



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

ROBERT J. KLEINE  
STATE TREASURER

**Letter of Inquiry Concerning Michigan Individual Income Tax**

July 16, 2010

The Discovery and Tax Enforcement Division has conducted a review of your Michigan Individual Income Tax return for 2006. On the Michigan tax form MI-1040 Schedule 1, line 12, you subtracted a retirement distribution from your income. Based on information provided on your 1099-R, *Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, your distribution is not allowed as a subtraction.

A subtraction is only allowed on the Michigan return for qualifying distributions. If box 7 Distribution Code(s) on your 1099R was reported as a "1", this indicates an early distribution and does not qualify for a subtraction. To be considered a qualified distribution, several requirements must be met. Please refer to the enclosed *Frequently Asked Questions (FAQ)* concerning qualifying distributions.

**How to respond to this inquiry**

If you believe you qualify for the subtraction, provide the following item(s):

- Copies of your actual 1099R(s).
- Documentation from the issuer of the 1099R(s) stating the correct distribution code if a distribution code "1" was reported in error.
- A letter from Social Security Administration indicating a status of totally and permanently disabled and the effective date if you were deemed disabled for the above tax year.

If you do not qualify for the subtraction, pay the following amount. Make your check payable to the "State of Michigan".

<u>Year</u>	<u>Tax</u>	<u>Interest</u>	<u>Total Due</u>
2006	\$	\$	\$

Send all payments or requested documentation with a copy of this letter. A return envelope has been provided for your use.

If full payment of the tax and interest cannot be made, a partial payment should be sent. A *Bill for Taxes Due (Intent to Assess)* will be issued for the remaining balance. The phone number for the Collection Division will be provided on this bill so contact can be made to determine if you qualify for a payment plan.

**What happens if you do not respond by August 16, 2010**

Failure to respond by August 16, 2010 with the appropriate payment or requested documentation will result in a *Notice of Intent to Assess* for the calculated amount due plus penalty and interest. A written statement without the requested documentation will not be sufficient to satisfy this inquiry.

**If you have questions**, please call Lisa Pung at (517) 636-4259.