

The State Can Garnish Your Tax Refund!

The Michigan Department of Treasury can garnish your tax refund to pay a debt owed to a creditor. Treasury will send you a notice of garnishment. If you are to receive a partial refund the garnishment process may delay the delivery of your refund by as many as eighteen weeks.

First, Treasury will mail you the notice of garnishment and a “Request for Information” notice. You will have four weeks to fill out this form and return it. If you are married and want to separate your income to allocate the debt to one spouse, you can fill out Form-743 “Income Allocation for Non-Obligated Spouse” to attempt to accomplish this.

You then will receive a “Notice of Income Tax Refund Used for Debts” and a “Garnishment Disclosure.” These documents describe the type of debt, the amount of the refund to be withheld, the creditor, and the court where the garnishment was filed. You will only have twenty-eight days from the date of the disclosure notice to provide Treasury with proof that the garnishment debt has been resolved.

If you are unable to show that the garnishment debt has been resolved, your refund will be used to pay the debt owed to the creditor. If there is any refund left it will be sent to you. As you can see, this can be a long process, but if done correctly can help to resolve a debt and the stress that went along with it.

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