

SUPREME COURT OF MICHIGAN

Lee v. Employment Security Commission, 346 Mich. 171

78 N.W.2d 309 (1956) · No. Docket No. 61, Calendar No. 46,792 · Decided June 14, 1956

SUMMARY

The Supreme Court of Michigan construed sections 16 and 32a of the Michigan Employment Security Act concerning refunds of erroneously collected contributions and the finality of liability determinations. The court held that voluntary payments not involving a disputed issue were governed by section 16, allowing an employer to seek a refund within three years of payment despite the earlier unchallenged liability determination. The circuit court’s judgment ordering a refund was affirmed without costs.

CASE DETAILS

COURT	Supreme Court of Michigan
WRITING FOR THE COURT	Sharpe, J.; Dethmers, C.J.; Smith, J.; Boyles, J.; Kelly, J.; Carr, J.; Black, J.; Edwards, J.
JURISDICTION	Michigan
DECIDED	June 14, 1956
DOCKET	Docket No. 61, Calendar No. 46,792
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Employment Security Commission appealed to the Michigan Supreme Court from an Oakland County circuit court judgment ordering a refund of employment-security contributions.
STANDARD OF REVIEW	Statutory interpretation and review of the administrative determination on the legal question presented.
PRECEDENTIAL VALUE	Published Michigan Supreme Court opinion; precedential.
PARTIES	Employment Security Commission v. Vincent Lee

TOPICS

- statutory interpretation
- administrative law
- judicial review of agency action
- appellate procedure
- employment law

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether payments of employment-security contributions voluntarily made and accepted, without an ongoing dispute, are governed by section 16's three-year refund provision rather than section 32a's deadlines for challenging a disputed determination.
2. Whether the Commission's earlier liability determination, which Lee did not challenge within fifteen days, barred his later application for a refund of contributions paid pursuant to that determination.

HOLDINGS

1. Section 16 governs payments of contributions that were voluntarily made and accepted and were not matters in dispute; section 32a's fifteen-day and one-year limitations apply to contested determinations or disputed issues.
2. Lee was entitled to a refund because he applied within the three-year period prescribed by section 16 for contributions erroneously collected.

KEY QUOTATIONS

"In our opinion matters not in dispute, such as payments voluntarily made and accepted, do not fall within the restrictions of section 32a." (346 Mich. at 179)

"In view of the fact that plaintiff made application for a refund within the 3-year period, he is entitled to such refund." (346 Mich. at 179)

FACTUAL BACKGROUND

Vincent Lee and Edward Krencicki operated Master Polishing & Buffing Company as a partnership until Lee bought Krencicki's interest on September 9, 1951. The partnership and Lee individually did not meet the statutory employment threshold, but Lee's registration report mistakenly stated that the business had employed eight or more persons for twenty-five weeks. Relying on that report, the Commission determined that Lee was liable for contributions, which he paid for 1951 and 1952. Lee sought a refund within three years, asserting that the contributions had been erroneously collected.

PROCEDURAL HISTORY

The Commission determined that Lee was an employer liable for contributions based on information in his registration report. Lee did not timely protest that determination, paid contributions for 1951 and 1952, and later sought a refund. The Commission denied reconsideration; a referee and the appeal board affirmed. On circuit court certiorari, the court ordered a refund, and the Commission appealed.

DISPOSITION

affirmed

CASES CITED

- City of Grand Rapids v. Crocker, 219 Mich. 178, 182-183
- Palmer v. Unemployment Compensation Commission, 310 Mich. 702, 158 A.L.R. 909
- Intertown Corporation v. Unemployment Compensation Commission, 328 Mich. 363
- In re Fitch Drain No. 129, 346 Mich. 81
- Melia v. Employment Security Commission, 346 Mich. 544

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