



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

Letter of Inquiry Concerning Michigan Taxes

October 10, 2008

«MNAME1»
«MNAME2»
«MADDR1»
«MAddr2»
«MCITY» «MProvince» «MST» «MZIP»
«MCountry»

2nd Request

REF#:«MCRSNUM»

Dear Company Controller, Tax Manager or Tax Director:

On **July 11, 2008** we contacted your company concerning Michigan's nexus standards for Single Business Tax. Your company has been identified as remitting sales, use and/or withholding tax to the State of Michigan. This may make your company liable for other Michigan taxes, if employees or nonemployees were soliciting sales or performing services in Michigan on behalf of the company.

Under Michigan's jurisdictional standards, nexus is established through solicitation of sales with a resident or non-resident employee, agent, representative, independent contractor, broker or others acting on behalf of the company, or through performance of services. These standards are explained in Revenue Administrative Bulletins (RAB) 1998-1, *Single Business Tax Nexus Standards* and 1999-1, *Use Tax Nexus Standards*. A copy of Form 4503, *Summary of Revenue Administrative Bulletins (RABs) 1998-1 & 1999-1* was included with our previous letter.

We also provided information on Michigan's voluntary disclosure program. Under voluntary disclosure, a qualifying company can limit the number of prior year taxes (the lookback period), to no more than four years and pay only the tax and interest amounts. The failure to file penalty is waived. In addition, voluntary disclosure provides the assurance that the department will not pursue taxes or bring any criminal action against the company for failure to report or remit a required tax for years prior to the lookback period. Voluntary disclosure applies to all taxes administered by the department.

Our records indicate that your company has not responded to our letter. To resolve this issue, please complete and submit Form 1353, *Michigan Department of Treasury Nexus Questionnaire* to the address below. If you are interested in participating in voluntary disclosure, please submit Form 4133, *Michigan Department of Treasury Voluntary Disclosure Request* with the completed nexus questionnaire. Copies of the *Nexus Questionnaire* and *Voluntary Disclosure Request* can be obtained at www.michigan.gov/taxes by clicking on the far left button, entitled "Business Information" and then selecting "Discovery and Voluntary Disclosure". The forms will be listed at the bottom of the page.

This letter is being sent as a reminder that failure to respond will disqualify your company from the benefits of Michigan's voluntary disclosure program. This letter does not guarantee or provide immunity from actions resulting in the company's inability to qualify for voluntary disclosure. As a courtesy, we will extend the response date to **November 25, 2008**. If no response is received by that date, a Final Letter of Inquiry will be issued, which will make your company ineligible for voluntary disclosure. Additional action such as the issuance of a tax assessment in accordance with Public Act 122 of 1941 as amended, or assignment to our Audit Division may be taken.

If you have any questions, please contact «UpdName» at «Phone».

Sincerely,

Jill McDougall, Assistant Administrator
Discovery and Tax Enforcement Division