

NUMBERED LETTER 1994-20

SET-OVERPAYMENT TO COUNTY OR STATE TREASURER

Issued By: Local Audit and Finance Division, Bureau of Local Government Services
and Single Business Tax, Bureau of Revenue????

Issue Date: December 28, 1994

1994-20 Procedures for Refund of Excess Payments of the SET to the County or State and Annual Reporting

This letter is to advise you of the procedures for requesting refunds of overpayments for the State Education Tax (SET) paid to the county treasurer or state treasurer.

OVERPAYMENT BY LOCAL UNITS

The local unit official shall provide the county treasurer with sufficient information to verify the date or dates and amounts of the over payment(s) made to the county for the SET. When the overpayment is confirmed, the county treasurer will issue a refund to the local unit for the amount of the overpayment. The county treasurer will issue the refund check charging the Due State--State Education Tax Account, Account No. 228.01.

The county treasurer will remit the net SET collections (after deducting the refund issued to the local unit) for the period to the state treasurer. Report the net payment due to the state treasurer in the applicable box or line on the transmittal form. Please do not list the gross collections or the refund data in a box or space restricted for amounts actually being paid or transferred. Adjust your records to reflect the net SET payments received from the applicable local unit for verification of payments at final tax settlement.

PROCEDURES WHEN COUNTY DOES NOT HAVE SUFFICIENT SET

When a local unit requests a refund and you (the county treasurer) do not have sufficient SET money on hand to cover the refund and the local unit needs an immediate refund to cover cash flow needs, the county treasurer will verify the date and amount of the overpayment by the local unit. The county treasurer will submit a written request for the refund. The request must include the name of the local unit, the date and the amount of the county treasurer's payment of the SET to the State that included the local unit overpayment. Mail or fax your request to:

James Bengel
Michigan Department of Treasury
Single Business Tax Division
Second Floor, Treasury Building
Lansing, Michigan 48922

Phone (517) 373-8030
FAX (517) 335-1135

Treasury will issue all refunds to the county treasurer. The county treasurer shall receipt the refund into the "Due State--SET," Account 228.01 and immediately issue a county check for the amount of the refund to the local unit. Charge the refund to Account 228.01.

Treasury will not process SET refund requests received from a local unit. All SET refund requests to Treasury must be submitted by the county treasurer.

After final tax settlement with the local units, the county treasurer shall submit an annual SET report for the tax collection year of July 1 through June 30. The report is due on or before August 15.

THE ANNUAL SET REPORT WILL INCLUDE:

- a) Total amount of SET levy as adjusted (BOR, MTT etc) as of the date of final settlement with the local units
- b) Total amount of SET collections as of the date of settlement with the local units
- c) Total amount of SET returned delinquent at settlement
- d) Amount of interest and penalty collected on the summer SET collections
- e) Amount of SET paid to the State

When applicable, the annual SET report will also include the amount of chargebacks to repay the Delinquent Tax Revolving Fund.

The reporting format for the annual SET is currently being drafted. You will receive the reporting form with instructions when completed. Most of the data requested for the SET report can be obtained from your summary report of tax settlement with the local units.

If you have any questions or we can be of further assistance, please contact the Single Business Tax Division at the address or phone number listed above.