

**SUBSTITUTE FOR  
HOUSE BILL NO. 4976**

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 sections 21 and 28 (MCL 205.21 and 205.28), section 21 as amended by 2014 PA 35 and section 28 as amended by 2017 PA 111.

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

1           Sec. 21. (1) If a taxpayer fails or refuses to make a return  
2 or payment as required, in whole or in part, or if the department  
3 has reason to believe that a return made or payment does not supply  
4 sufficient information for an accurate determination of the amount  
5 of tax due, the department may obtain information on which to base  
6 an assessment of the tax. By its duly authorized agents, the  
7 department may examine the books, records, and papers and audit the  
8 accounts of a person or any other records pertaining to the tax. A  
9 taxpayer who has been audited by the department or its agent or a  
10 taxpayer whose books, records, and papers have been examined by the  
11 department shall, upon request, be provided a complete copy in  
12 printed or electronic format of the complete audit work papers and  
13 the audit report of findings. Any audit performed by the department  
14 or its duly authorized agents under section 3(a) shall be performed  
15 in accordance with auditing standards which shall include, but are  
16 not limited to, confidentiality, technical training, independence,  
17 due professional care, planning, supervision, understanding of the  
18 entity audited including internal control and an assessment of  
19 risk, audit evidence and documentation, sampling and sampling  
20 projections, and elements of the audit report of findings. The  
21 department shall promulgate administrative rules on audit standards  
22 within 1 year of the date of enactment of the amendatory act that  
23 added this sentence.

24           (2) In carrying out this section, the department and the  
25 taxpayer shall comply with the following procedure:

26           (a) The department shall send to the taxpayer a letter of  
27 inquiry stating, in a courteous and nonintimidating manner, the

1 department's opinion that the taxpayer needs to furnish further  
2 information or owes taxes to the state, and the reason for that  
3 opinion. A letter of inquiry shall also explain the procedure by  
4 which the person may initiate communication with the department to  
5 resolve any dispute. This subdivision does not apply in any of the  
6 following circumstances:

7 (i) The taxpayer files a return showing a tax due and fails to  
8 pay that tax.

9 (ii) The deficiency resulted from an audit of the taxpayer's  
10 books and records by this state.

11 (iii) The taxpayer otherwise affirmatively admits that a tax  
12 is due and owing.

13 (b) If the dispute is not resolved within 30 days after the  
14 department sends the taxpayer a letter of inquiry or if a letter of  
15 inquiry is not required pursuant to subdivision (a), the  
16 department, after determining the amount of tax due from a  
17 taxpayer, shall give notice to the taxpayer of its intent to assess  
18 the tax. The notice shall include the amount of the tax the  
19 department believes the taxpayer owes, the reason for that  
20 deficiency, and a statement advising the taxpayer of a right to an  
21 informal conference, the requirement of a written request by the  
22 taxpayer for the informal conference that includes the taxpayer's  
23 statement of the contested amounts and an explanation of the  
24 dispute, and the 60-day time limit for that request.

25 (c) If the taxpayer serves written notice upon the department  
26 within 60 days after the taxpayer receives a notice of intent to  
27 assess, remits the uncontested portion of the liability, and

1 provides a statement of the contested amounts and an explanation of  
2 the dispute, the taxpayer is entitled to an informal conference on  
3 the question of liability for the assessment.

4 (d) Upon receipt of a taxpayer's written notice, the  
5 department shall set a mutually agreed upon or reasonable time and  
6 place for the informal conference and shall give the taxpayer  
7 reasonable written notice not less than 20 days before the informal  
8 conference. The notice shall specify the intent to assess, type of  
9 tax, and tax year that is the subject of the informal conference.  
10 The informal conference provided for by this subdivision is not  
11 subject to the administrative procedures act of 1969, 1969 PA 306,  
12 MCL 24.201 to 24.328, but is subject to the rules governing  
13 informal conferences as promulgated by the department in accordance  
14 with the administrative procedures act of 1969, 1969 PA 306, MCL  
15 24.201 to 24.328. The taxpayer may appear or be represented by any  
16 person before the department at an informal conference, and may  
17 present testimony and argument. At the party's own expense and with  
18 advance notice to the other party, a taxpayer or the department, or  
19 both, may make an audio recording of an informal conference. A  
20 taxpayer who has made a timely request for an informal conference  
21 may at any time withdraw that request by filing written notice with  
22 the department. Upon receipt of the request for withdrawal from the  
23 informal conference process, the department shall issue a decision  
24 and order of determination and, where appropriate, a final  
25 assessment, from which a taxpayer may seek an appeal as provided  
26 under section 22.

