

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 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 authorize Treasury to communicate with a named individual or entity by completing the *Authorized Representative Declaration (Power of Attorney)* (Form 151). This form is available online at www.michigan.gov/taxes. All businesses may complete this form via Michigan Treasury Online at www.michigan.gov/taxes/business-taxes/mtto.

CONTACT INFORMATION

Business Taxes 517-636-6925
www.michigan.gov/taxes/business-taxes

Collection Services 517-636-5265
www.michigan.gov/taxes/collections

Individual Income Tax 517-636-4486
www.michigan.gov/taxes/iit

For additional contact information for other tax types, visit: www.michigan.gov/taxes

Office of Advocacy Services

The Office of Advocacy Services was created to serve as a resource of last resort, focused on assisting individual and business taxpayers resolve issues when all normal channels of resolution have been exhausted. The Office is responsible for the administration and operational oversight of the Offer in Compromise (OIC) Program where individuals and businesses may request to compromise an assessed tax liability for less than the full amount owed based on specific criteria. For information on how to request an OIC, visit www.michigan.gov/OIC.

Contact the Office of Advocacy Services through their website 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 Service

Michigan Department of Treasury employees will provide complete, accurate, and timely services in a fair, courteous, and confidential manner.

Taxpayer Responsibilities

Taxpayers have a responsibility to:

- File returns on time including payment if taxes are due.
- Include your name and 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 information, visit:

www.michigan.gov/taxes

THE BILLING PROCESS

If Treasury's review of a return 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, they should pay immediately. If the taxpayer disagrees with the amount or has further questions, they should contact Treasury 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. If the taxpayer disagrees with the amount they should follow 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. To pay online: www.michigan.gov/taxes/collections/epay. 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

Informal Conference

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. Rather than requesting an informal conference, a taxpayer may skip over it and appeal directly to the Michigan Tax Tribunal or the Court of Claims (see 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.

Treasury Form 5713 may be used to request an Informal Conference/Hearing.

You may submit your request and supporting documentation by US Mail, fax or email to:

Michigan Department of Treasury Hearings
Division
P O Box 30038
Lansing, MI 48909
Fax to: 517-636-4115
E-mail: Treas-Hearings@michigan.gov

2. A notice to appear will be sent to the taxpayer and/or their representative with the date and time of the informal conference. The notice will provide the phone number and conference ID number for participation. If you want to participate by video or in person, please contact the Hearings Division at the number on the notice so that we can send a video link or reserve a conference room for your conference/hearing. 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.

Michigan Tax Tribunal or Court of Claims

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 has authority to take the following collection actions:

Liens: Treasury may file liens on real and personal property to protect the interest of the State. Liens may be filed regardless of whether an approved installment agreement is in place. A filing fee will be added to the delinquent amount due for each lien filed. *Liens become a public record and may affect the credit rating of the taxpayer.*

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 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 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 IRS 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 as well as request tax warrants to seize and sell assets.