



HOUSE BILL No. 5102

October 12, 1993, Introduced by Reps. Oxender, Gnodtke, Munsell, Horton, Johnson, Bullard, Gernaat, DeLange, Bender, Bandstra, Dalman, Llewellyn, Brackenridge, Stille, Walberg, Middleton, Dobb and Martin and referred to the Committee on Taxation.

A bill to amend sections 2, 3, 4, 4a, 6, 6a, 8, 15, 23, and 25 of Act No. 167 of the Public Acts of 1933, entitled as amended "General sales tax act,"

section 2 as amended by Act No. 228 of the Public Acts of 1984, section 3 as amended by Act No. 164 of the Public Acts of 1980, sections 4 and 6 as amended by Act No. 18 of the Public Acts of 1993, section 4a as amended by Act No. 87 of the Public Acts of 1991, section 6a as amended by Act No. 23 of the Public Acts of 1985, and section 25 as amended by Act No. 70 of the Public Acts of 1991, being sections 205.52, 205.53, 205.54, 205.54a, 205.56, 205.56a, 205.58, 205.65, 205.73, and 205.75 of the Michigan Compiled Laws; and to add sections 4m and 4n.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 3, 4, 4a, 6, 6a, 8, 15, 23, and 25
2 of Act No. 167 of the Public Acts of 1933, section 2 as amended

1 by Act No. 228 of the Public Acts of 1984, section 3 as amended
 2 by Act No. 164 of the Public Acts of 1980, sections 4 and 6 as
 3 amended by Act No. 18 of the Public Acts of 1993, section 4a as
 4 amended by Act No. 87 of the Public Acts of 1991, section 6a as
 5 amended by Act No. 23 of the Public Acts of 1985, and section 25
 6 as amended by Act No. 70 of the Public Acts of 1991, being sec-
 7 tions 205.52, 205.53, 205.54, 205.54a, 205.56, 205.56a, 205.58,
 8 205.65, 205.73, and 205.75 of the Michigan Compiled Laws, are
 9 amended and sections 4m and 4n are added to read as follows:

10 Sec. 2. (1) Except as provided in section 2a, there is
 11 ~~hereby~~ levied upon and there shall be collected from all per-
 12 sons engaged in the business of making sales at retail, as
 13 defined in section 1, an annual tax for the privilege of engaging
 14 in that business equal to ~~4%~~ 6% of the gross proceeds ~~thereof~~
 15 OF THE BUSINESS, plus the penalty and interest ~~when~~ IF applica-
 16 ble as provided by law, less deductions allowed by this ~~section~~
 17 ACT.

18 (2) Any person engaged in the business of making sales at
 19 retail who is at the same time engaged in some other kind of
 20 business, occupation, or profession not taxable under this act,
 21 shall keep books to show separately the transactions used in
 22 determining the tax levied by this act. If the person fails to
 23 keep separate books, there shall be levied upon him or her the
 24 tax provided for in subsection (1) equal to ~~4%~~ 6% of the entire
 25 gross proceeds of both or all of his or her businesses. The
 26 taxes levied by this section ~~shall be~~ IS a personal obligation
 27 of the taxpayer.

1 Sec. 3. (1) If a person engages or continues in a business
2 for which a privilege tax is imposed by this act, the person,
3 ~~shall~~ under rules the department prescribes, SHALL apply for
4 and obtain from the department, upon the payment of a registra-
5 tion fee of \$1.00, a license to engage in and to conduct that
6 business. ~~for the current tax year. When~~ A SALES TAX LICENSE
7 EXPIRES ON JANUARY 31 EACH YEAR AND IS RENEWED BY FURNISHING
8 INFORMATION THE DEPARTMENT REQUIRES, TOGETHER WITH AN ANNUAL
9 SALES TAX LICENSE FEE OF \$1.00. IF the department considers it
10 necessary ~~in order~~ to secure the collection of the tax; ~~or~~ if
11 an applicant taxpayer has at any time failed, refused, or
12 neglected to pay any tax, ~~or~~ interest, or penalty upon a tax,
13 or has attempted to evade the payment of any tax, ~~or~~ interest,
14 or penalty upon a tax by means of petition in bankruptcy; ~~or~~ or
15 if THE applicant taxpayer is a corporation and the department has
16 reason to believe that the management or control of the corpora-
17 tion is under persons who have failed to pay any tax, ~~or~~
18 interest, or penalty upon a tax within the purview of this sec-
19 tion, the department shall require a surety bond payable to the
20 state of Michigan ~~or~~ upon which the applicant or taxpayer shall
21 be the obligor ~~or~~ in the sum of not less than \$1,000.00 nor more
22 than \$25,000.00, conditioned that the applicant or taxpayer
23 ~~shall~~ comply with this act, ~~and shall~~ promptly file true
24 reports, and pay the taxes, interest, and penalties provided for
25 or required by this act. ~~which~~ THE bonds shall be approved as
26 to the amount and surety by the department. The applicant or
27 taxpayer may in lieu of the surety bond deposit a sum of money