27 **(E) AFTER A TIMELY REQUEST FOR AN INFORMAL CONFERENCE HAS BEEN**

1 MADE UNDER SUBDIVISION (C) , THE TAXPAYER AND THE DEPARTMENT MAY  
2 SEEK TO SETTLE ANY OR ALL ISSUES IN DISPUTE BY SUBMITTING A WRITTEN  
3 SETTLEMENT OFFER TO THE OTHER PARTY IN ACCORDANCE WITH THE  
4 FOLLOWING:

5 (i) THE TAXPAYER SHALL SUBMIT A WRITTEN SETTLEMENT OFFER NO  
6 LATER THAN 21 DAYS AFTER THE INFORMAL CONFERENCE. THE SETTLEMENT  
7 OFFER MUST IDENTIFY THE ISSUES IN DISPUTE TO BE SETTLED, THE AMOUNT  
8 OF THE SETTLEMENT OFFER, AND THE FACTUAL AND LEGAL BASES SUPPORTING  
9 THE TAXPAYER'S SETTLEMENT OFFER, AND INCLUDE ANY SUPPORTING  
10 DOCUMENTS. THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE OR  
11 DESIGNEES SHALL REVIEW THE SETTLEMENT OFFER AND THE DEPARTMENT'S  
12 RECOMMENDATION REGARDING THE OFFER. THE STATE TREASURER OR THE  
13 STATE TREASURER'S DESIGNEE OR DESIGNEES SHALL DETERMINE WHETHER TO  
14 ACCEPT, REJECT, OR COUNTER THE SETTLEMENT OFFER. THE DEPARTMENT  
15 SHALL NOTIFY THE TAXPAYER IN WRITING OF THE DEPARTMENT'S  
16 ACCEPTANCE, REJECTION, OR COUNTER-OFFER. IF THE DEPARTMENT DOES NOT  
17 ACCEPT THE TAXPAYER'S OFFER, THE DEPARTMENT SHALL INCLUDE IN ITS  
18 WRITTEN NOTIFICATION THE FACTUAL AND LEGAL BASES FOR THE  
19 DEPARTMENT'S REJECTION OR COUNTER-OFFER. THE TAXPAYER MAY ACCEPT,  
20 REJECT, OR COUNTER THE DEPARTMENT'S COUNTER-OFFER AND PROCEED IN  
21 ACCORDANCE WITH SUBPARAGRAPH (iii) .

22 (ii) THE INFORMAL CONFERENCE REFEREE OR THE ADMINISTRATOR OF  
23 THE DEPARTMENT'S HEARINGS DIVISION OR ITS SUCCESSOR UNIT MAY SUBMIT  
24 A WRITTEN REPORT TO THE STATE TREASURER OR THE STATE TREASURER'S  
25 DESIGNEE OR DESIGNEES THAT IDENTIFIES THE RELEVANT FACTS AND ISSUES  
26 INVOLVED IN THE DISPUTE, THE FACTUAL AND LEGAL BASES SUPPORTING  
27 SETTLEMENT OF ANY OR ALL OF THE ISSUES, AND A SETTLEMENT

