

HOUSE BILL No. 4722

April 17, 1991, Introduced by Reps. Niederstadt, Hertel, Weeks, Bartnik, Wallace, Olshove, Yokich, Profit, Baade, Byrum, Muxlow, Randall, Middaugh and Gnodtke and referred to the Committee on Taxation.

A bill to amend section 17 of Act No. 167 of the Public Acts of 1933, entitled as amended "General sales tax act," as amended by Act No. 42 of the Public Acts of 1986, being section 205.67 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17 of Act No. 167 of the Public Acts of
2 1933, as amended by Act No. 42 of the Public Acts of 1986, being
3 section 205.67 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 17. A person liable for any tax imposed under this act
6 shall keep accurate and complete beginning and annual inventory
7 and purchase records of additions to inventory, complete daily
8 sales records, receipts, invoices, bills of lading, and any and
9 all pertinent documents in a form the department ~~may require~~

1 REQUIRES. If an exemption from sales tax is claimed ~~by reason~~
2 ~~of~~ BECAUSE the sale ~~being~~ IS for resale or for any of the
3 other exemptions or deductions granted under this act, a record
4 shall be kept of the name and address of the person to whom the
5 sale is made, the date of the sale, the article purchased, the
6 use to be made of the article, and the amount of the sale, and if
7 that person has a sales tax license, that number shall also be
8 included. ~~Any~~ IF A TAXPAYER MAINTAINS THE RECORDS REQUIRED
9 UNDER THIS SECTION, THE TAXPAYER IS NOT LIABLE FOR COLLECTION OF
10 THE UNPAID TAX AFTER A FINDING THAT THE SALE DID NOT QUALIFY FOR
11 EXEMPTION UNDER THIS ACT. A person knowingly making a sale of
12 tangible personal property for the purpose of resale at retail to
13 another person not licensed under this act ~~shall be~~ IS liable
14 for the tax imposed under this act unless the transaction is
15 exempt under the provisions of section 4k. These records must be
16 retained for a period of 4 years after the tax imposed under this
17 act to which the records apply is due or as otherwise provided by
18 law. If the department considers it necessary, the department
19 may require ~~any~~ A person, by notice served upon that person, to
20 make a return, render under oath certain statements, or keep cer-
21 tain records the department considers sufficient to show whether
22 or not that person is liable for tax under this act. If the tax-
23 payer fails to file a return or to maintain or preserve proper
24 records as prescribed in this section, or the department has
25 reason to believe that any records maintained or returns filed
26 are inaccurate or incomplete and that additional taxes are due,
27 the department may assess the amount of the tax due from the

1 taxpayer based on information that is available or that may
2 become available to the department. That assessment ~~shall be~~
3 IS considered prima facie correct for the purpose of this act and
4 the burden of proof of refuting the assessment ~~shall be~~ IS upon
5 the taxpayer.