1 with the department in an amount ~~as~~ the department ~~shall~~
2 ~~determine~~, DETERMINES to guarantee the payment of the tax,
3 interest, and penalty and compliance with this act, but the
4 amount determined by the department shall not exceed the esti-
5 mated tax payable during a 1-year period. The applicant or tax-
6 payer shall be licensed to engage in and conduct the business.
7 The department may require the applicant or taxpayer to furnish
8 other and further bond ~~as~~ it considers necessary within the
9 limits in this section ~~on~~ the giving of 30 days' notice in
10 writing. The license shall be renewed annually upon the condi-
11 tion that the taxpayer ~~shall pay~~ PAYS the registration fee and
12 the tax accrued to the state under this act. A person shall not
13 engage or continue in a business taxable under this act without
14 securing a license. A person, firm, or corporation engaged
15 solely in industrial processing or agricultural producing under
16 this act and ~~who~~ THAT makes no sales at retail within the mean-
17 ing of this act ~~shall not be~~ IS NOT required to have a
18 license.

19 (2) The commissioner or a deputy commissioner designated by
20 the commissioner, after notice and hearing, may suspend the
21 license of a person who violates or fails to comply with this act
22 or a rule promulgated by the commissioner or a deputy commis-
23 sioner designated by the commissioner pursuant to this act. The
24 commissioner or a deputy commissioner designated by the commis-
25 sioner may restore licenses after suspension. If a person
26 engages in business taxable under this act while his or her
27 license is in suspension, the tax imposed under this act

1 ~~nevertheless~~ shall STILL be imposed and be payable with respect
2 to that business.

3 (3) A person who engages in any business in this state
4 ~~which~~ THAT is taxable under this act and who fails to secure
5 from the commissioner or a deputy commissioner designated by the
6 commissioner a license to engage in that business, as required in
7 this act, or who continues to engage in business after the
8 license has expired or was suspended by the commissioner or a
9 deputy commissioner designated by the commissioner, is guilty of
10 a misdemeanor, punishable by a fine of not more than \$1,000.00,
11 or imprisonment for not more than 1 year, or both.

12 Sec. 4. ~~(1) In computing the amount of tax levied under~~
13 ~~this act for any month, a taxpayer not subject to section 6(2)~~
14 ~~may deduct the amount provided by subdivision (a) or (b), which~~
15 ~~ever is greater.~~

16 ~~(a) If the tax that accrued to the state from the sales at~~
17 ~~retail during the preceding month is remitted to the department~~
18 ~~on or before the seventh day of the month in which remittance is~~
19 ~~due, 0.75% of the tax due for the preceding monthly period, but~~
20 ~~not to exceed \$20,000.00 of the tax due for that month. If the~~
21 ~~tax that accrued to the state from the sales at retail during the~~
22 ~~preceding month is remitted to the department after the seventh~~
23 ~~day and on or before the fifteenth day of the month in which~~
24 ~~remittance is due, 0.50% of the tax due for the preceding monthly~~
25 ~~period, but not to exceed \$15,000.00 of the tax due for that~~
26 ~~month.~~

1 ~~(b) The tax due on \$150.00 of taxable gross proceeds for the~~
2 ~~preceding monthly period, or a prorated portion of \$150.00 of the~~
3 ~~taxable gross proceeds for the preceding month if the taxpayer~~
4 ~~engaged in business for less than a month.~~

5 ~~(2) In computing the amount of tax levied under this act for~~
6 ~~any month, a taxpayer subject to section 6(2) may deduct the~~
7 ~~amount provided in this subsection. If the tax that is due to~~
8 ~~the state is remitted to the department on or before the eleventh~~
9 ~~day of the month in which remittance is due, 0.75% of the tax due~~
10 ~~but not to exceed \$20,000.00 of the tax due for that month may be~~
11 ~~deducted. If the tax that is due to the state is remitted to the~~
12 ~~department after the eleventh day and on or before the eighteenth~~
13 ~~day of the month in which remittance is due, 0.50% of the tax due~~
14 ~~but not to exceed \$15,000.00 of the tax due for that month may be~~
15 ~~deducted.~~

16 ~~(3) A deduction shall not be allowed under this section for~~
17 ~~payments of taxes made to the department after the day the tax~~
18 ~~payer is required to pay, pursuant to section 6, the tax imposed~~
19 ~~by this act.~~

20 ~~(4) If, pursuant to section 6(4), the commissioner of reve-~~
21 ~~nue prescribes the filing of returns and the payment of the tax~~
22 ~~for periods in excess of 1 month, a taxpayer shall be entitled to~~
23 ~~a deduction from the tax collections remitted to the department~~
24 ~~for the extended payment period that is equivalent to the deduc-~~
25 ~~tion allowed under subsection (1) or (2) for monthly periods.~~

1 (1) ~~(5)~~ The commissioner may prescribe the filing of
2 estimated returns and annual periodic reconciliations as
3 necessary to carry out the purposes of this section.

4 (2) ~~(6)~~ A person subject to a tax under this act shall not
5 include in the amount of his or her gross proceeds used for the
6 computation of the tax any proceeds of his or her business
7 derived from sales to the United States, its unincorporated agen-
8 cies and instrumentalities, any incorporated agency or instrumen-
9 tality of the United States wholly owned by the United States or
10 by a corporation wholly owned by the United States, the American
11 Red Cross and its chapters and branches, and this state or its
12 departments and institutions or any of its political
13 subdivisions.

