



SENATE BILL No. 871

October 12, 1993, Introduced by Senator SCHWARZ and referred to the Committee on School Finance Reform.

A bill to amend sections 3, 4, 4f, 6, and 21 of Act No. 94 of the Public Acts of 1937, entitled as amended

"Use tax act,"

section 3 as amended by Act No. 86 of the Public Acts of 1990, section 4 as amended by Act No. 141 of the Public Acts of 1989, sections 4f and 6 as amended by Act No. 17 of the Public Acts of 1993, and section 21 as amended by Act No. 260 of the Public Acts of 1987, being sections 205.93, 205.94, 205.94f, 205.96, and 205.111 of the Michigan Compiled Laws; and to add section 4e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3, 4, 4f, 6, and 21 of Act No. 94 of
2 the Public Acts of 1937, section 3 as amended by Act No. 86 of
3 the Public Acts of 1990, section 4 as amended by Act No. 141 of
4 the Public Acts of 1989, sections 4f and 6 as amended by Act
5 No. 17 of the Public Acts of 1993, and section 21 as amended by

1 Act No. 260 of the Public Acts of 1987, being sections 205.93,
2 205.94, 205.94f, 205.96, and 205.111 of the Michigan Compiled
3 Laws, are amended and section 4e is added to read as follows:

4 Sec. 3. (1) There is levied upon and there shall be col-
5 lected from every person in this state a specific tax for the
6 privilege of using, storing, or consuming tangible personal prop-
7 erty in this state ~~, which tax shall be~~ AT A RATE equal to ~~4%~~
8 6% of the price of the property ~~—~~ or services specified in sec-
9 tion 3a. ~~, and to the tax there~~ THERE shall be added TO THE TAX
10 penalties and interest ~~where~~ IF applicable as provided in this
11 act. For the purpose of the proper administration of this act
12 and to prevent the evasion of the tax, it is presumed that tangi-
13 ble personal property purchased ~~shall be~~ IS subject to the tax
14 if brought into the state within 90 days of the purchase date and
15 is considered as acquired for storage, use, or other consumption
16 in this state.

17 (2) The tax imposed by this section for the privilege of
18 using, storing, or consuming a vehicle, ORV, mobile home, air-
19 craft, snowmobile, or watercraft shall be collected before the
20 transfer of the vehicle, ORV, mobile home, aircraft, snowmobile,
21 or watercraft, except ~~transfers~~ A TRANSFER to a licensed dealer
22 or retailer for purposes of resale that arises by reason of a
23 transaction made by a person who does not transfer vehicles,
24 ORV's, mobile homes, aircraft, snowmobiles, or watercraft in the
25 ordinary course of his or her business done in this state. The
26 tax on a vehicle, ORV, snowmobile, and watercraft shall be
27 collected by the secretary of state before the transfer of the

1 vehicle, ORV, snowmobile, or watercraft registration. The tax on
2 a mobile home shall be collected by the department of commerce,
3 mobile home commission, or its agent before the transfer of the
4 certificate of title. The tax on an aircraft shall be collected
5 by the department of treasury. Notwithstanding any limitation
6 contained in section 2, the price tax base of any vehicle, ORV,
7 mobile home, aircraft, snowmobile, or watercraft subject to taxa-
8 tion under this act shall be not less than its retail dollar
9 value at the time of acquisition ~~thereof~~ as fixed pursuant to
10 rules promulgated by the department.

11 (3) The following transfers or purchases are not subject to
12 use tax:

13 (a) When the transferee or purchaser is the spouse, mother,
14 father, brother, sister, or child of the transferor.

15 (b) When the transfer is a gift to a beneficiary in the
16 administration of an estate.

17 (c) When a vehicle, ORV, mobile home, aircraft, snowmobile,
18 or watercraft that has once been subjected to the Michigan sales
19 or use tax is transferred in connection with the organization,
20 reorganization, dissolution, or partial liquidation of an incor-
21 porated or unincorporated business and the beneficial ownership
22 is not changed.

23 (d) When an insurance company licensed to conduct business
24 in this state acquires ownership of a late model distressed vehi-
25 cle as defined in section 12a of the Michigan vehicle code, Act
26 No. 300 of the Public Acts of 1949, being section 257.12a of the
27 Michigan Compiled Laws, through payment of damages in response to

1 a claim or when the person who owned the vehicle before the
2 insurance company reacquires ownership from the company as part
3 of the settlement of a claim.

4 (4) The department may utilize the services, information, or
5 records of any other department or agency of the state government
6 in the performance of its duties under this act, and other
7 departments or agencies of the state government are required to
8 furnish those services, information, or records upon the request
9 of the department.

10 Sec. 4. The tax levied ~~shall~~ DOES not apply to THE
11 FOLLOWING:

12 (a) Property sold in this state on which transaction a tax
13 is paid under the general sales tax act, Act No. 167 of the
14 Public Acts of 1933, as amended, being sections 205.51 to 205.78
15 of the Michigan Compiled Laws, if the tax was due and paid on the
16 retail sale to a consumer.