1 RECOMMENDATION. DOUBT AS TO COLLECTABILITY SHALL NOT BE A REASON  
2 FOR SETTLEMENT UNDER THIS SUBDIVISION. IF THE STATE TREASURER OR  
3 THE STATE TREASURER'S DESIGNEE OR DESIGNEES DETERMINES TO PURSUE A  
4 SETTLEMENT, THE DEPARTMENT SHALL NOTIFY THE TAXPAYER IN WRITING OF  
5 THE DEPARTMENT'S SETTLEMENT OFFER, TO BE DETERMINED BY THE STATE  
6 TREASURER OR THE STATE TREASURER'S DESIGNEE OR DESIGNEES. THE  
7 DEPARTMENT'S WRITTEN SETTLEMENT OFFER SHALL INCLUDE THE FACTUAL AND  
8 LEGAL BASES SUPPORTING THE DEPARTMENT'S SETTLEMENT OFFER. THE  
9 TAXPAYER, IN WRITING, MAY ACCEPT, REJECT, OR COUNTER THE  
10 DEPARTMENT'S SETTLEMENT OFFER AND PROCEED IN ACCORDANCE WITH  
11 SUBPARAGRAPH (iii).

12 (iii) IF THE DEPARTMENT REJECTS THE TAXPAYER'S SETTLEMENT  
13 OFFER OR COUNTER-OFFER OR THE TAXPAYER REJECTS THE DEPARTMENT'S  
14 SETTLEMENT OFFER OR COUNTER-OFFER, THE INFORMAL CONFERENCE PROCESS  
15 SHALL PROCEED AS PROVIDED UNDER THIS SECTION UNLESS THE TAXPAYER  
16 FILES A WRITTEN NOTICE TO WITHDRAW THE REQUEST FOR AN INFORMAL  
17 CONFERENCE AS PROVIDED IN SUBDIVISION (D). IF THE DEPARTMENT  
18 ACCEPTS THE TAXPAYER'S SETTLEMENT OFFER OR COUNTER-OFFER OR THE  
19 TAXPAYER ACCEPTS THE DEPARTMENT'S SETTLEMENT OFFER OR COUNTER-  
20 OFFER, THE DEPARTMENT AND THE TAXPAYER SHALL EXECUTE A WRITTEN  
21 AGREEMENT OUTLINING ALL OF THE TERMS OF THE SETTLEMENT. IF THE  
22 AGREEMENT SETTLES ALL OF THE ISSUES IN DISPUTE, THEN THE WRITTEN  
23 AGREEMENT IS ALSO THE TAXPAYER'S WRITTEN NOTICE TO WITHDRAW ITS  
24 REQUEST FOR AN INFORMAL CONFERENCE. THEN THE DEPARTMENT SHALL,  
25 WHERE APPROPRIATE, ISSUE A FINAL ASSESSMENT THAT REFLECTS THE  
26 AGREEMENT AND THE AGREED-UPON AMOUNT OF LIABILITY AS TO THE SETTLED  
27 ISSUES. THE DEPARTMENT'S FINAL ASSESSMENT ISSUED UNDER THIS

1 SUBDIVISION IS NOT SUBJECT TO CHALLENGE OR APPEAL UNDER THIS ACT OR  
2 REVIEWABLE IN ANY COURT BY MANDAMUS, APPEAL, OR OTHER METHOD OF  
3 DIRECT OR COLLATERAL ATTACK. WITH RESPECT TO ANY ISSUES IN DISPUTE  
4 THAT ARE NOT INCLUDED IN THE SETTLEMENT AGREEMENT, THE INFORMAL  
5 CONFERENCE PROCESS SHALL PROCEED AS PROVIDED UNDER THIS SECTION  
6 UNLESS THE TAXPAYER FILES A WRITTEN NOTICE TO WITHDRAW THE REQUEST  
7 FOR AN INFORMAL CONFERENCE AS PROVIDED IN SUBDIVISION (D).

8 (iv) THE TAXPAYER'S AND THE DEPARTMENT'S SETTLEMENT OFFERS,  
9 COUNTER-OFFERS, AND RESPONSES TO THOSE OFFERS AND COUNTER-OFFERS,  
10 THE DISPOSITION OF A SETTLEMENT OFFER OR COUNTER-OFFER UNDER THIS  
11 SUBDIVISION, AND SETTLEMENT AGREEMENTS, MAY NOT BE OFFERED BY ANY  
12 PARTY IN ANY PROCEEDING BEFORE THE MICHIGAN TAX TRIBUNAL, THE COURT  
13 OF CLAIMS, OR ANY COURT OF COMPETENT JURISDICTION AS PROOF OF THE  
14 VALIDITY OF THE DEPARTMENT'S DECISION, ORDER, OR ASSESSMENT, OR OF  
15 THE PROPER AMOUNT OF THE TAXPAYER'S TAX LIABILITY.