14 Sec. 4a. A person subject to tax under this act ~~need not~~
15 ~~include in~~ MAY EXCLUDE FROM the amount of the gross proceeds
16 used for the computation of the tax, sales of tangible personal
17 property:

18 (a) Not for resale, and when not operated for profit, to a
19 school, hospital, home for the care and maintenance of children
20 or aged persons, or other health, welfare, educational, cultural
21 arts, charitable, or benevolent institution or agency, operated
22 by an entity of government, a regularly organized church, reli-
23 gious, or fraternal organization, a veterans' organization, or a
24 corporation incorporated under the laws of the state, if the
25 income or benefit from the operation does not inure, in whole or
26 in part, to an individual or private shareholder, directly or
27 indirectly, and if the activities of the entity or agency are

1 carried on exclusively for the benefit of the public at large and
2 are not limited to the advantage, interests, and benefits of its
3 members or any restricted group. At the time of the transfer of
4 this tangible personal property, the transferee shall sign a
5 statement, in a form approved by the department, stating that the
6 property is to be used or consumed in connection with the opera-
7 tion of the institution or agency and that the institution or
8 agency qualifies as an exempt entity under this subdivision. The
9 statement shall be accepted by all courts as prima facie evidence
10 of the exemption and the statement shall provide that if the
11 claim for tax exemption is disallowed the transferee will reim-
12 burse the transferor for the amount of tax involved. A sale of
13 tangible personal property to a parent cooperative preschool is
14 exempt from taxation under this act. As used in this subdivi-
15 sion, "parent cooperative preschool" means a nonprofit, nondis-
16 criminatory educational institution, maintained as a community
17 service and administered by parents of children currently
18 enrolled in the preschool, that provides an educational and
19 developmental program for children younger than compulsory school
20 age, that provides an educational program for parents, including
21 active participation with children in preschool activities, that
22 is directed by qualified preschool personnel, and that is
23 licensed by the department of social services pursuant to Act
24 No. 116 of the Public Acts of 1973, as amended, being sections
25 722.111 to 722.128 of the Michigan Compiled Laws.

26 (b) Not for resale to a regularly organized church or house
27 of religious worship, except THE FOLLOWING:

1 (i) Sales in activities that are mainly commercial
2 enterprises.

3 (ii) Sales of vehicles licensed for use on public highways
4 other than a passenger van or bus with a manufacturer's rated
5 seating capacity of 10 or more that is used primarily for the
6 transportation of persons for religious purposes.

7 (c) To bona fide enrolled students, of food by a school or
8 other educational institution not operated for profit.

9 (d) Affixed to and made a structural part of real estate
10 excepted from the definition of "sale at retail" under section
11 1(1)(c).

12 (e) To persons, of a vessel designated for commercial use of
13 registered tonnage of 500 tons or more, if produced upon special
14 order of the purchaser, and bunker and galley fuel, provisions,
15 supplies, maintenance, and repairs for the exclusive use of the
16 vessel engaged in interstate commerce.

17 (f) To persons engaged in a business enterprise and using or
18 consuming the tangible personal property in the tilling, plant-
19 ing, caring for, or harvesting of the things of the soil; in the
20 breeding, raising, or caring for livestock, poultry, or horticul-
21 tural products, including transfers of livestock, poultry, or
22 horticultural products for further growth; or in the direct gath-
23 ering of fish, by net, line, or otherwise — only by an
24 owner-operator of the business enterprise, not including a
25 charter fishing business enterprise. This exemption includes
26 agricultural land tile, which means fired clay or perforated
27 plastic tubing used as part of a subsurface drainage system for

1 land, and ~~, beginning January 1, 1987,~~ subsurface irrigation
2 pipe, if the land tile or irrigation pipe is used in the produc-
3 tion of agricultural products as a business enterprise. At the
4 time of the transfer of this tangible personal property, the
5 transferee shall sign a statement, in a form approved by the
6 department, stating that the property is to be used or consumed
7 in connection with the production of horticultural or agricul-
8 tural products as a business enterprise, or in connection with
9 fishing as an owner-operator business enterprise. The statement
10 shall be accepted by all courts as prima facie evidence of the
11 exemption. This exemption includes a portable grain bin, which
12 means a structure that is used or is to be used to shelter grain
13 and that is designed to be disassembled without significant
14 damage to its component parts. This exemption does not include
15 transfers of food, fuel, clothing, or any similar tangible per-
16 sonal property for personal living or human consumption. This
17 exemption does not include tangible personal property permanently
18 affixed and becoming a structural part of real estate.

