

**CITY UTILITY USERS TAX ACT (EXCERPT)**  
**Act 100 of 1990**  
Chapter 2  
**UNIFORM CITY UTILITY USERS TAX ORDINANCE**

**141.1161 Short title.**

Sec. 1.

This ordinance shall be known and may be cited as the "uniform city utility users tax ordinance".

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1162 Definitions.**

Sec. 2.

For the purposes of this ordinance:

(1) The words, terms and phrases set forth below and their derivations have the meanings given therein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and in the singular number include the plural. "Shall" is always mandatory and not merely directory. "May" is always directory.

(2) "Administrator" means the official designated by the city to administer the provisions of this ordinance.

(3) "Billed or ordinarily billable to locations within the taxing city" means the location of the premises of the user for the usage of the public utility services.

(4) "Month" means a calendar month.

(5) "Person" means a natural person, partnership, fiduciary, association, corporation, or other entity. When used in any provision imposing a criminal penalty, "person" as applied to an association means the parties or members thereof, and as applied to a corporation, the officers thereof.

(6) "Public utility services" means the providing, performing or rendering of public service of a telephone, electric, steam, or gas nature, the rates or other charges for which are subjected to regulation by state public utility regulatory bodies, federal public utility or regulatory bodies or both, or the rendering of public service of an electric or gas nature by a government owned facility.

(7) "Public utility" means a person who provides public utility services.

(8) "Resale customer" means a person that purchases utility services or property from a public utility for resale to a utility user.

(9) "Utility user" or "user" means a person required to pay a tax imposed under the provisions of this ordinance.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1163 Imposition of city utility users tax; rate; measurement.**

Sec. 3.

Subject to the exclusions, adjustments, and exemptions herein provided, a city utility users tax at the rate of .....% for general revenue purposes is hereby imposed on and shall be paid by the utility user. This tax shall be measured by the amounts paid, not including any existing or hereafter enacted taxes (including, but not limited to federal, state, city, and other local taxes, directly added to or directly passed on in the users' billing) paid by users for the public utility services as hereinafter provided, billed or ordinarily billable to locations within the taxing city:

(a) The tax shall be imposed on all intrastate telephone communication services, furnished by a public utility. The term "intrastate telephone communication services" shall not include any telephone service originating or terminating outside Michigan, telephone services by coin-operated installations, directory advertising proceeds, telephone services not taxable under section 4251 of Title 26 of the United States Code as of December 31, 1969,

as amended, centrex and multi-line key switching systems, mobile telephone service, and any types of services or equipment, furnished by telephone companies subject to public utility regulation, during any period in which such services or equipment are in competition with services or equipment furnished by or available from persons other than telephone companies subject to public utility regulation.

(b) The tax shall be on all electrical energy and steam provided by a public utility or a resale customer. The term "electrical energy and steam provided" shall include amounts paid for metered energy and steam, and minimum charges for service, including user charges, service charges, demand charges, standby charges, and annual and monthly charges. The term shall not include electrical energy or steam sold to or exchanged with for resale by, another public utility, or used or consumed in the conduct of the business of an electric or steam public utility or a combination gas and electric utility.

(c) The tax shall be on all gas, natural or artificial provided by a public utility or a resale customer. The term "gas, natural or artificial provided" shall not include any gas sold for use in the generation of electrical energy by a public utility, any gas sold to or exchanged with for resale by, another gas public utility, or any gas used or consumed in the conduct of the business of a gas public utility or a combination gas and electric utility.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

#### **141.1164 Billing; tax as debt; delinquency; remittance; filing annual return.**

##### **Sec. 4.**

(1) The taxes imposed under this ordinance shall be billed by the public utility or resale customer as provided in section 3 herein, and they may imprint upon the face of the bill the amount of the tax and the name of the taxing city, commencing with the first regular billing period applicable to that person which starts on or after the date this ordinance is made operative for the taxing city, and shall be paid by the user along with the amounts billed for public utility services furnished.

(2) Any tax required to be paid by a user under this ordinance shall be deemed a debt owed by the user to the taxing city, and deemed delinquent from the time due until paid.

