

Message to Taxpayers and Tax Preparers

Treasury is aware of concerns regarding notices and returns processing and we are committed to addressing these problems directly and transparently.

We fully recognize the frustration this situation has created for both tax preparers and taxpayers. In addition, we understand many tax preparers are bearing the brunt of taxpayer frustration, and for that, we apologize.

Although these issues are limited in scope, this situation is frustrating and disappointing to us all. The transition from our 40-year-old legacy system to the modernized system (used by many other states) was successful, with fewer than 4% of the 5 million returns affected by the issues identified. The new system allows for a more effective and efficient administration of Michigan's Individual Income Tax.

However, we recognize it comes with opportunities for improvement and we appreciate your patience as we work through them. Your feedback directly informs the corrective work we are prioritizing.

Here are the steps Treasury is taking to respond:

- We have created a **Solution Tracker** to document known issues, their status, and planned resolutions. This will help us stay aligned, keep you informed, and ensure accountability across teams.
- We are actively making changes and corrections as issues are brought to us. Several updates have already been implemented, and additional changes, including a review of all letters prior to the next tax season, are in process based on practitioner feedback and internal review.
- Customer service capacity has been evaluated, and we have implemented a Request for Call Back feature within **Michigan Treasury eServices** so we can connect with taxpayers who have been unable to get through. Our goal is to respond to these requests within 3 business days. Treasury's new phone system with increased capacity and customer service enhancements will be launched in July.

We understand that the cumulative impact of these issues has eroded trust, and rebuilding that trust will take consistent action and open communication. Your partnership is essential in that process. Your feedback directly informs the corrective work we are prioritizing.

We will continue to update the Solutions Tracker as concerns or issues are identified.