19 (g) To the following:

20 (i) An industrial processor for use or consumption in indus-
21 trial processing. Property used or consumed in industrial pro-
22 cessing does not include tangible personal property permanently
23 affixed and becoming a structural part of real estate; office
24 furniture, office supplies, and administrative office equipment;
25 or vehicles licensed and titled for use on public highways.
26 Industrial processing does not include receiving and storage of
27 raw materials purchased or extracted by the user or consumer; or

1 the preparation of food and beverages by a retailer for retail
2 sale. As used in this subdivision, "industrial processor" means
3 a person who transforms, alters, or modifies tangible personal
4 property by changing the form, composition, or character of the
5 property for ultimate sale at retail or sale to another indus-
6 trial processor to be further processed for ultimate sale at
7 retail. Sales to a person performing a service who does not act
8 as an industrial processor while performing this service shall
9 not be excluded under this subdivision except as provided in sub-
10 paragraph (ii).

11 (ii) ~~After December 31, 1984, a~~ A person, whether or not
12 the person is an industrial processor, if the tangible personal
13 property is a computer used in operating industrial processing
14 equipment; equipment used in a computer assisted manufacturing
15 system; equipment used in a computer assisted design or engineer-
16 ing system integral to an industrial process; or a subunit or
17 electronic assembly comprising a component in a computer inte-
18 grated industrial processing system.

19 (h) To persons, of a COPYRIGHTED MOTION PICTURE FILM OR A
20 newspaper or periodical admitted under federal postal laws and
21 regulations effective September 1, 1985 as second-class mail
22 matter or as a controlled circulation publication or qualified to
23 accept legal notices for publication in this state, as defined by
24 law, or any other newspaper or periodical of general circulation,
25 established not less than 2 years, and published not less than
26 once a week. ~~, and copyrighted motion picture films.~~ Tangible
27 personal property used or consumed, and not becoming a component

1 part of a COPYRIGHTED MOTION PICTURE FILM, newspaper, or
 2 periodical, except that portion or percentage of tangible per-
 3 sonal property used or consumed in producing an advertising sup-
 4 plement that becomes a component part of a newspaper or periodi-
 5 cal ~~and copyrighted motion picture films are~~ IS subject to
 6 tax. For purposes of this subdivision, tangible personal prop-
 7 erty that becomes a component part of a newspaper or periodical
 8 ~~and thereby~~ CONSEQUENTLY IS not subject to tax ~~and~~ shall
 9 include an advertising supplement inserted into and circulated
 10 with a newspaper or periodical that is otherwise exempt from tax
 11 under this subdivision, if the advertising supplement is deliv-
 12 ered directly to the newspaper or periodical by a person other
 13 than the advertiser, or the advertising supplement is printed by
 14 the newspaper or periodical.

15 (i) To persons licensed to operate commercial radio or tele-
 16 vision stations if the property is used in the origination or
 17 integration of the various sources of program material for com-
 18 mercial radio or television transmission. This subdivision does
 19 not include a vehicle licensed and titled for use on public high-
 20 ways or property used in the transmission to or receiving from an
 21 artificial satellite.

22 (J) ~~(K)~~ A hearing aid, contact lenses if prescribed for a
 23 specific disease that precludes the use of eyeglasses, or any
 24 other apparatus, device, or equipment used to replace or substi-
 25 tute for a part of the human body, or used to assist the disabled
 26 person to lead a reasonably normal life if the tangible personal
 27 property is purchased on a written prescription or order issued

1 by a licensed health professional as defined by section 21005 of
 2 the public health code, Act No. 368 of the Public Acts of 1978,
 3 being section 333.21005 of the Michigan Compiled Laws, or eye-
 4 glasses prescribed or dispensed to correct the person's vision by
 5 an ophthalmologist, optometrist, or optician.

6 (K) ~~(J)~~ To persons for use or consumption in the rendition
 7 of a service, the use or consumption of which is taxable under
 8 section 3a(a) of the use tax act, Act No. 94 of the Public Acts
 9 of 1937, as amended, being section 205.93a of the Michigan
 10 Compiled Laws, except that this exemption ~~shall be~~ IS limited
 11 to the tangible personal property located on the premises of the
 12 subscriber and the necessary exchange equipment.

13 (L) ~~(M)~~ Not for resale of a vehicle to a Michigan non-
 14 profit corporation organized exclusively to provide a community
 15 with ambulance or fire department services.

16 (M) ~~(N)~~ To inmates in a penal or ~~correction~~ CORRECTIONAL
 17 institution purchased with scrip, TOKENS, DEBIT CARDS, OR OTHER
 18 SIMILAR MEDIUMS WHEN issued and redeemed by the institution.

19 (N) ~~(O)~~ To or for the use of students enrolled in any part
 20 of a kindergarten through twelfth grade program, of textbooks
 21 sold by a public or nonpublic school.

22 (O) ~~(P)~~ Installed as a component part of a water pollution
 23 control facility for which a tax exemption certificate is issued
 24 pursuant to Act No. 222 of the Public Acts of 1966, as amended,
 25 being sections 323.351 to 323.358 of the Michigan Compiled Laws,
 26 or an air pollution control facility for which a tax exemption
 27 certificate is issued pursuant to Act No. 250 of the Public Acts

1 of 1965, as amended, being sections 336.1 to 336.8 of the
2 Michigan Compiled Laws.