(3) Subject to extensions which may be granted for good cause shown, and to a utility collection fee of 1% of the tax amounts involved, all tax amounts under this ordinance billed by the public utility or resale customer in a given month shall be remitted to the taxing city on or before the last day of the following month, along with a return in such form as may be prescribed by the taxing city, showing such information as may be necessary for the proper administration of this ordinance provided that tax amounts based on billings shall be subject to adjustment for tax moneys not actually collected by the public utility or resale customer. Any such tax amounts not so remitted shall be deemed delinquent. An annual return for each year shall be filed by the public utility and resale customer on or before the end of the fourth month following the end of the tax year.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

#### **141.1165 Rules relating to administration and enforcement; adoption, amendment, and repeal; collection and disposition of taxes and payments; special ruling; examination of books, papers, and records.**

##### **Sec. 5.**

(1) The administrator may adopt, amend and repeal rules relating to the administration and enforcement of this ordinance, but not in conflict with the ordinance, subject to the approval of the city governing body. The rules, amendments and repeals, after approval by the city governing body, shall become effective upon being published in the official newspaper of the city.

(2) The administrator shall enforce this ordinance and the rules. The administrator shall prepare, adopt and make available to taxpayers and other persons all forms necessary for compliance with this ordinance.

(3) The city treasurer shall collect all taxes and payments due under this ordinance and deposit them in a designated city depository.

(4) A taxpayer, public utility, or resale customer desiring a special ruling on a matter pertaining to this ordinance or rules shall submit in writing to the administrator all the facts involved and the ruling sought. A taxpayer, public

utility, or resale customer, aggrieved by a special ruling may appeal as provided in section 14.

(5) The administrator or his or her duly authorized agent may examine the books, papers and records of any person, public utility, resale customer, taxpayer or his or her agent or representative, for the purpose of verifying the accuracy and completeness of a return filed, or, if no return was filed, to ascertain the tax, penalties or interest due under this ordinance.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

#### **141.1166 Confidentiality; violation; penalties.**

##### **Sec. 6.**

(1) Information gained by the administrator, or any other city official, agent, or employee as a result of a return, investigation, hearing or verification required or authorized by this ordinance is confidential, except for official purposes in connection with the administration of the ordinance and except in accordance with a proper judicial order.

(2) Any person who divulges this confidential information, except for official purposes, is guilty of a violation of this ordinance and subject to a fine not exceeding \$500.00 or imprisonment for a period not exceeding 90 days, or both, for each offense. In addition, an employee of the city who divulges this confidential information is subject to discharge for misconduct.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

#### **141.1167 Examinations and investigation; furnishing means, facilities, and opportunity; ordering personal appearance for examination; refuse to submit to examination or investigation; violation; penalties.**

##### **Sec. 7.**

(1) A person shall furnish, within 10 days following a request of the administrator or his or her duly authorized agent, the means, facilities, and opportunity for making such reasonable examinations and investigations as are authorized by this ordinance, and shall present himself or herself for examination under oath when so ordered by the administrator. The request or order of the administrator or his or her duly authorized agent may be made verbally unless the person requests that the request or order be addressed to him or her in writing.

(2) Refusal by any person to submit to such examination or investigation, when requested or ordered by the administrator, is a violation of this ordinance, punishable by such penalties as are provided in the ordinance.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

#### **141.1168 Delinquent tax amounts; interest and penalties.**

##### **Sec. 8.**

(1) All delinquent tax amounts shall be subject to interest from the due date at the rate of 1/2 of 1% per month or fraction thereof until paid.

(2) A user failing to pay the tax, or any public utility or resale customer failing to remit moneys billed and due the city, when due, or file a return when due, is liable, in addition to the interest, to a penalty of 1% of the amount of the unpaid tax, or moneys unremitted, for each month or fraction thereof, not to exceed a total penalty of 25% of the unpaid tax. The administrator may abate the penalty or a part thereof for just cause. If the total interest or interest and penalty to be assessed is less than \$2.00, the administrator, in lieu thereof, may assess a penalty in the amount of \$2.00. Interest, interest and penalty, or the minimum charge shall be computed separately for each

month or billing period.

(3) Interest and penalties applicable to users shall not be subject to public utility or resale customer billing procedures but shall be recovered only by the taxing city directly from users.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1169 Failure to remit tax moneys received from users; issuance and service of proposed assessment; proof of mailing; written protest.**

Sec. 9.

(1) If the administrator determines that a user has failed to pay the full amount of the tax due under this ordinance, the administrator may, or if he or she determines that a public utility or resale customer has failed to remit the amount of tax moneys received from users, and due the city, the administrator shall issue a proposed assessment showing the amount due and unpaid, together with interest and penalties that may have accrued thereon. The proposed assessment shall be served upon the user, public utility, or resale customer in person, or by mailing by registered or certified mail to his or her last known address. Proof of mailing the proposed assessment is prima facie evidence of a receipt thereof by the addressee.

