

HOUSE BILL No. 4976

September 19, 2017, Introduced by Rep. Tedder and referred to the Committee on Tax 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 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

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

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

25 (a) The department shall send to the taxpayer a letter of
26 inquiry stating, in a courteous and nonintimidating manner, the
27 department's opinion that the taxpayer needs to furnish further

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

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

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

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

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

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

1 the dispute, the taxpayer is entitled to an informal conference on
2 the question of liability for the assessment.

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

26 **(E) AFTER A TIMELY REQUEST FOR AN INFORMAL CONFERENCE HAS BEEN**
27 **MADE UNDER SUBDIVISION (C), THE TAXPAYER AND THE DEPARTMENT MAY**

1 SEEK TO SETTLE ANY OR ALL ISSUES IN DISPUTE BY SUBMITTING A WRITTEN
2 SETTLEMENT OFFER TO THE OTHER PARTY IN ACCORDANCE WITH THE
3 FOLLOWING:

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

21 (ii) THE INFORMAL CONFERENCE REFEREE OR THE ADMINISTRATOR OF
22 THE DEPARTMENT'S HEARINGS DIVISION OR ITS SUCCESSOR UNIT MAY SUBMIT
23 A WRITTEN REPORT TO THE STATE TREASURER OR THE STATE TREASURER'S
24 DESIGNEE OR DESIGNEES THAT IDENTIFIES THE RELEVANT FACTS AND ISSUES
25 INVOLVED IN THE DISPUTE, THE FACTUAL AND LEGAL BASES SUPPORTING
26 SETTLEMENT OF ANY OR ALL OF THE ISSUES, AND A SETTLEMENT
27 RECOMMENDATION. DOUBT AS TO COLLECTABILITY SHALL NOT BE A REASON

1 FOR SETTLEMENT UNDER THIS SUBDIVISION. IF THE STATE TREASURER OR
2 THE STATE TREASURER'S DESIGNEE OR DESIGNEES DETERMINES TO PURSUE A
3 SETTLEMENT, THE DEPARTMENT SHALL NOTIFY THE TAXPAYER IN WRITING OF
4 THE DEPARTMENT'S SETTLEMENT OFFER, TO BE DETERMINED BY THE STATE
5 TREASURER OR THE STATE TREASURER'S DESIGNEE OR DESIGNEES. THE
6 DEPARTMENT'S WRITTEN SETTLEMENT OFFER SHALL INCLUDE THE FACTUAL AND
7 LEGAL BASES SUPPORTING THE DEPARTMENT'S SETTLEMENT OFFER. THE
8 TAXPAYER, IN WRITING, MAY ACCEPT, REJECT, OR COUNTER THE
9 DEPARTMENT'S SETTLEMENT OFFER AND PROCEED IN ACCORDANCE WITH
10 SUBPARAGRAPH (iii) .

11 (iii) IF THE DEPARTMENT REJECTS THE TAXPAYER'S SETTLEMENT
12 OFFER OR COUNTER-OFFER OR THE TAXPAYER REJECTS THE DEPARTMENT'S
13 SETTLEMENT OFFER OR COUNTER-OFFER, THE INFORMAL CONFERENCE PROCESS
14 SHALL PROCEED AS PROVIDED UNDER THIS SECTION UNLESS THE TAXPAYER
15 FILES A WRITTEN NOTICE TO WITHDRAW THE REQUEST FOR AN INFORMAL
16 CONFERENCE AS PROVIDED IN SUBDIVISION (D). IF THE DEPARTMENT
17 ACCEPTS THE TAXPAYER'S SETTLEMENT OFFER OR COUNTER-OFFER OR THE
18 TAXPAYER ACCEPTS THE DEPARTMENT'S SETTLEMENT OFFER OR COUNTER-
19 OFFER, THE DEPARTMENT SHALL ISSUE A DECISION AND ORDER OF
20 DETERMINATION AND, WHERE APPROPRIATE, A FINAL ASSESSMENT, THAT
21 REFLECTS THE AGREEMENT AND THE AGREED-UPON AMOUNT OF LIABILITY AS
22 TO THE SETTLED ISSUES. THE DEPARTMENT'S DECISION AND ORDER OF
23 DETERMINATION AND FINAL ASSESSMENT ISSUED UNDER THIS SUBDIVISION
24 ARE NOT SUBJECT TO CHALLENGE OR APPEAL UNDER THIS ACT OR REVIEWABLE
25 IN ANY COURT BY MANDAMUS, APPEAL, OR OTHER METHOD OF DIRECT OR
26 COLLATERAL ATTACK. WITH RESPECT TO ANY ISSUES IN DISPUTE THAT ARE
27 NOT INCLUDED IN THE SETTLEMENT, THE INFORMAL CONFERENCE PROCESS

1 SHALL PROCEED AS PROVIDED UNDER THIS SECTION UNLESS THE TAXPAYER
2 FILES A WRITTEN NOTICE TO WITHDRAW THE REQUEST FOR AN INFORMAL
3 CONFERENCE AS PROVIDED IN SUBDIVISION (D).