16 (v) SETTLEMENT OFFERS, COUNTER-OFFERS, RESPONSES THERETO,  
17 SETTLEMENT AGREEMENTS, AND REPORTS OF THE INFORMAL CONFERENCE  
18 REFEREE, THE ADMINISTRATOR, OR THE DEPARTMENT RELATED TO  
19 SETTLEMENTS UNDER THIS SUBDIVISION ARE EXEMPT FROM DISCLOSURE UNDER  
20 THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246,  
21 AND MAY NOT BE OBTAINED THROUGH DISCOVERY IN ANY PROCEEDING.

22 (F) ~~(e) After~~ EXCEPT FOR THOSE ISSUES THAT WERE SETTLED  
23 PURSUANT TO SUBDIVISION (E), AFTER the informal conference, the  
24 department shall render a decision and order in writing, setting  
25 forth the reasons and authority, and shall assess the tax,  
26 interest, and penalty found to be due and payable. The decision and  
27 order are limited to the subject of the informal conference as

1 included in the notice under subdivision (d).

2 (G) ~~(F)~~—If the taxpayer does not protest the notice of intent  
3 to assess within the time provided in subdivision (c), the  
4 department may assess the tax and the interest and penalty on the  
5 tax that the department believes are due and payable. An assessment  
6 under this subdivision or subdivision ~~(e)~~—(F) is final and subject  
7 to appeal as provided in section 22. The final notice of assessment  
8 shall include a statement advising the person of a right to appeal.

9 (3) If as a result of an audit it is determined that a  
10 taxpayer is owed a refund, the department shall send a notice to  
11 the taxpayer stating the amount of the refund the department  
12 believes is owed to the taxpayer as a result of the audit. The  
13 notice shall inform the taxpayer of his or her appeal rights. If  
14 the taxpayer disputes the findings of the audit, the taxpayer may  
15 serve written notice upon the department in the same manner as  
16 provided for in subsection (2) (c) and the taxpayer is entitled to  
17 the same informal conference and subsequent appeals as provided for  
18 in this section.

19 (4) If a protest to the notice of intent to assess the tax is  
20 determined by the department to be a frivolous protest or a desire  
21 by the taxpayer to delay or impede the administration of taxes  
22 administered under this act, a penalty of \$25.00 or 25% of the  
23 amount of tax under protest, whichever is greater, shall be added  
24 to the tax.

25 (5) During the course of the informal conference under  
26 subsection (2) (d), the taxpayer by written notice may convert his  
27 or her contest of the assessment to a claim for a refund. The



1 written notice shall be accompanied by payment of the contested  
2 amount. The informal conference shall continue and the department  
3 shall render a decision and issue an order regarding the claim for  
4 refund.

5 (6) For audits commenced after September 30, 2014, the  
6 department must complete fieldwork and provide a written  
7 preliminary audit determination for any tax period no later than 1  
8 year after the period provided for in section 27a(2) without regard  
9 to the extension provided for in section 27a(3). The limitation  
10 described in this subsection does not apply to any tax period in  
11 which the department and the taxpayer agreed in writing to extend  
12 the statute of limitations described in section 27a(2).

13 (7) For audits commenced after September 30, 2014, unless  
14 otherwise agreed to by the department and the taxpayer, the final  
15 assessment issued under subsection ~~(2)(f)~~ **(2)(G)** must be issued  
16 within 9 months of the date that the department provided the  
17 taxpayer with a written preliminary audit determination unless the  
18 taxpayer, for any reason, requests reconsideration of the  
19 preliminary audit determination or the taxpayer requests an  
20 informal conference under subsection (2)(c). A request for  
21 reconsideration by a taxpayer permits, but does not require, the  
22 department to delay the issuance of a final assessment under  
23 subsection ~~(2)(f)~~ **(2)(G)**.

