



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
641-0207-08

Michigan Tax Tribunal

*Department of Energy, Labor & Economic
Growth*

Released:
February 2010

The Michigan Tax Tribunal is a quasi-judicial agency that resides for administrative purposes only within the Department of Energy, Labor & Economic Growth. The Tribunal consists of 7 members appointed by the Governor, with the advice and consent of the Senate, for a term of four years. The Tribunal's jurisdiction includes property tax appeals as well as nonproperty tax matters as provided by law. The Tribunal is divided into two components: the Entire Tribunal, which utilizes a formal hearing process, and the Residential Property and Small Claims Division, which employs an informal hearing process.

Audit Objective:

To assess the efficiency and effectiveness of the Tribunal's processing of tax appeals.

Audit Conclusion:

We concluded that the Tribunal was not efficient and effective in its processing of tax appeals. We noted one material condition (Finding 1) and three reportable conditions (Findings 2 through 4).

Material Condition:

The Tribunal had not established a process to ensure that it resolved tax appeals in an efficient and timely manner (Finding 1).

Reportable Conditions:

The Tribunal needs to enhance training for new Tribunal members and establish a continuing education program for Tribunal members and hearing officers (Finding 2).

The Tribunal had not fully analyzed the efficiency or administrative effectiveness of using hearing officers from the State Office of Administrative Hearings and Rules (SOAHR) (Finding 3).

The Tribunal was not successful in its efforts to establish an interagency agreement with SOAHR (Finding 4).

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Audit Objective:

To assess the effectiveness of the Tribunal's efforts to ensure that State agencies were provided notice of tax disputes that significantly affected School Aid Fund payments and State education tax revenues.

Audit Conclusion:

We concluded that the Tribunal's efforts to ensure that State agencies were provided notice of tax disputes that significantly affected School Aid Fund payments and State education tax revenues were moderately effective. We noted one reportable condition (Finding 5).

Reportable Condition:

The Tribunal had not established administrative rules of practice and procedure that required petitioners to serve

notice to an agency of the State regarding property tax appeals affecting School Aid Fund payments, State education tax revenues, and the State's property assessment process (Finding 5).

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Agency Response:

Our audit report contains 5 findings and 6 corresponding recommendations. The Tribunal's preliminary response indicated that it agrees with all of the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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