(2) A user, public utility, or resale customer has 30 days after receipt of a proposed assessment within which to file a written protest with the administrator, who shall then give the user, public utility, or resale customer or his or her duly authorized representative an opportunity to be heard and present evidence and arguments in his or her behalf.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1170 Hearing; final assessment; proof of mailing; effect of not filing protest.**

Sec. 10.

(1) After the hearing the administrator shall issue a final assessment setting forth the total amount found due in the proposed assessment and any adjustment he or she may have made as a result of the protest. The final assessment shall be served in the same manner as a proposed assessment. Proof of mailing of the final assessment is prima facie evidence of a receipt thereof by the addressee.

(2) If a protest is not filed in respect to a proposed assessment, a user, public utility, or resale customer is deemed to have received a final assessment 30 days after receipt of the proposed assessment.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1171 Refusal to pay tax due; obligation to rebill; issuance of proposed or final assessment; demand for payment; recovery in court; prosecution.**

Sec. 11.

If the public utility or resale customer determines and reports to the administrator that a utility user has refused to pay the tax due, the public utility or resale customer is relieved of the obligation to rebill the tax amount involved. In this event the administrator may, but is not required to, issue a proposed assessment or a final assessment against the user. The administrator may issue a 10-day demand for payment and if no payment or satisfactory evidence of payment is made in the 10 days he or she may thereafter recover the tax with interest and penalties thereon in the name of the city in any court of record as other debts are recoverable, or prosecute for violation of this ordinance under section 17, or both.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1172 Additional assessment.**

Sec. 12.

Except in case of fraud, failure to file a return, or omission of substantial portions of tax due on a return, an additional assessment shall not be made after 3 years from the date the return was due, including extensions thereof, or the tax was paid, whichever is later.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1173 Claim for refund; time; denial; appeal; payment of tax deficiency.**

Sec. 13.

(1) Except as otherwise provided in this ordinance, a tax erroneously paid shall not be refunded unless a claim for refund is made within 3 years from the date the payment was made to the city or the annual return was due, including extensions thereof, whichever is later. Upon denial of a refund, a taxpayer may follow the procedure for appeal as provided in section 14.

(2) A tax deficiency as finally determined and interest or penalties thereon shall be paid within 30 days after receipt of a final assessment where no appeal is made.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1174 Person aggrieved by rule, denial of claim, or special ruling; appeal; final order; payment; refund.**

Sec. 14.

Any person aggrieved by a rule adopted by the administrator, denial in whole or in part of a claim for refund, or a special ruling, may file a timely appeal therefrom to the state commissioner of revenue in such form and manner as the commissioner shall prescribe. Within 30 days after a final order of the commissioner upon the appeal, such person shall pay the city the taxes, interest, and penalty found due to the city, and the city shall refund any amount found to have been overpaid.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1175 Grievance; judicial determination.**

Sec. 15.

If a taxpayer, public utility, resale customer, person, or city is aggrieved by a decision of the state commissioner of revenue, the aggrieved party may bring an action within 90 days in the circuit court for the county in which the taxing jurisdiction is located to obtain a judicial determination of the matter.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1176 Payment of recovery from general fund.**

Sec. 16.

If a person is found entitled by a decision on an appeal to recover any sum paid and no further appeal has been taken within the time limited, the sum shall be paid from the general fund of the city.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990

**141.1177 Violations; penalties.**

Sec. 17.

Each of the following violations of this ordinance is punishable, in addition to the interest and penalties provided under the ordinance, by a fine not exceeding \$500.00, or imprisonment for a period not exceeding 90 days or both:

- (a) Refusal or willful failure or neglect to file a return required by the ordinance.
- (b) Refusal or willful failure or neglect to pay the tax, penalty, or interest imposed by the ordinance.
- (c) Willful failure of a public utility or resale customer to remit to the city tax moneys received as required by the ordinance.
- (d) Refusal to permit the city or an agent or employee appointed by the administrator in writing to examine the books, records, and papers of a person subject to the ordinance.
- (e) Knowingly filing an incomplete, false, or fraudulent return or other tax document.

**History:** 1990, Act 100, Imd. Eff. June 13, 1990