

CITY INCOME TAX ACT (EXCERPT)
Act 284 of 1964

141.686b Demand for payment; warrant; levy on property; refusal or failure to surrender property; personal liability; effect of levy on salary or wages; service of warrant-notice levy.

Sec. 86b.

(1) Notwithstanding section 86, a city that has entered into an agreement with the department pursuant to section 9 of chapter 1 may cause a demand to be made on a taxpayer for the payment of a tax due under this ordinance. If the liability remains unpaid for 10 days after the demand and proceedings are not taken to review the liability, a warrant may be issued. Except as provided in this section, the city, through any officer or agent or person authorized to serve process or through authorized employees, may levy on all property and rights to property, real and personal, tangible and intangible, belonging to the taxpayer or on which a lien is provided by law for the amount of the deficiency, and sell the real and personal property of the taxpayer found within the state for the payment of the amount due, the cost of executing the warrant, and the additional penalties and interest. Except as provided in subsection (6), the officer or agent or person serving the warrant shall proceed upon the warrant in all respects and in the same manner as prescribed by law in respect to executions issued against property upon judgments by a court of record. A city, through its authorized representative, may bid for and purchase any property sold pursuant to this section.

(2) A person that refuses or fails to surrender any property or rights to property subject to levy, upon demand by the city, is personally liable to the city in a sum equal to the value of the property or rights not surrendered, but not exceeding the amount due for which the levy was made, together with costs and interest on the sum at the rate provided in section 82 from the date of the levy. Any amount, other than costs, recovered under this subsection shall be credited against the liability for the collection of which the levy was made.

(3) In addition to the personal liability imposed by subsection (2), if a person required to surrender property or rights to property fails or refuses to surrender the property or rights to property without reasonable cause, the person shall be liable for a penalty equal to 50% of the amount recoverable under subsection (2), none of which penalty shall be credited against the liability for the collection of which the levy was made.

(4) A person in possession of, or obligated with respect to, property or property rights subject to levy and upon which a levy has been made who, upon demand of the city, surrenders the property or rights to property or discharges the obligation to the city or who pays a liability under subsection (1) shall have that obligation to a person delinquent in payment of a tax reduced in an amount equal to the property or rights to property surrendered or amounts paid to the city.

(5) Property described in section 6334 of the internal revenue code of 1986, 26 USC 6334, is exempt from levy under this section for an unpaid tax. The effect of a levy on salary or wages shall be continuous from the date the levy is first made until the liability out of which the levy arose is satisfied.

(6) A warrant notice of levy may be served by certified mail, return receipt requested, on any person in possession of, or obligated with respect to, property and rights to property, real and personal, tangible and intangible, belonging to the taxpayer or on which a lien is provided by law. The date of delivery on the receipt shall be the date the levy is made. A person may, upon written notice to the department, on behalf of the city, have all notices of levy sent to 1 designated office.

History: Add. 2018, Act 456, Imd. Eff. Dec. 21, 2018 ;-- Am. 2023, Act 195, Eff. Feb. 13, 2024