

# City of Detroit


## CITY COUNCIL

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TO: The Honorable Budget, Finance & Audit Standing Committee  
Council Member Kenneth V. Cockrel, Jr., Chair

FROM: David Whitaker   
Research & Analysis Division Staff

DATE: March 22, 2010

RE: **APPOINTMENT OF THE INCOME TAX BOARD OF REVIEW**

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During the March 3, 2010 discussion regarding the Income Tax Board of Review (Board) the Research & Analysis Division (RAD) was requested by the Honorable Detroit City Council to provide a report outlining proposed criteria for Board members so that appointments can expeditiously occur.<sup>1</sup> The Board, which is appointed by Council, consists of three (3) City residents who cannot be city officials or city employees.<sup>2</sup>

The responsibilities of the Board are important to keep in mind when inviting and interviewing potential nominees. These responsibilities are technical and sophisticated in nature and require a familiarity with both finance and tax principles. The Board's function is to review a final assessment, a denial in whole or in part of a claim for refund, decision, order, or other special ruling of the City's Finance Director. It does this by examining a certified transcript of the action taken and findings made, it reviews information on which the Finance Director based their conclusion and the taxpayer has the opportunity to present their position. The Board, by majority vote, is capable of affirming, modifying or reversing the City's Finance Director's decision. It meets as necessary (when a taxpayer seeks an appeal from the Finance Department), not according to a set meeting schedule.

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<sup>1</sup> For additional information on the Board, please refer to RAD's report titled *Income Tax Board of Review*, dated February 10, 2010.

<sup>2</sup> These are mandates under both the Detroit City Code §18-10-18 and state law MCL 141.691(1).

Using the criteria for appointment to the Board of Review<sup>3</sup> as a template, RAD proposes the following guidelines for consideration of potential nominees:

- Should possess, when possible, a professional background or familiarity in the fields of finance, accounting or taxation including, but not limited to, a concentrated knowledge of local tax ordinances, state tax laws and federal tax codes;
- Shall not have been convicted of any felony involving fraud or theft; and
- Shall not have any disputes relative to transactions with the City of Detroit, State of Michigan or federal taxing authorities.

Any criteria for appointment to the Board could be maintained by Council as informal guidelines or concretized by amending the relevant Code provisions.

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<sup>3</sup> Detroit City Code §18-9-5.