

OTHER IMPORTANT INFORMATION

Estimating Tax Liability

If income taxes are not withheld from a taxpayer's wages or if more than \$500 will be owed on the annual return, quarterly estimated tax payments must be made on a *Michigan Estimated Income Tax for Individuals* (Form MI-1040ES). A bill may be issued for additional penalty and interest for failing to make quarterly payments.

Claiming a Refund

A claim for refund of overpaid taxes should be filed on a *Michigan Individual Income Tax Return* (Form MI-1040). A taxpayer has four years from the date the return is due (April 15) to claim a refund.

Current year returns submitted by the filing deadline are usually processed by June 1st. Interest will be applied to refunds beginning 45 days after the return is filed or 45 days after the due date, whichever is later.

Refund Different Than Expected

Treasury will send an explanation for adjustments made to returns. Taxpayers may request an informal conference to appeal the adjustment. A request for an informal conference must be made within 60 days of the date of the explanation letter.

Confidentiality

Treasury employees are required to protect confidential information. Disclosure of tax information to any third party must be authorized by the taxpayer before it can be released. A taxpayer may elect to authorize disclosure to other parties by completing the *Authorized Representative Declaration (Power of Attorney)* (Form 151). This form is available to businesses through Michigan Treasury Online (www.michigan.gov/mto) and to individuals under the forms search option at www.michigan.gov/treasury.

CONTACT INFORMATION

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|-----------------------------|--------------|
| Business Taxes | 517-636-6925 |
| Collection Services | 517-636-5265 |
| IFTA | 517-636-4580 |
| Individual Income Tax | 517-636-4486 |
| Motor Fuel Taxes | 517-636-4600 |
| Tobacco Tax | 517-636-4630 |

Office of the Taxpayer Advocate

The Office of the Taxpayer Advocate works to ensure taxpayer's rights are protected and Treasury's processes are fairly administered. As the resource of last resort the Office assists individual and business taxpayers by resolving account specific issues that have not been resolved through Treasury's normal channels. Taxpayers have the right to file a complaint if they feel a Treasury employee has not provided fair, courteous service or has in some way violated the confidentiality provisions.

Contact the Office of the Taxpayer Advocate by completing and submitting a *Request for Assistance* form online through the Advocate web site at www.michigan.gov/taxpayeradvocate or writing to:

Michigan Department of Treasury
Taxpayer Advocate Office
Lansing, MI 48922

This brochure is intended to help clarify taxpayer rights and responsibilities; it does not take the place of the law.



Building a Culture of Taxpayer Service

Michigan Department of Treasury employees will provide prompt, fair and courteous services; maintain your confidentiality and process your tax return in a timely manner.

Taxpayer Responsibilities

Taxpayers have a responsibility to:

- File returns on time with the correct payment if they owe taxes.
- Provide the legal name, account number on all correspondence and payments sent to Treasury.
- Make sure returns are correct no matter who prepares them.

Treasury strives to make tax information, instructions and forms clear and easy to follow. For more tax information, visit:

www.michigan.gov/taxes

THE BILLING PROCESS

If Treasury's review indicates a taxpayer may owe taxes, the following actions will be taken:

1. **Letter of Inquiry:** Treasury will send a *Letter of Inquiry* explaining the amount due. If the taxpayer agrees with this amount, he or she should pay immediately. If the taxpayer disagrees with the amount stated or has further questions, Treasury should be contacted right away using the address or telephone number found in the letter.

2. **Thirty days after issuing the Letter of Inquiry:** If contact has not been made or the amount has not been paid, Treasury will issue a *Bill for Taxes Due Intent to Assess (Intent to Assess)* for the balance of taxes due. If the taxpayer disagrees with the amount, a written request for an informal conference must be submitted within 60 days of the date the Intent to Assess is received (see *The Appeals Process*).

3. **Sixty days after issuing the Intent to Assess:** Unless the amount due is paid in full, an informal conference has been requested, or Treasury has received information to correct the amount due, Treasury will issue a *Final Bill for Taxes Due Final Assessment*.

Paying the Tax

Payments may be made any time during the billing process. If full payment cannot be made, an installment agreement may be requested by contacting the Bureau of Collection Services.

Penalty and Interest

Penalty and/or interest will apply as long as there is a tax balance due. Penalty on an assessment may be waived if reasonable cause for failure to pay on time is demonstrated. Reasonable cause may be serious illness or death, a fire or natural disaster, or criminal acts against the taxpayer. Penalty waiver requests must be made in writing.

THE APPEALS PROCESS

1. An informal conference must be requested in writing within 60 days of the date of a refund denial (in whole or in part) or within 60 days of receipt of a Bill for Taxes Due Intent to Assess. A taxpayer may choose to appeal directly to the Michigan Tax Tribunal or the Court of Claims (see #4 below). The following information must be included in the request for an informal conference:

- The amount of tax disputed
- An explanation of the dispute
- Payment of the undisputed portion of the tax bill.

Send informal conference requests to:

Michigan Department of Treasury
Hearings Division
430 W. Allegan Street
Lansing, MI 48922

2. Taxpayers and/or their representatives may appear in person or participate by telephone. Informal conferences may be recorded if the taxpayer gives seven days advance written notice to the Hearings Division.

3. The informal conference referee will make a recommendation to the Treasurer or Treasurer's designee who will issue a final decision.

4. Taxpayers may appeal an informal conference decision, order, Final Assessment or a refund denial or adjustment by filing an appeal to the Michigan Tax Tribunal within 60 days or the Court of Claims within 90 days.

NON-PAYMENT OF TAXES DUE

Treasury will not take collection action before appropriate notice has been given and due process has been provided. If the debt is not paid, Treasury may take collection action to secure payment of the debt, including:

Liens: Treasury will file liens on real and personal property to protect the interest of the State. Liens may be filed regardless of whether an approved installment arrangement is in place. *Liens become a public record and may affect the credit rating of the taxpayer. In most cases, property cannot be sold or transferred until the past-due tax is paid and the lien is released.*

Wage Levy: Treasury may serve a levy against a taxpayer's wage, salary, bonus, commission and other compensation from an employer. A wage levy requires a taxpayer's employer to pay the past-due debt by deducting a specified amount from a taxpayer's net wages until the amount is paid. A filing fee of \$55 will be added to the delinquent amount due for each levy served.

Financial Institution Levy: Treasury may serve a levy against a taxpayer's account(s) at financial institutions which requires the financial institution to send Treasury any funds up to the total past due balance. A filing fee of \$55 will be added to the delinquent amount due for each levy served.

Offsets: Treasury may offset any income tax refunds or payments owed to a taxpayer by the State and apply it to the debt regardless of any installment agreement.

Other Actions: Treasury has the authority to take immediate action to freeze assets and restrict the transfer of property.