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[Wells Fargo Rail Corp v. Department of Treasury](#)

Court of Appeals of Michigan - December 1, 2022 - N.W.2d - 2022 WL 17365205

Taxpayer, which owned and leased railcars, brought action against State, Department of Treasury, and State Tax Commission for failing to apply tax credit for maintenance and improvement of railcars, alleging that credit would have resulted in a \$0 tax liability, but that Department did not consider taxpayer's request for credit because taxpayer submitted request by mail instead of using online form, resulting in tax bill for \$172,249.72.

Defendants moved for summary disposition, arguing that the Court of Claims lacked subject-matter jurisdiction and that, instead, the Michigan Tax Tribunal (MTT) had exclusive and original jurisdiction. The Court of Claims granted motion. Taxpayer appealed.

The Court of Appeals held that:

- Tax Tribunal Act (TTA), which granted MTT exclusive jurisdiction over property-tax issues, implicitly repealed statute giving Court of Claims subject-matter jurisdiction over property-tax protests; and
- Taxpayer's purported request for equitable relief did not divest MTT of subject-matter jurisdiction; but
- Taxpayer's timely-filed complaint in the Court of Claims and timely-filed appeal equitably tolled 35-day limitations period for taxpayer to file complaint in MTT.

Tax Tribunal Act (TTA), which granted Michigan Tax Tribunal (MTT) exclusive jurisdiction over property-tax issues, implicitly repealed provision of Public Utility Tax Act (PUTA) allowing taxpayer to pay tax under protest and then sue State in the Court of Claims within 30 days for amount protested; acts irreconcilably conflicted with respect to their jurisdictional provisions, TTA was more enacted more recently than PUTA, and provisions of TTA indicated that Legislature intended to legislate entire field of tax disputes, giving MTT original and exclusive jurisdiction over such disputes.

Taxpayer's request for order requiring State, Department of Treasury, and State Tax Commission to apply tax credit for maintenance and improvement of taxpayer's railcars and issue corrected tax bill, conduct taxpayer contended was equitable in nature, did not divest Michigan Tax Tribunal (MTT) of subject-matter jurisdiction under Tax Tribunal Act (TTA); taxpayer's requested relief did not require equitable authority, and even if it did, MTT still had authority to issue orders and directives related to taxpayer's requested relief that could be enforced elsewhere.

Taxpayer's timely-filed complaint in the Court of Claims, which complaint challenged Department of Treasury's failure to apply tax credit for maintenance and improvement of taxpayer's railcars and sought refund of partial payment made under protest, and timely-filed appeal equitably tolled 35-day limitations period for taxpayer to file complaint in Michigan Tax Tribunal (MTT), which was correct forum; at time of tax dispute, there were two ostensibly valid statutes, one placing jurisdiction in the Court of Claims and other placing jurisdiction in MTT, taxpayer reasonably relied on first statute to

timely file its case with the Court of Claims, and parties had no way of knowing that the Court of Claims and Court of Appeals would conclude that first statute was implicitly repealed.

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