3 (P) ~~(q)~~ To a purchaser of a new motor vehicle purchased
4 before January 1, 1993 if the purchaser qualifies for a special
5 registration under section 226(12) of the Michigan vehicle code,
6 Act No. 300 of the Public Acts of 1949, being section 257.226 of
7 the Michigan Compiled Laws, and the vehicle is purchased through
8 a country determined by the department to be providing a like or
9 complete exemption for the purchase of a new motor vehicle to be
10 removed from that country.

11 SEC. 4M. THE SALE OF MATERIAL PURCHASED BY PERSONS ENGAGED
12 IN THE BUSINESS OF CONSTRUCTING, ALTERING, REPAIRING, OR IMPROV-
13 ING REAL ESTATE FOR OTHERS IS EXEMPT FROM THE SALES TAX IMPOSED
14 AT THE ADDITIONAL RATE OF 2% IF THE MATERIAL PURCHASED IS AFFIXED
15 AND MADE A STRUCTURAL PART OF REAL ESTATE OR USED AND COMPLETELY
16 CONSUMED, IN THE FULFILLMENT OF A SINGLE CONTRACT THAT IS EITHER
17 A FIXED PRICE CONTRACT OFFERED BEFORE FEBRUARY 8, 1994, ACCEPTED
18 BEFORE MAY 8, 1994, AND NOT SUBJECT TO CHANGE OR MODIFICATION OR
19 A CONTRACT ENTERED INTO PURSUANT TO THE OBLIGATION OF A FORMAL
20 WRITTEN BID MADE BEFORE FEBRUARY 8, 1994 AND ACCEPTED BEFORE
21 MAY 8, 1994 THAT CANNOT BE ALTERED OR WITHDRAWN. THE TAX IMPOSED
22 AT THE ADDITIONAL RATE OF 2% ALSO DOES NOT APPLY TO BONA FIDE
23 SALES AGREEMENTS MADE BEFORE FEBRUARY 8, 1994 IF THE AGREEMENT
24 CANNOT BE WITHDRAWN OR ALTERED, OR CONTAINS A FIXED PRICE NOT
25 SUBJECT TO CHANGE OR MODIFICATION.

1 SEC. 4N. A TAXPAYER THAT IS THIS STATE OR ANY POLITICAL
2 SUBDIVISION OF THIS STATE IS EXEMPT FROM THE PROVISIONS OF THIS
3 ACT FOR THE SALES AT RETAIL OF ALL OF THE FOLLOWING:

4 (A) PHOTOCOPIES OF RECORDS OR COPIES PROVIDED PURSUANT TO
5 THE FREEDOM OF INFORMATION ACT, ACT NO. 442 OF THE PUBLIC ACTS OF
6 1976, BEING SECTIONS 15.231 TO 15.246 OF THE MICHIGAN COMPILED
7 LAWS.

8 (B) COPIES OF VITAL RECORDS ISSUED UNDER SECTION 2891 OF THE
9 PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING
10 SECTION 333.2891 OF THE MICHIGAN COMPILED LAWS.

11 (C) CERTIFIED COPIES OF MINUTES OF MEETINGS AND PROCEEDINGS
12 OF BOARDS, COMMISSIONS, DEPARTMENTS, CABINETS, COUNCILS, DIVI-
13 SIONS, OFFICES, BRANCHES, UNITS, OR COMMITTEES.

14 (D) COPIES OF COURT RECORDS UNDER SECTION 2546 OF THE
15 REVISED JUDICATURE ACT OF 1961, ACT NO. 236 OF THE PUBLIC ACTS OF
16 1961, BEING SECTION 600.2546 OF THE MICHIGAN COMPILED LAWS.

17 (E) COPIES OF RECORDS OR PAPERS BY REGISTERS OF DEEDS UNDER
18 SECTION 2567 OF THE REVISED JUDICATURE ACT OF 1961, ACT NO. 236
19 OF THE PUBLIC ACTS OF 1961, BEING SECTION 600.2567 OF THE
20 MICHIGAN COMPILED LAWS.

21 (F) COPIES OF ORDINANCES REPRODUCED OR FURNISHED PURSUANT TO
22 SECTION 5 OF ACT NO. 246 OF THE PUBLIC ACTS OF 1945, BEING
23 SECTION 41.185 OF THE MICHIGAN COMPILED LAWS.

24 Sec. 6. (1) Each taxpayer unless otherwise provided by law
25 or as required pursuant to subsection (2) or (4), on or before
26 the fifteenth day of each month shall make out a return for the
27 preceding month on a form prescribed by the department showing

1 the entire amount of all sales and gross proceeds of his or her
 2 business, the allowable deductions therefrom, and the amount of
 3 tax for which he or she is liable, and shall transmit the return,
 4 together with a remittance for the amount of the tax, to the
 5 department on or before the fifteenth day of the month. The
 6 monthly return shall be signed by the taxpayer or his or her duly
 7 authorized agent and, if prepared for the taxpayer by any other
 8 person, the return shall so state, give the name and address of
 9 that person, be signed by that person, and give the name of his
 10 or her employer, if any.