24 **(8) THE DEPARTMENT SHALL PUBLISH SEMIANNUALLY ON THE**  
25 **DEPARTMENT'S WEBSITE A REPORT CONTAINING THE FOLLOWING INFORMATION:**

26 **(A) THE AGGREGATE AMOUNT OF THE DEPARTMENT'S ORIGINAL**  
27 **DETERMINATIONS OF LIABILITY ATTRIBUTED TO SETTLEMENTS ENTERED INTO**

1 DURING THE REPORTING PERIOD.

2 (B) THE AGGREGATE SETTLED AMOUNT OF LIABILITY ATTRIBUTED TO  
3 THE SETTLEMENTS ENTERED INTO DURING THE REPORTING PERIOD.

4 (C) IF THE TOTAL NUMBER OF SETTLEMENTS BETWEEN TAXPAYERS AND  
5 THE DEPARTMENT ENTERED INTO DURING THE REPORTING PERIOD IS 5 OR  
6 MORE, INCLUDE THE ACTUAL NUMBER OF SETTLEMENTS. IF THE NUMBER OF  
7 SETTLEMENTS IS LESS THAN 5, THE DEPARTMENT SHALL STATE "LESS THAN  
8 5".

9 (9) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, THE  
10 SETTLEMENT PROCESS ESTABLISHED UNDER SUBSECTION (2) (E) ONLY APPLIES  
11 TO TAXES SUBJECT TO ADMINISTRATION UNDER THIS ACT. THE SETTLEMENT  
12 PROCESS ESTABLISHED UNDER SUBSECTION (2) (E) DOES NOT APPLY TO  
13 MATTERS ARISING UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206,  
14 MCL 211.1 TO 211.155, THE STATE REAL ESTATE TRANSFER TAX ACT, 1993  
15 PA 330, MCL 207.521 TO 207.537, THE TOBACCO PRODUCTS TAX ACT, 1993  
16 PA 327, MCL 205.421 TO MCL 205.436, THE HEALTH INSURANCE CLAIMS  
17 ASSESSMENT ACT, 2011 PA 142, MCL 550.1731 TO 550.1741, AND THE CITY  
18 INCOME TAX ACT, 1964 PA 284, MCL 141.501 TO 141.787.

19 Sec. 28. (1) The following conditions apply to all taxes  
20 administered under this act unless otherwise provided for in the  
21 specific tax statute:

22 (a) Notice, if required, must be given either by personal  
23 service or by certified mail addressed to the last known address of  
24 the taxpayer. Service upon the department may be made in the same  
25 manner.

26 (b) An injunction shall not issue to stay proceedings for the  
27 assessment and collection of a tax.

1 (c) In addition to the mode of collection provided in this  
2 act, the department may institute an action at law in any county in  
3 which the taxpayer resides or transacts business.

4 (d) The state treasurer may request in writing information or  
5 records in the possession of any other department, institution, or  
6 agency of state government for the performance of duties under this  
7 act. Departments, institutions, or agencies of state government  
8 shall furnish the information and records upon receipt of the state  
9 treasurer's request. Upon request of the state treasurer, any  
10 department, institution, or agency of state government shall hold a  
11 hearing under the administrative procedures act of 1969, 1969 PA  
12 306, MCL 24.201 to 24.328, to consider withholding a license or  
13 permit of a person for nonpayment of taxes or accounts collected  
14 under this act.

15 (e) Except as otherwise provided in sections **21 (2) (E)**, 23a,  
16 and 30c, the state treasurer or an employee of the department shall  
17 not compromise or reduce in any manner the taxes due to or claimed  
18 by this state or unpaid accounts or amounts due to any department,  
19 institution, or agency of state government. This subdivision does  
20 not prevent a compromise of interest or penalties, or both.

