



SENATE BILL No. 437

February 24, 1993, Introduced by Senator GEAKE and referred to the Committee on Finance.

A bill to amend sections 4f and 6 of Act No. 94 of the Public Acts of 1937, entitled as amended "Use tax act," section 4f as added by Act No. 220 of the Public Acts of 1981, being sections 205.94f and 205.96 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 4f and 6 of Act No. 94 of the Public
2 Acts of 1937, section 4f as added by Act No. 220 of the Public
3 Acts of 1981, being sections 205.94f and 205.96 of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 4f. ~~(1) In computing the amount of tax payments~~
6 ~~required for any month of a seller who collects the tax from the~~
7 ~~purchaser under the provisions of this act, the seller who~~
8 ~~collects the tax from a purchaser may deduct the following~~
9 ~~amounts from the tax remitted to the department:~~

1 ~~(a) For monthly tax payments for periods ending after~~
2 ~~January 1, 1983 and before January 1, 1984, the amount provided~~
3 ~~by subparagraph (i) or (ii), whichever is greater:~~

4 ~~(i) If the tax that accrued to the state from the purchase~~
5 ~~of tangible personal property or services during the preceding~~
6 ~~month is remitted to the department on or before the seventh day~~
7 ~~of the month in which remittance is due, 0.50% of the tax col-~~
8 ~~lected for the preceding monthly period, but not to exceed~~
9 ~~\$15,000.00 of the tax collected for that month. If the tax that~~
10 ~~accrued to the state from the purchase of tangible personal prop-~~
11 ~~erty or services during the preceding month is remitted to the~~
12 ~~department after the seventh day of the month and on or before~~
13 ~~the fifteenth day of the month in which remittance is due, 0.25%~~
14 ~~of the tax collected for the preceding monthly period, but not to~~
15 ~~exceed \$10,000.00 of the tax collected for that month.~~

16 ~~(ii) The tax collected on \$100.00 of taxable purchase price~~
17 ~~for the preceding monthly period, or a prorated portion of~~
18 ~~\$100.00 of the taxable purchase price for the preceding month if~~
19 ~~the seller engaged in business for less than a month.~~

20 ~~(b) For monthly tax payments for periods ending on or after~~
21 ~~January 1, 1984, the amount provided by subparagraph (i) or (ii),~~
22 ~~whichever is greater:~~

23 ~~(i) If the tax that accrued to the state from the purchase~~
24 ~~of tangible personal property or services during the preceding~~
25 ~~month is remitted to the department on or before the seventh day~~
26 ~~of the month in which remittance is due, 0.75% of the tax~~
27 ~~collected for the preceding monthly period, but not to exceed~~

~~1 \$20,000.00 of the tax collected for that month. If the tax that
2 accrued to the state from the purchase of tangible personal prop-
3 erty or services during the preceding month is remitted to the
4 department after the seventh day of the month and on or before
5 the fifteenth day of the month in which remittance is due, 0.50%
6 of the tax collected for the preceding monthly period, but not to
7 exceed \$15,000.00 of the tax collected for that month.~~

~~8 (ii) The tax collected on \$150.00 of taxable purchase price
9 for the preceding monthly period or a prorated portion of \$150.00
10 of the taxable purchase price for the preceding month if the
11 seller engaged in business for less than a month.~~

~~12 (2) A deduction shall not be allowed under this section for
13 payments of taxes made to the department after the day the person
14 is required to pay, pursuant to section 6, the tax imposed by
15 this act.~~

~~16 (3) If, pursuant to section 6(2), the commissioner of reve-
17 nue prescribes the filing of returns and the payment of the tax
18 for periods in excess of 1 month, a seller who collects the tax
19 from the purchaser shall be entitled to a deduction from the tax
20 collections remitted to the department for the extended payment
21 period that is equivalent to the deduction allowed under subsec-
22 tion (1) for monthly periods. If portions of the extended pay-
23 ment period prescribed by the commissioner of revenue occurs in
24 both 1983 and 1984, the deduction shall be computed using the
25 applicable percentage or fixed deduction prescribed in subsection
26 (1)(a) for taxes accruing to the state in 1983 and the applicable
27 percentage or fixed deduction prescribed in subsection (1)(b) for~~

