

HOUSE BILL No. 4484

March 23, 2011, Introduced by Rep. Gilbert and referred to the Committee on Tax Policy.

A bill to amend 1992 PA 234, entitled
"The judges retirement act of 1992,"
by amending section 720 (MCL 38.2670), as amended by 2002 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 720. (1) ~~Distributions~~ **EXCEPT AS OTHERWISE PROVIDED IN**
2 **THIS SECTION, DISTRIBUTIONS** from employer contributions made
3 pursuant to section 714(2) and (3) and earnings on those employer
4 contributions, and distributions from employee contributions made
5 pursuant to section 714(3) and earnings on those employee
6 contributions, are exempt from any state, county, municipal, or
7 other local tax.

8 (2) **BEGINNING JANUARY 1, 2012, DISTRIBUTIONS FROM EMPLOYER**
9 **CONTRIBUTIONS MADE PURSUANT TO SECTION 714(2) AND (3) AND EARNINGS**
10 **ON THOSE EMPLOYER CONTRIBUTIONS, AND DISTRIBUTIONS FROM EMPLOYEE**

1 CONTRIBUTIONS MADE PURSUANT TO SECTION 714(3) AND EARNINGS ON THOSE
2 EMPLOYEE CONTRIBUTIONS, ARE SUBJECT TO STATE TAX.

3 (3) ~~(2)~~—The state treasurer has the right of setoff to recover
4 overpayments made under this act and to satisfy any claims arising
5 from embezzlement or fraud committed by a qualified participant,
6 former qualified participant, refund beneficiary, or other person
7 who has a claim to a distribution or any other benefit from Tier 2.

8 (4) ~~(3)~~—The state treasurer shall correct errors in the
9 records and actions in Tier 2 under this act, and shall seek to
10 recover overpayments and shall make up underpayments.