

HOUSE BILL No. 4891

June 7, 2007, Introduced by Reps. Melton, Johnson and Constan 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 section 6a (MCL 205.6a), as added by 2006 PA 12.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 6a. (1) A taxpayer may rely on a bulletin or letter

1 ruling issued by the department after September 30, 2006 and shall
2 not be ~~penalized~~ **SUBJECT TO TAX, PENALTY, OR INTEREST** for that
3 reliance until the bulletin or letter ruling is revoked in writing.
4 However, that reliance by the taxpayer is limited to issues
5 addressed in the bulletin or letter ruling for tax periods up to
6 the effective date of an amendment to the law upon which the
7 bulletin or letter ruling is based or for tax periods up to the
8 date of a final order of a court of competent jurisdiction for
9 which all rights of appeal have been exhausted or have expired that
10 overrules or modifies the law upon which the bulletin or letter
11 ruling is based.

12 (2) As used in this section:

13 (a) "Bulletin" means a revenue administrative bulletin.

14 (b) "Letter ruling" means a formal document issued by the
15 department to a specific taxpayer on a specific tax matter related
16 to a future transaction. A taxpayer shall request a letter ruling
17 on a form and in a manner prescribed by the department.