



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 884 (as discharged)
Sponsor: Senator Nancy Cassis
Committee: Finance

CONTENT

The bill would amend the revenue Act to create a 30- to 60-day amnesty period during which the State Treasurer would have to waive all criminal and civil penalties for failing or refusing to file a return, failing to pay a tax, or making an excessive claim for a refund of a tax under the Act. The amnesty period would be designated by the State Treasurer and would have to end before September 30, 2009. A taxpayer would have to make a written request for a waiver, file a return or an amended return, and make full payment in a lump sum or installments of the tax and interest due for any prior tax year. The amnesty program would not apply to taxes due after June 1, 2008.

From the taxes paid under the amnesty program, the bill would appropriate to the Department of Treasury \$1.0 million for the 2008-09 fiscal year, for administration of the program.

If a taxpayer failed to file a return or pay a tax that was due before July 1, 2008, during the amnesty period, the taxpayer would be liable for a penalty equal to 25% of the amount of tax due, in addition to any other interest or penalty prescribed for failing or refusing to file a return or pay a tax administered under the Act within the time specified.

MCL 205.24 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would increase State tax revenue by approximately \$35.0 million in FY 2009-10. School Aid Fund revenue would comprise approximately \$10.5 million of the revenue increase, with the remaining \$24.5 million going to the General Fund. The bill would increase administrative expenses for the Department of Treasury, although the bill would allocate \$1.0 million of revenue from the increased collections to pay for the administrative costs.

Date Completed: 10-12-09

Fiscal Analyst: David Zin