17 (b) Property, the storage, use, or other consumption of
18 which, this state is prohibited from taxing under the constitu-
19 tion or laws of the United States, or under the constitution of
20 this state.

21 (c) Property purchased for resale, demonstration purposes,
22 or lending or leasing to a public or parochial school offering a
23 course in automobile driving except that a vehicle purchased by
24 the school shall be certified for driving education and shall not
25 be reassigned for personal use by the school's administrative
26 personnel. For a dealer selling a new car or truck, exemption
27 for demonstration purposes shall be determined by the number of

1 new cars and trucks sold during the current calendar year or the
2 ~~immediate prior~~ IMMEDIATELY PRECEDING year without regard to
3 specific make or style ~~in accordance with~~ ACCORDING TO the fol-
4 lowing schedule ~~—~~ OF 0 to 25, 2 units; 26 to 100, 7 units; 101
5 to 500, 20 units; 501 or more, 25 units; but not to exceed 25
6 cars and trucks in 1 calendar year for demonstration purposes.

7 (d) Property that is brought into this state by a nonresi-
8 dent person for storage, use, or consumption while temporarily
9 within this state, except ~~when~~ IF the property is used in this
10 state in a nontransitory business activity for a period exceeding
11 15 days.

12 (e) Property the sale or use of which was already subjected
13 to a sales tax or use tax equal to, or in excess of, that imposed
14 by this act under the law of any other state or a local govern-
15 mental unit within a state if the tax was due and paid on the
16 retail sale to the consumer. ~~and the state or local governmental~~
17 ~~unit within a state in which the tax was imposed accords like or~~
18 ~~complete exemption on property the sale or use of which was sub-~~
19 ~~jected to the sales or use tax of this state.~~ If the sale or use
20 of property was already subjected to a tax under the law of any
21 other state or local governmental unit within a state in an
22 amount less than the tax imposed by this act, this act shall
23 apply, but at a rate measured by the difference ~~only~~ between
24 the rate provided in this act and the rate by which the previous
25 tax was computed.

26 (f) Property sold to a person engaged in a business
27 enterprise and using and consuming the property in the tilling,

1 planting, caring for, or harvesting of the things of the soil;
2 ~~or~~ in the breeding, raising, or caring for livestock, poultry,
3 or horticultural products, including transfers of livestock,
4 poultry, or horticultural products for further growth; OR IN THE
5 DIRECT GATHERING OF FISH BY NET, LINE, OR OTHERWISE ONLY BY AN
6 OWNER-OPERATOR OF THE BUSINESS ENTERPRISE, NOT INCLUDING A
7 CHARTER FISHING BUSINESS ENTERPRISE. ~~In that case, at~~ AT the
8 time of the transfer of ~~the~~ THAT tangible personal property,
9 the transferee shall sign a statement, in a form approved by the
10 department, stating that the property is to be used or consumed
11 in connection with the production of horticultural or agricul-
12 tural products as a business enterprise. The statement shall be
13 accepted by the courts as prima facie evidence of the exemption.
14 ~~Beginning January 1, 1989, this~~ THIS exemption includes agri-
15 cultural land tile, which means fired clay or perforated plastic
16 tubing used as part of a subsurface drainage system for land used
17 in the production of agricultural products as a business
18 enterprise; ~~and~~ includes a portable grain bin, which means a
19 structure that is used or is to be used to shelter grain and that
20 is designed to be disassembled without significant damage to its
21 component parts; AND INCLUDES SUBSURFACE IRRIGATION PIPE USED IN
22 THE PRODUCTION OF AGRICULTURAL PRODUCTS AS A BUSINESS
23 ENTERPRISE. This exemption does not include transfers of food,
24 fuel, clothing, or similar tangible personal property for per-
25 sonal living or human consumption. This exemption ~~shall~~ DOES
26 not include tangible personal property permanently affixed and
27 becoming a structural part of real estate.

(g) Property sold to the following:

(i) An industrial processor for use or consumption in industrial processing. Property used or consumed in industrial processing does not include tangible personal property permanently affixed and becoming a structural part of real estate; office furniture, office supplies, and administrative office equipment; or vehicles licensed and titled for use on public highways. Industrial processing does not include receipt and storage of raw materials purchased or extracted by the user or consumer, or the preparation of food and beverages by a retailer for retail sale. As used in this subdivision, "industrial processor" means a person who transforms, alters, or modifies tangible personal property by changing the form, composition, or character of the property for ultimate sale at retail or sale to another industrial processor to be further processed for ultimate sale at retail. Sales to a person performing a service who does not act as an industrial processor while performing the service may not be excluded under this subdivision, except as provided in subparagraph (ii).

