



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4150 (as reported without amendment)  
Sponsor: Representative Walter J. DeLange  
House Committee: Human Resources and Labor  
Senate Committee: Human Resources, Labor, and Veterans Affairs

### **CONTENT**

The bill would amend the Michigan Employment Security Act to provide for unemployment benefit overpayments to be deducted from tax refunds. Currently, if the Michigan Employment Security Commission (MESC) determines that a person has obtained benefits to which he or she is not entitled, the MESC may recover the amount received through either a deduction from benefits payable to the individual or a cash payment by the individual to the MESC. In addition, the Commission may use these methods to recover restitution resulting from an intentional false statement, misrepresentation, or concealment of material information. Under the bill, the MESC also could recover overpayments or restitution by a deduction from a tax refund payable to the individual, as provided under the revenue Act.

The bill is tie-barred to House Bill 4151, which would amend the revenue Act to provide that a taxpayer's refund could be applied to a liability to repay benefits obtained under the Michigan Employment Security Act to which the taxpayer was not entitled, upon a request for tax refund offset from the MESC.

MCL 421.62

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

House Bills 4150 and 4151 would have an indeterminate impact on State government and local units of government. These bills would make it easier to secure a return of unemployment benefit overpayments. The Unemployment Insurance Trust Fund would be replenished and the Federal unemployment tax paid for coverage of governmental employees could be reduced to reflect these lower benefit payments.

Date Completed: 5-30-95

Fiscal Analyst: K. Lindquist