21 (f) Except as otherwise provided in this subdivision, in  
22 subsection (6) or (7), or in section 23a, an employee, authorized  
23 representative, former employee or authorized representative of the  
24 department, or anyone connected with the department shall not  
25 divulge any facts or information obtained in connection with the  
26 administration of a tax or information or parameters that would  
27 enable a person to ascertain the audit selection or processing

1 criteria of the department for a tax administered by the  
2 department. An employee or authorized representative shall not  
3 willfully inspect any return or information contained in a return  
4 unless it is appropriate for the proper administration of a tax law  
5 administered under this act. A person may disclose information  
6 described in this subdivision if the disclosure is required for the  
7 proper administration of a tax law administered under this act or  
8 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,  
9 pursuant to a judicial order sought by an agency charged with the  
10 duty of enforcing or investigating support obligations pursuant to  
11 an order of a court in a domestic relations matter as that term is  
12 defined in section 2 of the friend of the court act, 1982 PA 294,  
13 MCL 552.502, pursuant to a judicial order sought by an agency of  
14 the federal, state, or local government charged with the  
15 responsibility for the administration or enforcement of criminal  
16 law for purposes of investigating or prosecuting criminal matters  
17 or for federal or state grand jury proceedings, or pursuant to a  
18 judicial order if the taxpayer's liability for a tax administered  
19 under this act is to be adjudicated by the court that issued the  
20 judicial order. A person required to disclose information under  
21 section 10(1)(j) of the Michigan economic growth authority act,  
22 1995 PA 24, MCL 207.810, may disclose the information only to the  
23 individuals described in that section. A person may disclose the  
24 information required for the report described in section 9 of the  
25 Michigan strategic fund act, 1984 PA 270, MCL 125.2009, for  
26 programs with new written agreements entered into after the  
27 effective date of the amendatory act that added this sentence for

1 programs operated under the Michigan strategic fund act, 1984 PA  
2 270, MCL 125.2001 to 125.2094. A person may disclose the adjusted  
3 gross receipts and the wagering tax paid by a casino licensee  
4 licensed under the Michigan gaming control and revenue act, 1996 IL  
5 1, MCL 432.201 to 432.226, pursuant to section 18, sections 341,  
6 342, and 386 of the management and budget act, 1984 PA 431, MCL  
7 18.1341, 18.1342, and 18.1386, or as authorized by the executive  
8 director of the gaming control board. However, the state treasurer  
9 or a person designated by the state treasurer may divulge  
10 information set forth or disclosed in a return or report or by an  
11 investigation or audit to any department, institution, or agency of  
12 state government upon receipt of a written request from a head of  
13 the department, institution, or agency of state government if it is  
14 required for the effective administration or enforcement of the  
15 laws of this state, to a proper officer of the United States  
16 ~~department of treasury,~~ **DEPARTMENT OF TREASURY**, and to a proper  
17 officer of another state reciprocating in this privilege. The state  
18 treasurer may enter into reciprocal agreements with other  
19 departments of state government, the United States ~~department of~~  
20 ~~treasury,~~ **DEPARTMENT OF TREASURY**, local governmental units within  
21 this state, or taxing officials of other states for the  
22 enforcement, collection, and exchange of data after ascertaining  
23 that any information provided will be subject to confidentiality  
24 restrictions substantially the same as the provisions of this act.  
25 The state treasurer or a person designated by the state treasurer  
26 may disclose the address of each housing unit that is part of a  
27 housing project exempt from ad valorem taxes under section 15a of

1 the state housing development authority act of 1966, 1966 PA 346,  
2 MCL 125.1415a, or under section 11a of 1933 (Ex Sess) PA 18, MCL  
3 125.661a, and whether the unit is subject to a service charge in  
4 lieu of ad valorem taxes. The state treasurer or a person  
5 designated by the state treasurer may also disclose the millage  
6 rates of property taxes as defined in section 512a of the income  
7 tax act of 1967, 1967 PA 281, MCL 206.512a.

