



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 100 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Jack Brandenburg
Committee: Finance

CONTENT

The bill would amend the revenue Act to:

- Delete a requirement that, in an appeal to the Court of Claims, a taxpayer first pay the disputed portion of a tax, including penalties and interest, under protest and claim a refund as part of the appeal.
- Allow a taxpayer to appeal an assessment, decision, or order of the Department of Treasury to the Tax Tribunal within 60, rather than 35, days after the assessment, decision, or order.
- Appropriate \$200,000 for fiscal year 2014-15 from the General Fund to the Court of Claims for operations due to the anticipated increased caseload from the changes made by the bill.

The bill would take effect 90 days after being signed into law.

MCL 205.22

Legislative Analyst: Ryan M. Bergan

FISCAL IMPACT

The bill would have a small, but likely positive, fiscal impact on the Michigan Tax Tribunal within the Department of Licensing and Regulatory Affairs (LARA), and a small, but likely negative, fiscal impact on the Court of Claims. The bill would remove the requirement that an appellant first pay taxes and penalties before a case is heard by the Court of Claims. The removal of this requirement could create an incentive for appellants in non-property cases to file an appeal in the Court of Claims rather than with the Tax Tribunal. Any cases in which this potential incentive would cause an appellant to appeal to the Court of Claims rather than the Tax Tribunal would reduce the Tribunal's costs and increase costs for the Court of Claims. According to LARA, the number of cases in which this sort of incentive could exist is very small relative to the entire number of cases heard by the Tribunal. The bill's \$200,000 appropriation to the Court of Claims should cover any additional costs incurred.

Date Completed: 3-19-15

Fiscal Analyst: Josh Sefton