1 ~~taxes accruing to the state in 1984.~~ (4) The commissioner may
 2 prescribe the filing of estimated returns and annual periodic
 3 reconciliations. ~~as necessary to carry out the purposes of this~~
 4 ~~section.~~

5 Sec. 6. (1) Every person storing, using, or consuming tan-
 6 gible personal property or services, the storage, use, or con-
 7 sumption of which is subject to the tax imposed by the act ~~—~~
 8 when the tax was not paid to a seller, and every seller collect-
 9 ing the tax from the purchaser, ~~shall,~~ unless otherwise pre-
 10 scribed by the department under the provisions of subsection (2)
 11 OR (3), on or before the fifteenth day of each calendar month
 12 SHALL file with the department a return for the preceding calen-
 13 dar month in ~~such~~ A form ~~as may be~~ prescribed by the depart-
 14 ment, showing the price of each purchase of tangible personal
 15 property or services during the preceding month, and ~~such~~ other
 16 information ~~as~~ the department ~~may deem~~ CONSIDERS necessary
 17 for the proper administration of this act. At the same time each
 18 person shall pay to the department the amount of tax imposed by
 19 this act with respect to the purchases covered by ~~such~~ THE
 20 return. A return shall be signed by the person liable for the
 21 tax ~~—~~ or his OR HER duly authorized agent. ~~if~~ IF the return
 22 is prepared by ~~any~~ A person other than the taxpayer, the return
 23 shall also be signed by the person and show his OR HER address.

24 (2) EACH SELLER THAT HAD A TOTAL TAX LIABILITY UNDER THIS
 25 ACT OR THE SALES TAX ACT, ACT NO. 167 OF THE PUBLIC ACTS OF 1933,
 26 BEING SECTIONS 205.51 TO 205.78 OF THE MICHIGAN COMPILED LAWS, IN
 27 THE IMMEDIATELY PRECEDING CALENDAR YEAR OF \$480,000.00 OR MORE ON

1 OR BEFORE THE EIGHTEENTH OF EACH MONTH SHALL REMIT TO THE
2 DEPARTMENT, BY AN ELECTRONIC FUNDS TRANSFER METHOD APPROVED BY
3 THE COMMISSIONER OF REVENUE, AN AMOUNT EQUAL TO 95% OF THE
4 SELLER'S LIABILITY UNDER THIS ACT FOR THE SAME MONTH IN THE IMME-
5 DIATELY PRECEDING CALENDAR YEAR PLUS A RECONCILIATION PAYMENT
6 EQUAL TO THE DIFFERENCE BETWEEN THE TAX LIABILITY DETERMINED FOR
7 THE IMMEDIATELY PRECEDING MONTH MINUS THE AMOUNT OF TAX PREVI-
8 OUSLY PAID FOR THAT MONTH.

9 (3) ~~-(2)-~~ The commissioner of revenue, when ~~he deems it~~
10 CONSIDERED necessary to insure payment of the tax or to provide a
11 more efficient administration, may require and prescribe the
12 filing of returns and payment of the tax for other than monthly
13 periods.

14 (4) ~~-(3)-~~ If a corporation licensed under this act fails for
15 any reason to file the required returns or to pay the tax due,
16 any of its officers having control ~~or~~ or supervision of, or
17 charged with the responsibility for, making the returns and pay-
18 ments ~~shall be~~ IS personally liable for the failure. The dis-
19 solution of a corporation ~~shall~~ DOES not discharge an officer's
20 liability for a prior failure of the corporation to make a return
21 or remit the tax due. ~~The sum due for such a liability may be~~
22 ~~assessed and collected as provided in section 17.~~

23 (5) ~~-(4)-~~ The tax imposed under this act shall accrue to the
24 state on the last day of each calendar month.