, calculated from the date the original return was due under section 315(1) of the income tax act of 1967, 1967 PA 281, MCL 206.315, and until the refund is paid, if all of the following conditions are met:

(a) The refund is due on an original return which was timely filed under section 315(1) of the income tax act of 1967, 1967 PA 281, MCL 206.315.

(b) The refund is not adjusted by the department.

(c) The return is not subject to section 27a(3) or (4) except for audit by the department.

(d) The return is complete for processing purposes with no calculation errors and contains all required information as prescribed by the department under section 315(1)(d) of the income tax act of 1967, 1967 PA 281, MCL 206.315, including any state and federal returns, forms, or schedules necessary to process the return.

(e) The taxpayer who has filed a complete return under subdivision (d) has complied with the department's request, if any, for additional documentation or information within 30 days of that request.

(f) No portion of the refund is subject to interception under section 30a.

(g) The amount to be refunded is more than \$1.00.

(6) Beginning January 1, 2015, in addition to and separate from the interest added to a refund under subsection (3), for refunds for taxes imposed under the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, the state disbursing authority shall add interest to refunds that are not paid within 90 days after the claim is approved or 90 days after the date established by law for filing the return, whichever is later. Interest described in this subsection shall be paid at a rate of 3% per annum for each day the refund is not issued within the time frame required in this subsection if all of the following conditions are met:

(a) The refund is claimed on an original return which was timely filed under section 505(1) of the Michigan business tax act, 2007 PA 36, MCL 208.1505.

(b) The refund is not adjusted by the department.

(c) The refund is not claimed by a taxpayer filing as a unitary business group.

(d) The return is not subject to section 27a(3) or (4) except for audit by the department.

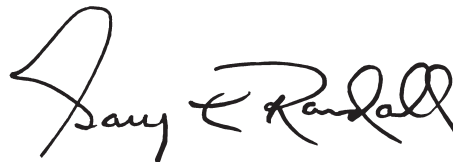
(e) The return is complete for processing purposes with no calculation errors and contains all required information as prescribed by the department under section 507 or 509 of the Michigan business tax act, 2007 PA 36, MCL 208.1507 and 208.1509, including any state and federal returns, forms, or schedules necessary to process the return.

(f) The taxpayer who has filed a complete return under subdivision (e) has complied with the department's request, if any, for additional documentation or information within 30 days of that request.

(g) No portion of the refund is subject to interception under section 30a.

(h) The amount to be refunded is more than \$10.00.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor