

Tax Tribunal/Court of Claims

4. You may appeal the State Treasurer's decision from an informal conference or a final assessment to either:

- The Michigan Tax Tribunal within 35 days, which requires payment of the undisputed amount, **or**
- The Court of Claims (Ingham Circuit Court) within 90 days, which requires payment of the full amount of the assessment.

5. Decisions of the Tax Tribunal or the Court of Claims may be appealed timely to the Court of Appeals and ultimately to the Michigan Supreme Court.

Penalty and Penalty Waiver

If you owe additional tax because of an audit, a penalty may also be assessed. Penalty on an assessment will be waived if you can show reasonable cause for your failure to pay on time. Reasonable cause may be serious illness or death, fire or natural disaster, or criminal acts against you. The penalty waiver will apply only to periods directly affected by the circumstances. Requests for waiver of penalty must be made in writing.

Disclosure

The employees of the Department of Treasury honor your right to privacy. Disclosure of tax information to any person other than the taxpayer must be authorized by the taxpayer. A *Power of Attorney* (Form 151) can be downloaded from the Treasury Web site. Your confidential tax information may be shared with other government agencies as required by law.

Tell Us Who You Are

It is important to include your name and Social Security number or business identification number on all correspondence and payments. Verify the accuracy of this information before you file a return or write to us.

We Are Here to Help

We make every effort to make tax forms and instructions clear and easy to follow. If you need forms, call our computerized forms message system at 1-800-367-6263. If you have questions, contact the appropriate tax unit at the number below. For questions about tax debts that have been assessed, contact the Collection Division.

Individual Taxes	1-800-827-4000
Sales, Use and Withholding Taxes	517-636-4730
Single Business Tax	517-636-4700
Motor Fuel Taxes	517-636-4600
Collection Division	517-636-5265

If you have a problem with your tax account that you have tried to correct through these channels without success, write to:

The Taxpayer Advocate
Michigan Department of Treasury
Lansing, MI 48922

Michigan Department of Treasury

Working Together Taxpayer's Rights During an Audit

As employees of the Michigan Department of Treasury, we will comply with Michigan law by providing:

- Prompt, fair, and courteous service
- Confidentiality
- Timely processing of your return
- Copies of tax returns and related documents from your file.

If we fail to provide this service, you have the right to file a complaint. Be sure to note the employee(s) name so your complaint can be handled properly.

As a taxpayer it is your responsibility to:

- File your returns on time with the correct payment (if necessary).
- Make sure your returns are correct, no matter who prepares them for you.

This brochure is intended only to help you understand your rights and responsibilities as a taxpayer; it does not take the place of law.

www.michigan.gov/treasury

Audit Procedures

Most tax returns are accepted as filed. Some returns are chosen for audit by a random computer search. If your return is chosen for audit, it does not suggest that your return is incorrect or reflect on you personally.

If your **income tax** return is chosen for audit, we may ask you to verify some information. This is usually done through the mail or over the telephone. A personal interview is usually not necessary.

If your **business tax** return and records are selected for audit and an interview or visit to your business is required, you have the right to:

- Ask that the audit take place at a reasonable time in a convenient location.
- Represent yourself, have someone accompany you or, with authorization, have a third party represent you in your absence.
- Receive copies of the audit workpapers that show how the auditor determined any changes to your taxes.
- Meet with the auditor to discuss the report.
- Meet with the auditor's supervisor to discuss any changes made to your taxes that you disagree with.

The Refund Process

If the audit results in a tax refund, we will send you an audit determination letter stating the amount of the refund. We will also notify you if we discover other refund opportunities during the audit. If you disagree with the amount of the refund, you may appeal.

The Billing Process

If we believe you owe taxes after an audit, these are the steps we will take:

1. You will receive an audit determination letter stating any additional tax and penalties that are due.

2. We will accept full payment of the undisputed portion of the amount due after audit.

3. If we do not receive full payment after you receive the audit determination letter, a *Notice of Intent to Assess* will be issued for the taxes due. If you disagree with the amount due, you may request an informal conference within 60 days of this notice (see *The Appeals Process*).

4. Sixty days after the *Notice of Intent to Assess*, we will issue a *Bill for Taxes Due (final assessment)*, unless we have received correcting information.

Payment of the Additional Tax

1. You may pay at any time during the billing process. If you can't pay all the taxes due, you may contact the Collection Division at the phone number on the notice to request monthly payments on an installment agreement.

2. You **must** make payment or payment arrangements within 35 days of the final assessment or we may take the following actions:

- Intercept your paycheck or levy your bank accounts.
- Place liens on your home, business or personal property to protect the State's interest.
- Refer the account to Treasury Field staff or Michigan Accounts Receivable Collection System (MARCS) to actively pursue collection of the debt.
- Intercept any money the State owes you (such as an income tax refund) and apply it to your debt.
- Apply penalty and interest for as long as there is a tax balance. (All payments are applied first to interest, second to penalty, and third to tax.)

“Jeopardy assessments” for extreme cases.

If, at any time, we believe you plan to sell and hide property to avoid seizure, we will issue a jeopardy assessment and liens that will freeze your assets. This means you will not be able to withdraw money from your bank accounts or transfer the title of any of your property. If you wish to sell your property, we will send a representative to the sale to accept payment of your liability. The actions of levy and jeopardy assessments are severe. Please give your prompt attention to resolving your debt when contacted.

The Appeals Process

You have the right to appeal any billing or a reduced refund.

Informal Conference

1. For an informal conference with a Department of Treasury referee, write to Treasury within 60 days after receiving a *Notice of Intent to Assess* or a Final Audit Determination letter in the case of a reduced refund. Include the following in your written request:

- The amount of tax you are disputing
 - An explanation of your complaint
 - Payment of any portion of the tax bill that you are not disputing.
2. A hearing date and place is set that is convenient for all parties.
- You may bring an attorney or other representative with you or have someone represent you in your absence.
 - You may record the hearing, but notify us first.
3. The referee will make a recommendation to the State Treasurer who will review your file, make a final decision and notify you.