



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

May 22, 2026

Dear Michigan Association of CPAs Members:

Thank you for taking the time to share detailed feedback regarding the concerns you are experiencing with recent Treasury notices and returns processing. Your feedback highlights several areas of concern, 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 their clients. We also understand many of you are bearing the brunt of taxpayer frustration, and for that, we apologize.

Your feedback highlights several areas of concern, including what appear to be incorrect tax notices, erroneous refunds followed by tax due letters, inconsistent penalty calculations, shifting guidance, customer service challenges, and confusion surrounding Treasury's new system. We recognize how these issues collectively undermine taxpayer confidence and place a substantial administrative and reputational burden on practitioners. We are committed to addressing these problems directly and transparently.

Although these issues are limited in scope, this situation is frustrating and disappointing to us all, and we recognize this population has a significant impact on your business. 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.

We recognize there are still opportunities for improvement and appreciate our partnership with the Michigan Association of CPAs (MICPA) and their members in advocating for affected taxpayers and the accounting community. Treasury is taking the following steps in response:

- 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 are organizing a meeting/call next week with representatives of your organization to discuss concerns in detail, walk through what we know to date, and outline the short- and long-term solutions underway.

Thank you again for your candor, your patience, and the professionalism you continue to provide on behalf of Michigan taxpayers during this difficult period.

We look forward to speaking with you next week and working together toward resolution.

Sincerely,

Kavita Kale, Deputy State Treasurer
Revenue Services
Michigan Department of Treasury