

# HOUSE BILL NO. 4364

April 11, 2023, Introduced by Reps. Price, Liberati, Haadsma, Rheingans, Byrnes, Brenda Carter, Hope, Tyrone Carter, Coffia, Breen, Young, Hood, Paiz, Hill, Tsernoglou, Churches, Skaggs, Brabec, Whitsett and Aiyash and referred to the Committee on Health Policy.

A bill 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 28 (MCL 205.28), as amended by 2017 PA 215.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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, must be given either by personal  
5 service or by certified mail addressed to the last known address of  
6 the taxpayer. Service upon the department may be made in the same  
7 manner.

8           (b) An injunction ~~shall~~**must** 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 in  
12 which the taxpayer resides or transacts business.

13           (d) The state treasurer may request in writing information or  
14 records in the possession of any other department, institution, or  
15 agency of state government for the performance of duties under this  
16 act. Departments, institutions, or agencies of state government  
17 shall furnish the information and records upon receipt of the state  
18 treasurer's request. Upon request of the state treasurer, any  
19 department, institution, or agency of state government shall hold a  
20 hearing under the administrative procedures act of 1969, 1969 PA  
21 306, MCL 24.201 to 24.328, to consider withholding a license or  
22 permit of a person for nonpayment of taxes or accounts collected  
23 under this act.

1 (e) Except as otherwise provided in sections 21(2) (e), 23a,  
2 and 30c, the state treasurer or an employee of the department shall  
3 not compromise or reduce in any manner the taxes due to or claimed  
4 by this state or unpaid accounts or amounts due to any department,  
5 institution, or agency of state government. This subdivision does  
6 not prevent a compromise of interest or penalties, or both.

7 (f) Except as otherwise provided in this subdivision, in  
8 subsection (6) or (7), or in section 23a, an employee, authorized  
9 representative, former employee or authorized representative of the  
10 department, or anyone connected with the department shall not  
11 divulge any facts or information obtained in connection with the  
12 administration of a tax or information or parameters that would  
13 enable a person to ascertain the audit selection or processing  
14 criteria of the department for a tax administered by the  
15 department. An employee or authorized representative shall not  
16 willfully inspect any return or information contained in a return  
17 unless it is appropriate for the proper administration of a tax law  
18 administered under this act. A person may disclose information  
19 described in this subdivision if the disclosure is required for the  
20 proper administration of a tax law administered under this act or  
21 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,  
22 pursuant to a judicial order sought by an agency charged with the  
23 duty of enforcing or investigating support obligations pursuant to  
24 an order of a court in a domestic relations matter as that term is  
25 defined in section 2 of the friend of the court act, 1982 PA 294,  
26 MCL 552.502, pursuant to a judicial order sought by an agency of  
27 the federal, state, or local government charged with the  
28 responsibility for the administration or enforcement of criminal  
29 law for purposes of investigating or prosecuting criminal matters

1 or for federal or state grand jury proceedings, or pursuant to a  
2 judicial order if the taxpayer's liability for a tax administered  
3 under this act is to be adjudicated by the court that issued the  
4 judicial order. A person required to disclose information under  
5 section 10(1)(j) of the Michigan economic growth authority act,  
6 1995 PA 24, MCL 207.810, may disclose the information only to the  
7 individuals described in that section. A person may disclose the  
8 information required for the report described in section 9 of the  
9 Michigan strategic fund act, 1984 PA 270, MCL 125.2009, for  
10 programs with new written agreements entered into after ~~the~~  
11 ~~effective date of the amendatory act that added this sentence~~  
12 **August 25, 2017** for programs operated under the Michigan strategic  
13 fund act, 1984 PA 270, MCL 125.2001 to 125.2094. A person may  
14 disclose the adjusted gross receipts and the wagering tax paid by a  
15 casino licensee licensed under the Michigan ~~gaming control and~~  
16 ~~revenue act, **Gaming Control and Revenue Act**, 1996 IL 1, MCL 432.201~~  
17 ~~to 432.226, pursuant to section 18, sections 341, 342, and 386 of~~  
18 ~~the management and budget act, 1984 PA 431, MCL 18.1341, 18.1342,~~  
19 ~~and 18.1386, or as authorized by the executive director of the~~  
20 ~~gaming control board. However, the state treasurer or a person~~  
21 ~~designated by the state treasurer may divulge information set forth~~  
22 ~~or disclosed in a return or report or by an investigation or audit~~  
23 ~~to any department, institution, or agency of state government upon~~  
24 ~~receipt of a written request from a head of the department,~~  
25 ~~institution, or agency of state government if it is required for~~  
26 ~~the effective administration or enforcement of the laws of this~~  
27 ~~state, to a proper officer of the United States Department of~~  
28 ~~Treasury, and to a proper officer of another state reciprocating in~~  
29 ~~this privilege. The state treasurer may enter into reciprocal~~

