



## IMMEDIATE ACTION REQUIRED

### Michigan Unclaimed Property Amnesty Enrollment/ Compliance Attestation Deadline January 31, 2012

Michigan's Department of Treasury announced in December 2011 that it will be offering companies that have not previously reported unclaimed property, or which have underreported unclaimed property in the past, an opportunity to voluntarily get into compliance with the State's unclaimed property reporting requirements through a new Voluntary Disclosure Program ("Program"). Under the terms of the Program, Michigan will agree to waive all penalties, as well as applicable interest, on unclaimed property reported and remitted to the State by companies participating in the Program. In order to take advantage of this opportunity, companies must enroll in the Program by completing and submitting the Michigan Unclaimed Property Voluntary Disclosure Agreement (Form 4869) by the January 31, 2012 due date. Once a company has enrolled, it must complete the filing of the report for the current year and the previous four years by July 1, 2012.

#### Attestation Required

Any company with a FEIN doing business in the State or that has paid Michigan Business Tax, Sales or Use Tax, or Withholding Tax in Michigan in the last 10 years, and has not historically filed unclaimed property reports in Michigan should have received a notice regarding the Program and is required to take action. Companies that believe that they are in full compliance with Michigan's unclaimed property laws choosing not to participate in the Program must notify the state of their good standing

by completing and returning the Attestation of Compliance with Unclaimed Property Reporting (Form 4305) to the State by January 31, 2012. Based on discussions with the State, this is a one-time filing requirement, and companies that have not previously filed unclaimed property reports in the State, or are not participating in the Program, are required to file Form 4305 or be subject to penalties of up to \$5000 under MCLS § 567.255.

#### Who does this impact?

Any entity that is incorporated in Michigan, does significant business in Michigan, or that is simply holding unclaimed property due to the State. By participating in the Michigan Program, a company has, for a limited time, the chance to report past-due unclaimed property to the State without risk of interest or penalties. In addition, companies in full compliance doing business in the state must still file Form 4305 to the State by January 31, 2012.

#### What This Means to Your Company

Earlier this year, Michigan made some significant changes to its unclaimed property laws. First, it shortened its dormancy periods for most property types from five to three years. In addition, Michigan changed its reporting rules by moving the end of its annual reporting period from the 12 month period ending June 30, with a November 1 reporting date, to a new annual report-





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ing period ending March 31, with a new reporting due date of July 1. The cumulative impact of these changes will result in Michigan receiving a one-time windfall of unclaimed property.

With its new Program and attestation requirement, Michigan seems to be saying to holders, "We're not done yet." All companies, whether incorporated in Michigan or not, that may be holding unclaimed property reportable to the State will want to take advantage of this limited opportunity to get into compliance for all past-due property including, but not limited to: payroll, accounts payable, benefits, accounts receivable net credit balances, securities, and rebates. For those companies in compliance, remember that notifying the State of your compliance by filing Form 4305 is mandatory.

Michigan is focusing on unclaimed property. The events this year seem to indicate that Michigan wants the unclaimed property owing to it, and it wants it now. The natural next step for a state looking to

increase its collections of unclaimed property is to increase its audits. Therefore, any company with potential unclaimed property exposure in Michigan should consider this last "Get out of Jail Free" card with the State.

### Our Expertise

The True Partners Consulting Unclaimed Property Management Solutions Team is comprised of a national group of professionals with diverse backgrounds, including industry and government. Based on our proven track record, we have grown to be one of the top five service providers in the country. We believe we possess the best combination of experience, expertise, and resources to address all of your unclaimed property needs across all industries. We encourage you to contact one of our professionals to discuss any questions or concerns that you may have regarding unclaimed property and what these recent developments may mean to your company.



## CONTACT INFORMATION

If you would like to discuss how we can contribute to your bottom line, please contact us.

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Intelligent Tax Advice

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