11 (2) ~~Beginning July 1, 1993, each~~ EACH taxpayer that had a
 12 total tax liability, after subtracting the ~~fee~~ TAX payments
 13 made to the secretary of state ~~—~~ under this act or the use tax
 14 act, Act No. 94 of the Public Acts of 1937, being sections 205.91
 15 to 205.111 of the Michigan Compiled Laws, OR AFTER SUBTRACTING
 16 THE TAX CREDITS AVAILABLE UNDER SECTION 6A, in the immediately
 17 preceding calendar year of ~~\$480,000.00~~ \$590,000.00 FOR 1993 OR
 18 \$720,000.00 FOR 1994 AND EACH YEAR AFTER 1994, or more on or
 19 before the eighteenth of each month shall remit to the depart-
 20 ment, by an electronic funds transfer method approved by the com-
 21 missioner of revenue, an amount equal to ~~--95%~~ 75% of the
 22 taxpayer's liability under this act for the same month in the
 23 immediately preceding calendar year, OR 75% OF THE ACTUAL LIABIL-
 24 ITY FOR THE CURRENT MONTH BEING REPORTED, plus a reconciliation
 25 payment equal to the difference between the tax liability deter-
 26 mined for the immediately preceding month minus the amount of tax
 27 previously paid for that month.

1 (3) The tax imposed under this act shall accrue to the state
2 on the last day of the month in which the sale is incurred.

3 (4) The commissioner of revenue, when necessary to insure
4 payment of the tax or to provide a more efficient administration,
5 may require the filing of returns and payment of the tax for
6 other than monthly periods.

7 Sec. 6a. (1) At the time of purchase or shipment from a
8 refiner, pipeline terminal operator, or marine terminal operator,
9 a purchaser or receiver of gasoline shall prepay AND THE REFINER,
10 PIPELINE TERMINAL OPERATOR, OR MARINE TERMINAL OPERATOR SHALL
11 COLLECT a portion of the tax imposed by this act at the rate pro-
12 vided in this section to the refiner, pipeline terminal operator,
13 or marine terminal operator for the purchase or receipt of
14 gasoline. If the purchase or receipt of gasoline is made outside
15 this state for shipment into and subsequent sale within this
16 state, the purchaser or receiver, other than a refiner, pipeline
17 terminal operator, or marine terminal operator, shall make the
18 prepayment required by this section directly to the department.
19 Prepayments shall be made at a cents per gallon rate determined
20 by the department and shall be based on ~~4%~~ 6% of the statewide
21 average retail price of a gallon of self-serve ~~leaded~~ UNLEADED
22 regular gasoline as determined and certified by the department
23 rounded up to the nearest 1/10 of 1 cent. A person who makes
24 prepayments direct to the department shall make those prepayments
25 according to the schedule in subsection (5).

26 (2) The rate of prepayment applied pursuant to subsection
27 (1) shall be determined ~~every 6 months~~ by the department

1 ~~unless the department certifies that the change in the statewide~~
2 ~~average retail price of a gallon of self serve leaded regular~~
3 ~~gasoline has been less than 10% during the 6 month period.~~
4 ~~However, the rate shall be determined~~ not less than annually.

5 (3) A person subject to tax under this act who makes prepay-
6 ment to another person as required by this section may claim ~~an~~
7 ~~estimated~~ A prepayment credit on its regular monthly return
8 filed pursuant to section 6. The credit shall be for prepayments
9 made during the month ~~in~~ FOR which the return is required and
10 shall be based upon the difference between prepayments ~~made in~~
11 ~~the immediately preceding month~~ and collections of prepaid tax
12 received from sales or transfers. A sale or transfer for which
13 collection of prepaid tax is due the taxpayer ~~shall be~~ IS
14 subject to a bad debt deduction under section 4i, whether or not
15 the sale or transfer is a sale at retail. The credit shall not
16 be reduced because of actual shrinkage. A taxpayer who does not,
17 in the ordinary course of business sell gasoline in each month of
18 the year, may, with the approval of the department, base the ini-
19 tial prepayment deduction in each tax year on prepayments made in
20 a month other than the ~~immediately preceding~~ month FOR WHICH
21 THE RETURN IS REQUIRED. Estimated prepayment credits claimed
22 with the return due in January 1984 shall be based on the
23 taxpayer's retail sales of gasoline in December 1983. The dif-
24 ference in actual prepayments shall be reconciled on the annual
25 return in accordance with procedures prescribed by the
26 department.

~~(4) At the option of the taxpayer the estimated prepayment credit may be claimed on the return required to be filed under Act No. 150 of the Public Acts of 1927, being sections 207.101 to 207.202 of the Michigan Compiled Laws, in lieu of a claim for the credit on the return required to be filed under section 6. Prepayments claimed on the motor fuel tax return shall be based on the difference in the prepayments made in the immediately preceding month and collections of prepaid tax received from sales or transfer and shall be for prepayments made in the month in which the return is due. A taxpayer electing an option under this subsection shall be entitled to a deduction under section 4i as permitted by subsection (3). Prepayments claimed on the motor fuel tax return due in January 1984 shall be based, at the option of the taxpayer, on retail sales for December 1983, or the number of gallons for which motor fuel tax is due for December 1983. Amounts credited pursuant to this section shall not be deducted from amounts required to be credited to the Michigan transportation fund pursuant to section 18b of Act No. 150 of the Public Acts of 1927, being section 207.118b of the Michigan Compiled Laws. The department may establish procedures for the election of claims under subsection (3) and this subsection to avoid duplication of claims.~~

(4) ~~(5)~~ Notwithstanding the other provisions for the payment and remitting of tax due under this act, a refiner, pipeline terminal operator, or marine terminal operator shall account for and remit to the department the prepayments received pursuant to this section in accordance with the following schedule:

1 (a) On or before the twenty-fifth of each month, prepayments
2 received after the end of the preceding month and before the six-
3 teenth of the month in which the prepayments are made.

