

REVENUE DIVISION OF DEPARTMENT OF TREASURY (EXCERPT)
Act 122 of 1941

205.31 Waiver of criminal and civil penalties; conditions; amnesty period; limitation; administration of section by department; appropriation for administration and public awareness of amnesty program; work project; circumstances prohibiting waiver of criminal and civil penalties; notice.

Sec. 31. (1) If a taxpayer does not satisfy a tax liability or makes an excessive claim for a refund as a result of reliance on erroneous current written information provided by the department, the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the department of treasury pursuant to this act if the taxpayer makes a written request for a waiver, files a return or an amended return, and makes full payment of the tax and interest.

(2) For the period beginning May 15, 2011 and ending June 30, 2011, there shall be an amnesty period during which the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the department of treasury under this act if the taxpayer makes a written request for a waiver on a form prescribed by the department, submits any unfiled returns or amended returns, and makes full payment of the tax and interest due for any prior period not later than the last day of the amnesty period. This subsection does not apply to taxes due after December 31, 2009.

(3) This section applies to the nonreporting and underreporting of tax liabilities and to the nonpayment of taxes previously determined to be due, but only to the extent of the penalties attributable to the taxes that were previously due and that are paid during the amnesty period provided for in subsection (2).

(4) The department shall administer this section.

(5) There is appropriated from the revenues generated by taxes paid under subsection (2) the sum of \$6,800,000.00 to the department of treasury for administration and public awareness of the amnesty program created by the amendatory act that amended this subsection. This appropriation is allotted for expenditure on and after October 1, 2010. The appropriation authorized in this subsection is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide technical and administrative support for and public awareness of the 2011 tax amnesty program in the department of treasury. Costs related to this project will include, but are not limited to:

(i) Information technology systems changes.

(ii) Staffing-related costs.

(iii) Costs to promote public awareness.

(iv) Any other costs related to implementation and dissolution of the program, including the resolution of accounts.

(b) The work project will be accomplished through the use of interagency agreements, grants, state employees, and contracts.

(c) The total estimated completion cost of the project is \$6,800,000.00.

(d) The expected completion date is September 30, 2012.

(6) The state treasurer shall not waive criminal and civil penalties applicable to a tax under subsection (2) if 1 or more of the following circumstances apply:

(a) If the taxpayer is eligible to enter into a voluntary disclosure agreement under section 30c for that tax.

(b) If the tax is attributable to income derived from a criminal act, if the taxpayer is under criminal investigation or involved in a civil action or criminal prosecution for that tax, or if the taxpayer has been convicted of a felony under this act or the internal revenue code of 1986.

(7) The department shall provide reasonable notice to taxpayers that may be eligible for the amnesty program at least 30 days before the start of the designated amnesty period. Notification shall include, but is not limited to, a description of the amnesty program on appropriate tax instruction forms and on the internet.

History: Add. 1986, Act 58, Imd. Eff. Mar. 26, 1986;—Am. 1993, Act 14, Imd. Eff. Apr. 1, 1993;—Am. 2001, Act 168, Imd. Eff. Nov. 27, 2001;—Am. 2002, Act 657, Imd. Eff. Dec. 23, 2002;—Am. 2010, Act 198, Imd. Eff. Oct. 5, 2010.

Compiler's note: Section 2 of Act 58 of 1986 provides: "The changes in penalties and interest affected by this amendatory act shall take effect July 1, 1986."

Section 3 of Act 58 of 1986 provides: "Except for section 31 and the provisions of enacting section 2, this amendatory act shall take effect May 1, 1986."

Popular name: Revenue Act