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

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

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

25 (G) ~~(f)~~ If the taxpayer does not protest the notice of intent
26 to assess within the time provided in subdivision (c), the
27 department may assess the tax and the interest and penalty on the

1 tax that the department believes are due and payable. An assessment
2 under this subdivision or subdivision ~~(e)~~ **(F)** is final and subject
3 to appeal as provided in section 22. The final notice of assessment
4 shall include a statement advising the person of a right to appeal.

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

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

21 (5) During the course of the informal conference under
22 subsection (2) (d), the taxpayer by written notice may convert his
23 or her contest of the assessment to a claim for a refund. The
24 written notice shall be accompanied by payment of the contested
25 amount. The informal conference shall continue and the department
26 shall render a decision and issue an order regarding the claim for
27 refund.

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

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

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

22 **(A) THE AGGREGATE AMOUNT OF THE DEPARTMENT'S ORIGINAL**
23 **DETERMINATIONS OF LIABILITY ATTRIBUTED TO SETTLEMENTS ENTERED INTO**
24 **DURING THE REPORTING PERIOD.**

25 **(B) THE AGGREGATE SETTLED AMOUNT OF LIABILITY ATTRIBUTED TO**
26 **THE SETTLEMENTS ENTERED INTO DURING THE REPORTING PERIOD.**

27 **(C) THE TOTAL NUMBER OF SETTLEMENTS BETWEEN TAXPAYERS AND THE**

1 DEPARTMENT ENTERED INTO DURING THE REPORTING PERIOD.

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

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

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

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

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

24 (d) The state treasurer may request in writing information or
25 records in the possession of any other department, institution, or
26 agency of state government for the performance of duties under this
27 act. Departments, institutions, or agencies of state government

1 shall furnish the information and records upon receipt of the state
2 treasurer's request. Upon request of the state treasurer, any
3 department, institution, or agency of state government shall hold a
4 hearing under the administrative procedures act of 1969, 1969 PA
5 306, MCL 24.201 to 24.328, to consider withholding a license or
6 permit of a person for nonpayment of taxes or accounts collected
7 under this act.

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

14 (f) Except as otherwise provided in this subdivision, in
15 subsection (6) or (7), or in section 23a, an employee, authorized
16 representative, former employee or authorized representative of the
17 department, or anyone connected with the department shall not
18 divulge any facts or information obtained in connection with the
19 administration of a tax or information or parameters that would
20 enable a person to ascertain the audit selection or processing
21 criteria of the department for a tax administered by the
22 department. An employee or authorized representative shall not
23 willfully inspect any return or information contained in a return
24 unless it is appropriate for the proper administration of a tax law
25 administered under this act. A person may disclose information
26 described in this subdivision if the disclosure is required for the
27 proper administration of a tax law administered under this act or

1 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,
2 pursuant to a judicial order sought by an agency charged with the
3 duty of enforcing or investigating support obligations pursuant to
4 an order of a court in a domestic relations matter as that term is
5 defined in section 2 of the friend of the court act, 1982 PA 294,
6 MCL 552.502, pursuant to a judicial order sought by an agency of
7 the federal, state, or local government charged with the
8 responsibility for the administration or enforcement of criminal
9 law for purposes of investigating or prosecuting criminal matters
10 or for federal or state grand jury proceedings, or pursuant to a
11 judicial order if the taxpayer's liability for a tax administered
12 under this act is to be adjudicated by the court that issued the
13 judicial order. A person required to disclose information under
14 section 10(1)(j) of the Michigan economic growth authority act,
15 1995 PA 24, MCL 207.810, may disclose the information only to the
16 individuals described in that section. A person may disclose the
17 information required for the report described in section 9 of the
18 Michigan strategic fund act, 1984 PA 270, MCL 125.2009, for
19 programs with new written agreements entered into after the
20 effective date of the amendatory act that added this sentence for
21 programs operated under the Michigan strategic fund act, 1984 PA
22 270, MCL 125.2001 to 125.2094. A person may disclose the adjusted
23 gross receipts and the wagering tax paid by a casino licensee
24 licensed under the Michigan gaming control and revenue act, 1996 IL
25 1, MCL 432.201 to 432.226, pursuant to section 18, sections 341,
26 342, and 386 of the management and budget act, 1984 PA 431, MCL
27 18.1341, 18.1342, and 18.1386, or as authorized by the executive

