



HOUSE BILL No. 5485

April 20 1994 Introduced by Reps Profit Yokich and Palamara and referred to the Committee on Taxation

A bill to amend section 4m[1] of Act No 167 of the Public Acts of 1933, entitled as amended

'General sales tax act,"

as added by Act No 325 of the Public Acts of 1993, being section 205 54m[1] of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 4m[1] of Act No 167 of the Public Acts
2 of 1933, as added by Act No 325 of the Public Acts of 1993
3 being section 205 54m[1] of the Michigan Compiled Laws, is
4 amended to read as follows

5 Sec 4m (1) The sale of material purchased by persons
6 engaged in the business of constructing, altering, repairing, or
7 improving real estate for others is exempt from the sales tax
8 imposed at the additional rate of 2% approved by the electors on
9 March 15, 1994 if the material purchased is affixed and made a

1 structural part of real estate or used and completely consumed,
2 in the fulfillment of a single contract that is either a fixed
3 price contract offered before March 15, 1994, accepted before
4 June 15, 1994, and not subject to change or modification or a
5 contract entered into pursuant to the obligation of a formal
6 written bid made before March 15, 1994 and accepted before
7 June 15, 1994 that cannot be altered or withdrawn The tax
8 imposed at the additional rate of 2% approved by the electors on
9 March 15 1994, also does not apply to bona fide sales agreements
10 made before ~~March 15~~ MAY 1, 1994 if the agreement cannot be
11 withdrawn or altered, or contains a fixed price not subject to
12 change or modification of greater than 15%, REGARDLESS OF WHEN
13 THE PURCHASED GOODS ARE DELIVERED

14 (2) IF A RETAILER HAS COLLECTED A TAX AT THE ADDITIONAL RATE
15 OF 2% PURSUANT TO SUBSECTION (1) BASED ON AN AGREEMENT MADE
16 BEFORE MAY 1, 1994, THE RETAILER SHALL REFUND THE AMOUNT
17 COLLECTED

18 (3) IF A RETAILER REFUNDS AN AMOUNT PURSUANT TO
19 SUBSECTION (2) THE RETAILER MAY DEDUCT THAT AMOUNT FROM HIS OR
20 HER NEXT RETURN AND PAYMENT OF TAX DUE TO THE DEPARTMENT