4 (b) On or before the tenth of each month ~~other than January~~
5 ~~1984~~, payments received after the fifteenth and before the end
6 of the preceding month.

7 (5) ~~(6)~~ A refiner, pipeline terminal operator, or marine
8 terminal operator who fails to remit prepayments made by a pur-
9 chaser or receiver of gasoline ~~shall be~~ IS subject to the pen-
10 alties provided by Act No. 122 of the Public Acts of 1941, being
11 sections 205.1 to ~~205.30~~ 205.31 of the Michigan Compiled Laws.

12 ~~(7) The refiner, pipeline terminal operator, or marine ter-~~
13 ~~minal operator shall not receive a deduction under section 4 for~~
14 ~~receiving and remitting prepayments from a purchaser or receiver~~
15 ~~pursuant to this section.~~

16 (6) ~~(8)~~ The purchaser or receiver of gasoline who makes
17 prepayments ~~shall~~ IS not ~~be~~ subject to further liability for
18 the amount of the prepayment if the refiner, pipeline terminal
19 operator, or marine terminal operator fails to remit the
20 prepayment.

21 ~~(9) On or before January 1, 1985, the department shall make~~
22 ~~a report to the chairpersons of the house taxation and senate~~
23 ~~finance committees outlining the procedures it has implemented or~~
24 ~~intends to implement to detect the underpayment or nonpayment of~~
25 ~~gasoline sales tax.~~

26 (7) ~~(10)~~ As used in this section:

1 (a) "Marine terminal operator" means a person who stores
 2 gasoline at a boat terminal transfer defined as a dock, a tank,
 3 or equipment contiguous to a dock or a tank, including equipment
 4 used in the unloading of gasoline from a ship and in transferring
 5 the gasoline to a tank pending wholesale bulk reshipment.

6 (b) "Pipeline terminal operator" means a person who stores
 7 gasoline in tanks and equipment used in receiving and storing
 8 gasoline from interstate and intrastate pipelines pending whole-
 9 sale bulk reshipment.

10 (c) "Purchase" or "shipment" does not include an exchange of
 11 gasoline, or an exchange transaction, between refiners, pipeline
 12 terminal operators, or marine terminal operators.

13 (d) "Refiner" means a person who manufactures or produces
 14 gasoline by any process involving substantially more than the
 15 blending of gasoline. REFINER INCLUDES A PERSON WHO MANUFACTURES
 16 ALCOHOL FOR BLENDING WITH GASOLINE.

17 (E) "GASOLINE" MEANS THAT TERM AS DEFINED IN SECTION 1 OF
 18 ACT NO. 150 OF THE PUBLIC ACTS OF 1927, BEING SECTION 207.101 OF
 19 THE MICHIGAN COMPILED LAWS.

20 ~~---(11) This section shall take effect January 1, 1984.~~

21 Sec. 8. ~~Consolidated returns. Any~~ A person engaging in
 22 ~~2 or more places~~ in the same business or businesses taxable
 23 under this act ~~—~~ IN 2 OR MORE PLACES shall file a consolidated
 24 return covering all ~~such~~ THE business activities engaged in
 25 within this state. ~~and shall be entitled to deduct + exemption~~
 26 ~~only in the amount of \$50.00 per month as allowed in section 4.~~

1 Sec. 15. (1) The department shall withhold the issuance of
 2 any certificate of dissolution or withdrawal of any corporation
 3 organized under the laws of this state or organized under the
 4 laws of another state and admitted to do business in this state
 5 until all taxes levied under this act against ~~any such~~ THE cor-
 6 poration have been paid, or until it is determined the applicant
 7 is not indebted for any taxes levied ~~hereunder~~ UNDER THIS ACT.

8 (2) If a corporation licensed under this act fails for any
 9 reason to file the required returns or to pay the tax due, any of
 10 its officers having control, or supervision of, or charged with
 11 the responsibility for making ~~such~~ THE returns and payments
 12 ~~shall be~~ IS personally liable for ~~such~~ THE failure. The dis-
 13 solution of a corporation ~~shall~~ DOES not discharge an officer's
 14 liability for a prior failure of the corporation to make a return
 15 or remit the tax due. The sum due for ~~such a~~ THE liability may
 16 be assessed and collected as provided in ~~section ++~~ SECTIONS 23
 17 AND 24 OF ACT NO. 122 OF THE PUBLIC ACTS OF 1941, BEING SECTIONS
 18 205.23 AND 205.24 OF THE MICHIGAN COMPILED LAWS.

