Michigan Paycard Bill Enacted With APA Changes

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A Michigan paycard bill was recently enacted without the onerous requirement that card issuers must maintain an office in that state [S.B. 1281, L. 2012]. This is due to the APA Government Affairs Task Force Paycard Subcommittee working with state legislators to raise awareness.

The APA wrote letters to the author of S.B. 1281, Sen. Darwin Booher, along with Rep. Marty Knollenberg, to get the requirement that paycard issuers must maintain an office in that state removed from the bill. All the hard work paid off, and the burdensome requirement was taken out of the bill before it was enacted on December 22, 2012.

A paycard is now defined as “a stored-value card issued by or on behalf of a federally insured financial institution ...” This change was necessary because, while all paycards are backed by financial institutions, they are not necessarily issued by those institutions. However, APA took issue with the definition of “federally insured financial institution.” In 2010, the state defined the term as “a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.”

APA recommended the change because although payroll cards have been lawful in Michigan for five years, if the bill were enacted prior to the amendment, employers would no longer be able to offer payroll cards unless they were issued by a financial institution with a principal office or branch in the state. This requirement would have made many existing paycard programs unlawful, making it much harder for employers to pay their employees.

Alabama’s New Online Filing and Payment System for Withholding Taxes

Effective July 1, 2013, the Alabama Department of Revenue’s (DOR) Paperless Filing and Payment System will not be available for filing withholding returns and paying taxes. Instead, employers must use My Alabama Taxes (MAT), which offers more functionality. Using MAT, employers can file returns, make payments, view account history and DOR letters, and perform other functions. Employers should register as soon as possible to use MAT at https://myalabamataxes.alabama.gov/_/#1 [DOR, Notice, Changes to Online Filing System for Withholding Tax].