
Abandoned & Unclaimed Property Alert

Tracking the dramatic changes in the way states enforce abandoned and unclaimed property laws

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Michigan legislature enacts a business-to-business exemption

Janet Gagliano, Partner and National Practice Leader

On May 24, 2012 Governor Rick Snyder signed into law [House Bill 4563](#), which provides a business-to-business exemption from unclaimed property reporting. The law amends the Uniform Unclaimed Property Act to exclude any credit balances, overpayments, deposits, refunds, discounts, rebates, credit memos, or unidentified remittances created on or after April 1, 2009 and issued, held, due or owing in any transactions between two or more associations. The exemption, however, does not apply to outstanding checks, drafts or other similar instruments, demand, savings or matured time deposits with a banking or financial institution, as detailed under MCL 567.227, or property held in a safe deposit box or repository, as detailed by MCL 567.237. "Association" means a business association, public corporation, or any other commercial entity, including a sole proprietorship.

What does this mean for Michigan businesses?

The broad definition of "association" contained in H.B. 4563 allows a large group of entities to take advantage of the exemption. Therefore, all businesses should evaluate current AUP practices and keep in mind that certain transactions between businesses dated on or after April 1, 2009 will no longer be required to be included in unclaimed property reports. While a longer period of retroactive treatment would have created a more material impact, this is a step in the right direction and one from which many companies can benefit.

For more information, please do not hesitate to contact:

*Janet Gagliano (678) 419-1068 janet.c.gagliano@us.pwc.com
Partner, Atlanta*

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