19 Sec. 23. (1) ~~No~~ A person engaged in the business of sell-
 20 ing tangible personal property at retail shall NOT advertise or
 21 hold out to the public in any manner, directly or indirectly,
 22 that the tax ~~herein~~ imposed UNDER THIS ACT is not considered as
 23 an element in the price to the consumer. ~~Nothing contained in~~
 24 ~~this act shall be deemed to~~ THIS ACT DOES NOT prohibit any tax-
 25 payer from reimbursing himself OR HERSELF by adding to ~~his~~ THE
 26 sale price any tax levied ~~hereunder~~ BY THIS ACT. ~~Since the~~
 27 ~~following brackets will result in collection of sales taxes which~~

~~1 bear a reasonable relationship to the amount of taxes required to~~
~~2 be paid to the state under the terms hereof, the~~

3 (2) THE following brackets shall be used by retailers in
 4 determining amounts to be added to sales prices for reimbursement
 5 purposes: —

6 Amount of Sale	7 Tax
7 1 cent to 12 10 cents.....	0
8 13 11 cents to 31 24 cents.....	1 cent
9 32 25 cents to 54 41 cents.....	2 cents
10 55 42 cents to 81 58 cents.....	3 cents
11 82 59 cents to \$1.08 74 CENTS.....	4 cents
12 \$1.09 75 CENTS to \$1.35 91 CENTS.....	5 cents
13 \$1.36 92 CENTS to \$1.62 99 CENTS.....	6 cents
14 FOR \$1.00 AND EACH MULTIPLE OF \$1.00, 6% OF THE SALE PRICE.	

15 ~~On each further addition of 25 cents or any part thereof to the~~
 16 ~~selling price, 1 additional cent. No other~~

17 (3) A person other than the state may NOT enrich himself OR
 18 HERSELF or gain any benefit from the collection or payment of
 19 ~~such~~ THE tax. ~~, nor shall~~ THE use of the above brackets DOES
 20 NOT relieve the retailer from liability for payment of the full
 21 amount of the tax levied by this act.

22 Sec. 25. (1) All sums of money received and collected under
 23 this act shall be deposited by the department in the state trea-
 24 sury to the credit of the general fund, except as provided in
 25 this section.

1 (2) Fifteen percent of the collections OF THE TAX IMPOSED AT
2 A RATE OF 4% shall be distributed to cities, villages, and
3 townships pursuant to the state revenue sharing act of 1971, Act
4 No. 140 of the Public Acts of 1971, being sections 141.901 to
5 141.921 of the Michigan Compiled Laws.

6 (3) Sixty percent of the collections OF THE TAX IMPOSED AT A
7 RATE OF 4% shall be ~~transferred to~~ DEPOSITED IN the state
8 school aid fund ~~created by~~ ESTABLISHED IN section 11 of article
9 IX of the state constitution of 1963 and distributed as provided
10 by law. IN ADDITION, ALL OF THE COLLECTIONS OF THE TAX IMPOSED
11 AT THE ADDITIONAL RATE OF 2% SHALL BE DEPOSITED IN THE STATE
12 SCHOOL AID FUND.

13 (4) For the fiscal year ending September 30, 1988 and each
14 fiscal year ~~thereafter~~ ENDING AFTER SEPTEMBER 30, 1988, of the
15 25% of the collections of the general sales tax imposed AT A RATE
16 OF 4% directly or indirectly on fuels sold to propel motor vehi-
17 cles upon highways, on the sale of motor vehicles, and on the
18 sale of the parts and accessories of motor vehicles by new and
19 used car businesses, used car businesses, accessory dealer busi-
20 nesses, and gasoline station businesses as classified by the
21 department of treasury remaining after the allocations and dis-
22 tributions are made pursuant to subsections (2) and (3), the fol-
23 lowing amounts shall be deposited each year into the respective
24 funds:

25 (a) Not less than 27.9% to the comprehensive transportation
26 fund. However, for the fiscal year ending September 30, 1991

1 only, the amount to be deposited in the comprehensive
2 transportation fund shall be reduced by \$1,500,000.00.

3 (b) The balance to the state general fund.

4 (5) After the allocations and distributions are made pursu-
5 ant to subsections (2) and (3), an amount equal to the collec-
6 tions of the tax imposed AT A RATE OF 4% by this act from the
7 sale at retail of computer software as defined in section 1 shall
8 be deposited in the Michigan health initiative fund created in
9 section 5911 of the public health code, Act No. 368 of the Public
10 Acts of 1978, being section 333.5911 of the Michigan Compiled
11 Laws and shall be considered in addition to, and is not intended
12 as a replacement for any other money appropriated to the depart-
13 ment of public health. The funds deposited in the Michigan
14 health initiative fund on an annual basis shall not be less than
15 \$9,000,000.00 or more than \$12,000,000.00.

16 (6) The balance in the state general fund shall be disbursed
17 only on an appropriation or appropriations by the legislature.

18 Section 2. This amendatory act shall not take effect unless
19 Senate Joint Resolution _____ or House Joint Resolution 2
20 (request no. 05069'93*) of the 87th Legislature becomes a part of
21 the state constitution of 1963 as provided in section 1 of arti-
22 cle XII of the state constitution of 1963.