



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

TREASURY BUILDING  
LANSING, MICHIGAN 48922

JAMES J. BLANCHARD, Governor  
ROBERT A. BOWMAN, State Treasurer

REVENUE ADMINISTRATIVE BULLETIN

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1987-2

Issuance of Bulletins and Letter Rulings

**RAB-87-2.** The intent of this bulletin is to establish the general procedures for issuing bulletins and letter rulings as position statements of the Bureau of Revenue with respect to the proper interpretation and application of Michigan tax laws administered by the Bureau of Revenue.

**A. Revenue Administrative Bulletin**

A Revenue Administrative Bulletin is a statement of policy issued by the Commissioner of Revenue. Its purpose is to promote uniform application of tax laws throughout the state by Bureau of Revenue personnel and provide information and guidance to taxpayers.

Information to prepare a bulletin may come from the following sources, a list which is not all inclusive: judicial decisions, Treasury letter rulings, Attorney General opinions, interpretation of rules, acquiescence and non-acquiescence in decisions of the Michigan Tax Tribunal, Treasury announcements of tax and interest rates required by law.

**B. Letter Rulings**

A Letter Ruling is a formal document setting forth the position of the Commissioner of Revenue on specific tax matters. It is issued to taxpayers by the Commissioner in response to a particular tax issue. A Letter Ruling is distributed and is available to the public. The purpose of its publication and circulation is to promote uniform application of tax laws throughout the State by Bureau of Revenue personnel and to provide guidance to taxpayers.

**C. Technical Advice Letters**

A Technical Advice Letter is an informal document released by a Division of the Bureau of Revenue. It is issued by designated personnel in response to an inquiry by a taxpayer for technical assistance. Technical Advice Letters are based upon statutes, administrative rules, regulations, and court decisions having precedential value. These documents are not published and may be relied upon only by the taxpayers requesting their issuance.

#### **D. Obtaining a Letter Ruling or Technical Advice Letter**

A taxpayer or his/her representative shall submit a statement to the appropriate tax division containing a complete account of the facts relating to his/her tax issue. The taxpayer must document in writing that the issue in question is not being litigated or challenged in an informal hearing of the department, to the Michigan Tax Tribunal, Court of Claims, Court of Appeals or Michigan Supreme Court. From this statement, the tax division will determine if a letter ruling is needed to clarify the issue and will draft a proposed ruling and submit it to the Tax Research Division for approval. A tax division may also submit a draft to the Tax Research Division for clarification of tax laws. The Tax Research Division will determine when a letter ruling will be issued. A letter ruling may, after deletion of any matter identifying the taxpayer, be published.

A letter ruling will contain sufficient information to enable a tax division or the taxpayer requesting such advice to rely on the ruling. The ruling will identify the taxpayer by name, address, identification number and year or years involved. The letter ruling will contain the pertinent facts, discussion of the facts, precedents and reasoning of the Bureau and a conclusion to resolve the issue.

A letter ruling issued by the Commissioner of Revenue will be forwarded to the tax division affected by the ruling and/or the taxpayer.

#### **E. Obsolescence of a Letter Ruling**

A letter ruling may become or be declared obsolete or revoked because:

1. The statutory provision supporting the Letter Ruling is amended or repealed;
2. The substance of the Letter Ruling is incorporated in a statute or in the Michigan Administrative Rules;
3. A court decision having precedential value renders the ruling invalid.

A Letter Ruling that is determined obsolete will be announced in a Bureau of Revenue bulletin. Subject to statutory authority, the Commissioner of Revenue is empowered to determine the retrospective application of rules and the effective date for applying changes, modifications or nullification of letter rulings.

#### **F. Acquiescence/Nonacquiescence by Commissioner**

The Commissioner may announce acquiescences or nonacquiescences in decisions of the Michigan Tax Tribunal and the Court of Claims. The Bureau of Revenue personnel shall rely upon any decision that the Commissioner has acquiesced as having precedential value in the disposition of other tax cases.

If the Commissioner acquiesces in an adverse Tax Tribunal or Court of Claims decision, any contrary Letter Ruling or Revenue Administrative Bulletin shall be promptly modified or revoked.

**G. Commissioner's disagreement with a Court of Appeals Decision**

If the Commissioner feels a Court of Appeals decision is contrary to a statute which she is charged with administering, the Commissioner will continue to administer the statute in a consistent manner until the Supreme Court either affirms or disaffirms the Court of Appeals.

**Note:** Look for future bulletins describing the procedures for obtaining the services and documents herein.