



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## REQUIRE PUBLICATION OF TREASURY BULLETINS/RULINGS

House Bill 5330  
Sponsor: Rep. Nancy Cassis  
Committee: Tax Policy

Complete to 10-26-01

### A SUMMARY OF HOUSE BILL 5330 AS INTRODUCED 10-23-01

The bill would amend the Revenue Act to require that bulletins and letter rulings issued by the commissioner of revenue be published and made available to the public in printed and electronic formats.

The act currently allows the Department of Treasury to periodically issue bulletins that index and explain current department interpretations of current state tax laws. (The bill would make the act refer to the commissioner of revenue rather than the department.) The act also currently says that the department may charge a reasonable fee for subscriptions to this service not to exceed the cost of printing. (The bill would substitute "publishing" for "printing".)

[A letter ruling, according to a recent description from the Department of Treasury, aims at providing the public with 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, except that if it is used in a written response to a specific taxpayer's request, it is binding on the department and that taxpayer. Letter rulings are said to be available to taxpayers on request. Letter rulings are withdrawn when they become obsolete or when they are likely to confuse rather than assist the public, according to the department. See the department's Revenue Administrative Bulletin (RAB) 2000-6.]

[A revenue administrative bulletin or RAB is described by the department as a directive issued by the commissioner of revenue to promote uniform application of tax laws throughout the state by the department and to provide information and guidance to taxpayers. A 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. Taxpayers need to also consider subsequent legislation, court decisions, regulations, and bulletins when relying on an RAB. These bulletins are published in the quarterly tax advisor, are available upon request, and some can be found on the department's web site. See the department's Revenue Administrative Bulletin (RAB) 1989-34]

MCL 205.3

Analyst: C. Couch

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.