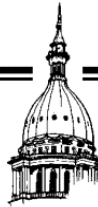




Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bill 64 (as reported without amendment)  
Sponsor: Senator Jack Brandenburg  
Committee: Finance

**CONTENT**

The bill would amend provisions of the revenue Act that make an officer, manager, or partner personally liable for unpaid taxes of a business, to do the following:

- Limit personal liability to situations in which a business failed to pay tax collected from another person.
- Limit personal liability to a person who had been responsible for collecting the tax or filing returns during the time period of default, and willfully failed to pay the collected tax.
- Limit the liability of a responsible person to his or her proportionate share of the tax assessed, if there were more than one responsible person.
- Allow a responsible person to recover the excess from another person, if the responsible person paid more than his or her share of tax assessed.
- Require the Department of Treasury to assess a purchaser of a business before assessing a responsible person, if both were liable.
- Require the Department to disclose the name of any other liable person or purchaser, and other information, upon the request of a responsible person who was assessed for a business's unpaid collected taxes.
- Prohibit the Department from assessing a responsible person more than four years after an assessment was issued to the business.
- Delete a provision under which the dissolution of a business does not discharge personal liability.

MCL 205.27a

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would reduce State revenue by an unknown and potentially significant amount that would depend on the specific characteristics of affected taxpayers. The most significant source of revenue reduction would likely be the provisions that would limit the assessment of a responsible person to cases in which a business collects tax from another person. Under current law, such assessments may be made against an officer, manager, or partner of any business liable for taxes under the Act, not just one that collects a tax from another person.

The bill would have no effect on local revenue or expenditure.

Date Completed: 5-9-13

Fiscal Analyst: David Zin