1 agreements with other departments of state government, the United  
2 States Department of Treasury, local governmental units within this  
3 state, or taxing officials of other states for the enforcement,  
4 collection, and exchange of data after ascertaining that any  
5 information provided will be subject to confidentiality  
6 restrictions substantially the same as the provisions of this act.  
7 The state treasurer or a person designated by the state treasurer  
8 may disclose the address of each housing unit that is part of a  
9 housing project exempt from ad valorem taxes under section 15a of  
10 the state housing development authority act of 1966, 1966 PA 346,  
11 MCL 125.1415a, or under section 11a of 1933 (Ex Sess) PA 18, MCL  
12 125.661a, and whether the unit is subject to a service charge in  
13 lieu of ad valorem taxes. The state treasurer or a person  
14 designated by the state treasurer may also disclose the millage  
15 rates of property taxes as defined in section 512a of the income  
16 tax act of 1967, 1967 PA 281, MCL 206.512a. **A person required to  
17 disclose information under section 10120 of the public health code,  
18 1978 PA 368, MCL 333.10120, from a donor registry schedule received  
19 under section 474 of the income tax act of 1967, 1967 PA 281, MCL  
20 206.474, may disclose the information only to those organizations  
21 described in that section for the administration of the donor  
22 registry program.**

23 (2) A person who violates subsection (1)(e), (1)(f), or (4) is  
24 guilty of a felony punishable by a fine of not more than \$5,000.00  
25 or imprisonment for not more than 5 years, or both, together with  
26 the costs of prosecution. In addition, if the offense is committed  
27 by an employee of this state, the person shall be dismissed from  
28 office or discharged from employment upon conviction.

29 (3) A person liable for any tax administered under this act

1 shall keep accurate and complete records necessary for the proper  
2 determination of tax liability as required by law or rule of the  
3 department.

4 (4) A person who receives information under subsection (1)(f)  
5 for the proper administration of the general property tax act, 1893  
6 PA 206, MCL 211.1 to 211.155, shall not willfully disclose that  
7 information for any purpose other than the administration of the  
8 general property tax act, 1893 PA 206, MCL 211.1 to 211.155. A  
9 person who violates this subsection is subject to the penalties  
10 provided in subsection (2).

11 (5) A person identified in section 10(1) of the Michigan  
12 economic growth authority act, 1995 PA 24, MCL 207.810, who  
13 receives information under section 10(1)(j) of the Michigan  
14 economic growth authority act, 1995 PA 24, MCL 207.810, as  
15 permitted in subsection (1)(f), shall not willfully disclose that  
16 information for any purpose other than the proper administration of  
17 his or her legislative duties nor disclose that information to  
18 anyone other than an employee of the legislature, who is also bound  
19 by the same restrictions. A person who violates this subsection is  
20 responsible for and subject to a civil fine of not more than  
21 \$5,000.00 per violation.

22 (6) The department shall annually prepare a report containing  
23 statistics described in this subsection concerning the Michigan  
24 business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, for the  
25 most recent tax year for which reliable return data have been  
26 processed and cleared in the ordinary course of return processing  
27 by the department. A copy of the report must be provided to the  
28 chairpersons of the senate and house of representatives standing  
29 committees that have jurisdiction over matters relating to taxation

1 and finance, the director of the senate fiscal agency, and the  
2 director of the house fiscal agency. The department shall report  
3 the following information broken down by business sector and,  
4 provided that no grouping consists of fewer than 10 taxpayers, by  
5 firm size in compliance with subsection (1)(f) and in a manner that  
6 does not result in the disclosure of information regarding any  
7 specific taxpayer:

8 (a) Apportioned business income tax base.

9 (b) Apportioned modified gross receipts tax base.

10 (c) Business income tax liability.

11 (d) Use of credits.

12 (e) Modified gross receipts tax liability.

13 (f) Total final liability.

14 (g) Total liability before credits.

15 (7) A person may disclose the following information described  
16 in this subsection:

17 (a) Information required to be reported under section 455 of  
18 the Michigan business tax act, 2007 PA 36, MCL 208.1455.

19 (b) An application to enter into an agreement, a communication  
20 denying an application to enter into an agreement, an agreement, a  
21 postproduction certificate, a communication denying a  
22 postproduction certificate, or the total amount of credits claimed  
23 in a tax year under section 455 of the Michigan business tax act,  
24 2007 PA 36, MCL 208.1455, notwithstanding section 455(6) of the  
25 Michigan business tax act, 2007 PA 36, MCL 208.1455.

26 (c) An application to enter into an agreement, a communication  
27 denying an application to enter into an agreement, an agreement, an  
28 investment expenditure certificate, a communication denying an  
29 investment expenditure certificate, or the total amount of credits

1 claimed in a tax year under section 457 of the Michigan business  
2 tax act, 2007 PA 36, MCL 208.1457, notwithstanding section 457(6)  
3 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

4 (d) An application to enter into an agreement, a communication  
5 denying an application to enter into an agreement, an agreement, a  
6 qualified job training expenditures certificate, a communication  
7 denying a qualified job training expenditures certificate, or the  
8 total amount of credits claimed in a tax year under section 459 of  
9 the Michigan business tax act, 2007 PA 36, MCL 208.1459,  
10 notwithstanding section 459(6) of the Michigan business tax act,  
11 2007 PA 36, MCL 208.1459.

12 (8) As used in subsection (1), "adjusted gross receipts" and  
13 "wagering tax" mean those terms as described in the Michigan ~~gaming~~  
14 ~~control and revenue act, **Gaming Control and Revenue Act**, 1996 IL 1,~~  
15 MCL 432.201 to 432.226.

16 Enacting section 1. This amendatory act does not take effect  
17 unless all of the following bills of the 102nd Legislature are  
18 enacted into law:

19 (a) Senate Bill No. \_\_\_\_ or House Bill No. 4362 (request no.  
20 00530'23).

21 (b) Senate Bill No. \_\_\_\_ or House Bill No. 4363 (request no.  
22 01343'23).