8 (2) A person who violates subsection (1)(e), (1)(f), or (4) is  
9 guilty of a felony ~~—~~punishable by a fine of not more than  
10 \$5,000.00 ~~—~~or imprisonment for not more than 5 years, or both,  
11 together with the costs of prosecution. In addition, if the offense  
12 is committed by an employee of this state, the person shall be  
13 dismissed from office or discharged from employment upon  
14 conviction.

15 (3) A person liable for any tax administered under this act  
16 shall keep accurate and complete records necessary for the proper  
17 determination of tax liability as required by law or rule of the  
18 department.

19 (4) A person who receives information under subsection (1)(f)  
20 for the proper administration of the general property tax act, 1893  
21 PA 206, MCL 211.1 to 211.155, shall not willfully disclose that  
22 information for any purpose other than the administration of the  
23 general property tax act, 1893 PA 206, MCL 211.1 to 211.155. A  
24 person who violates this subsection is subject to the penalties  
25 provided in subsection (2).

26 (5) A person identified in section 10(1) of the Michigan  
27 economic growth authority act, 1995 PA 24, MCL 207.810, who

1 receives information under section 10(1)(j) of the Michigan  
2 economic growth authority act, 1995 PA 24, MCL 207.810, as  
3 permitted in subsection (1)(f), shall not willfully disclose that  
4 information for any purpose other than the proper administration of  
5 his or her legislative duties nor disclose that information to  
6 anyone other than an employee of the legislature, who is also bound  
7 by the same restrictions. A person who violates this subsection is  
8 responsible for and subject to a civil fine of not more than  
9 \$5,000.00 per violation.

10 (6) The department shall annually prepare a report containing  
11 statistics described in this subsection concerning the Michigan  
12 business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, for the  
13 most recent tax year for which reliable return data have been  
14 processed and cleared in the ordinary course of return processing  
15 by the department. A copy of the report must be provided to the  
16 chairpersons of the senate and house of representatives standing  
17 committees that have jurisdiction over matters relating to taxation  
18 and finance, the director of the senate fiscal agency, and the  
19 director of the house fiscal agency. The department shall report  
20 the following information broken down by business sector and,  
21 provided that no grouping consists of fewer than 10 taxpayers, by  
22 firm size in compliance with subsection (1)(f) and in a manner that  
23 does not result in the disclosure of information regarding any  
24 specific taxpayer:

- 25 (a) Apportioned business income tax base.  
26 (b) Apportioned modified gross receipts tax base.  
27 (c) Business income tax liability.

1 (d) Use of credits.

2 (e) Modified gross receipts tax liability.

3 (f) Total final liability.

4 (g) Total liability before credits.

5 (7) A person may disclose the following information described  
6 in this subsection:

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

9 (b) An application to enter into an agreement, a communication  
10 denying an application to enter into an agreement, an agreement, a  
11 postproduction certificate, a communication denying a  
12 postproduction certificate, or the total amount of credits claimed  
13 in a tax year under section 455 of the Michigan business tax act,  
14 2007 PA 36, MCL 208.1455, notwithstanding section 455(6) of the  
15 Michigan business tax act, 2007 PA 36, MCL 208.1455.

16 (c) An application to enter into an agreement, a communication  
17 denying an application to enter into an agreement, an agreement, an  
18 investment expenditure certificate, a communication denying an  
19 investment expenditure certificate, or the total amount of credits  
20 claimed in a tax year under section 457 of the Michigan business  
21 tax act, 2007 PA 36, MCL 208.1457, notwithstanding section 457(6)  
22 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

23 (d) An application to enter into an agreement, a communication  
24 denying an application to enter into an agreement, an agreement, a  
25 qualified job training expenditures certificate, a communication  
26 denying a qualified job training expenditures certificate, or the  
27 total amount of credits claimed in a tax year under section 459 of



1 the Michigan business tax act, 2007 PA 36, MCL 208.1459,  
2 notwithstanding section 459(6) of the Michigan business tax act,  
3 2007 PA 36, MCL 208.1459.

4 (8) As used in subsection (1), "adjusted gross receipts" and  
5 "wagering tax" mean those terms as described in the Michigan gaming  
6 control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.