1 director of the gaming control board. However, the state treasurer
2 or a person designated by the state treasurer may divulge
3 information set forth or disclosed in a return or report or by an
4 investigation or audit to any department, institution, or agency of
5 state government upon receipt of a written request from a head of
6 the department, institution, or agency of state government if it is
7 required for the effective administration or enforcement of the
8 laws of this state, to a proper officer of the United States
9 ~~department of treasury,~~ **DEPARTMENT OF TREASURY**, and to a proper
10 officer of another state reciprocating in this privilege. The state
11 treasurer may enter into reciprocal agreements with other
12 departments of state government, the United States ~~department of~~
13 ~~treasury,~~ **DEPARTMENT OF TREASURY**, local governmental units within
14 this state, or taxing officials of other states for the
15 enforcement, collection, and exchange of data after ascertaining
16 that any information provided will be subject to confidentiality
17 restrictions substantially the same as the provisions of this act.
18 The state treasurer or a person designated by the state treasurer
19 may disclose the address of each housing unit that is part of a
20 housing project exempt from ad valorem taxes under section 15a of
21 the state housing development authority act of 1966, 1966 PA 346,
22 MCL 125.1415a, or under section 11a of 1933 (Ex Sess) PA 18, MCL
23 125.661a, and whether the unit is subject to a service charge in
24 lieu of ad valorem taxes. The state treasurer or a person
25 designated by the state treasurer may also disclose the millage
26 rates of property taxes as defined in section 512a of the income
27 tax act of 1967, 1967 PA 281, MCL 206.512a.

1 (2) A person who violates subsection (1)(e), (1)(f), or (4) is
2 guilty of a felony ~~and~~ punishable by a fine of not more than
3 \$5,000.00 ~~and~~ or imprisonment for not more than 5 years, or both,
4 together with the costs of prosecution. In addition, if the offense
5 is committed by an employee of this state, the person shall be
6 dismissed from office or discharged from employment upon
7 conviction.

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

12 (4) A person who receives information under subsection (1)(f)
13 for the proper administration of the general property tax act, 1893
14 PA 206, MCL 211.1 to 211.155, shall not willfully disclose that
15 information for any purpose other than the administration of the
16 general property tax act, 1893 PA 206, MCL 211.1 to 211.155. A
17 person who violates this subsection is subject to the penalties
18 provided in subsection (2).

19 (5) A person identified in section 10(1) of the Michigan
20 economic growth authority act, 1995 PA 24, MCL 207.810, who
21 receives information under section 10(1)(j) of the Michigan
22 economic growth authority act, 1995 PA 24, MCL 207.810, as
23 permitted in subsection (1)(f), shall not willfully disclose that
24 information for any purpose other than the proper administration of
25 his or her legislative duties nor disclose that information to
26 anyone other than an employee of the legislature, who is also bound
27 by the same restrictions. A person who violates this subsection is

1 responsible for and subject to a civil fine of not more than
2 \$5,000.00 per violation.

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

- 18 (a) Apportioned business income tax base.
- 19 (b) Apportioned modified gross receipts tax base.
- 20 (c) Business income tax liability.
- 21 (d) Use of credits.
- 22 (e) Modified gross receipts tax liability.
- 23 (f) Total final liability.
- 24 (g) Total liability before credits.

25 (7) A person may disclose the following information described
26 in this subsection:

- 27 (a) Information required to be reported under section 455 of

1 the Michigan business tax act, 2007 PA 36, MCL 208.1455.

2 (b) An application to enter into an agreement, a communication
3 denying an application to enter into an agreement, an agreement, a
4 postproduction certificate, a communication denying a
5 postproduction certificate, or the total amount of credits claimed
6 in a tax year under section 455 of the Michigan business tax act,
7 2007 PA 36, MCL 208.1455, notwithstanding section 455(6) of the
8 Michigan business tax act, 2007 PA 36, MCL 208.1455.

9 (c) An application to enter into an agreement, a communication
10 denying an application to enter into an agreement, an agreement, an
11 investment expenditure certificate, a communication denying an
12 investment expenditure certificate, or the total amount of credits
13 claimed in a tax year under section 457 of the Michigan business
14 tax act, 2007 PA 36, MCL 208.1457, notwithstanding section 457(6)
15 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

16 (d) An application to enter into an agreement, a communication
17 denying an application to enter into an agreement, an agreement, a
18 qualified job training expenditures certificate, a communication
19 denying a qualified job training expenditures certificate, or the
20 total amount of credits claimed in a tax year under section 459 of
21 the Michigan business tax act, 2007 PA 36, MCL 208.1459,
22 notwithstanding section 459(6) of the Michigan business tax act,
23 2007 PA 36, MCL 208.1459.

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