(ii) ~~After December 31, 1984, a~~ A person, whether or not the person is an industrial processor, ~~when~~ IF the property is a computer used in operating industrial processing equipment; equipment used in a computer assisted manufacturing system; equipment used in a computer assisted design or engineering system integral to an industrial process; or a subunit or electronic assembly comprising a component in a computer integrated industrial processing system.

1 (h) Property or services sold to the United States, an
2 unincorporated agency or instrumentality of the United States, an
3 incorporated agency or instrumentality of the United States
4 wholly owned by the United States or by a corporation wholly
5 owned by the United States, the American red cross and its chap-
6 ters or branches, this state, a department or institution of this
7 state, or a political subdivision of this state.

8 (i) Property or services sold to a school, hospital, home
9 for the care and maintenance of children or aged persons, or
10 other health, welfare, educational, cultural arts, charitable, or
11 benevolent institution or agency, operated by an entity of gov-
12 ernment, a regularly organized church, religious, or fraternal
13 organization, a veterans' organization, or a corporation incorpo-
14 rated under the laws of this state, ~~when~~ IF not operated for
15 profit, and ~~when~~ IF the income or benefit from the operation
16 does not inure, in whole or in part, to an individual or private
17 shareholder, directly or indirectly, and ~~when~~ IF the activities
18 of the entity or agency are carried on exclusively for the bene-
19 fit of the public at large and are not limited to the advantage,
20 interests, and benefits of its members or a restricted group.
21 The tax levied ~~shall~~ DOES not apply to property or services
22 sold to a parent cooperative preschool. As used in this subdivi-
23 sion, "parent cooperative preschool" means a nonprofit, nondis-
24 criminatory educational institution, maintained as a community
25 service and administered by parents of children currently
26 enrolled in the preschool ~~which~~ THAT provides an educational
27 and developmental program for children younger than compulsory

1 school age, ~~which~~ THAT provides an educational program for
2 parents, including active participation with children in pre-
3 school activities, ~~which~~ THAT is directed by qualified pre-
4 school personnel, and ~~which~~ THAT is licensed by the department
5 of social services pursuant to Act No. 116 of the Public Acts of
6 1973, as amended, being sections 722.111 to 722.128 of the
7 Michigan Compiled Laws.

8 (j) Property or services sold to a regularly organized
9 church or house of religious worship except THE FOLLOWING:

10 (i) Sales in which the property is used in activities that
11 are mainly commercial enterprises.

12 (ii) Sales of vehicles licensed for use on the public high-
13 ways other than a passenger van or bus with a manufacturer's
14 rated seating capacity of 10 or more that is used primarily for
15 the transportation of persons for religious purposes.

16 (k) A vessel designed for commercial use of registered ton-
17 nage of 500 tons or more, ~~when~~ IF produced upon special order
18 of the purchaser, and bunker and galley fuel, provisions, sup-
19 plies, maintenance, and repairs for the exclusive use of a vessel
20 of 500 tons or more engaged in interstate commerce.

21 (l) Property purchased by a person engaged in the business
22 of constructing, altering, repairing, or improving real estate
23 for others to the extent the property is affixed to and made a
24 structural part of the real estate of a nonprofit hospital or a
25 nonprofit housing entity qualified as exempt pursuant to section
26 15a of the state housing development authority act of 1966, Act
27 No. 346 of the Public Acts of 1966, as amended, being section

1 125.1415a of the Michigan Compiled Laws. A nonprofit hospital or
2 nonprofit housing includes only the property of a nonprofit hos-
3 pital or the homes or dwelling places constructed by a nonprofit
4 housing entity, the income or property of which does not directly
5 or indirectly inure to the benefit of an individual, private
6 stockholder, or other private person.

7 (m) Property purchased for use in this state where actual
8 personal possession is obtained outside this state, the purchase
9 price or actual value of which does not exceed \$10.00 during 1
10 calendar month.

11 (n) A newspaper or periodical classified under federal
12 postal laws and regulations effective September 1, 1985 as second
13 class mail matter or as a controlled circulation publication or
14 qualified to accept legal notices for publication in this state,
15 as defined by law, or any other newspaper or periodical of gen-
16 eral circulation, established at least 2 years, and published at
17 least once a week, and a copyrighted motion picture film.
18 Tangible personal property used or consumed, and not becoming a
19 component part of a COPYRIGHTED MOTION PICTURE FILM, newspaper,
20 or periodical, except that portion or percentage of tangible per-
21 sonal property used or consumed in producing an advertising sup-
22 plement that becomes a component part of a newspaper or periodi-
23 cal ~~and a copyrighted motion picture film~~ is subject to tax.
24 For purposes of this subdivision, tangible personal property that
25 becomes a component part of a newspaper or periodical ~~and~~
26 ~~thereby~~ CONSEQUENTLY not subject to tax ~~shall include~~
27 INCLUDES an advertising supplement inserted into and circulated

1 with a newspaper or periodical ~~which~~ THAT is otherwise exempt
2 from tax under this subdivision, if the advertising supplement is
3 delivered directly to the newspaper or periodical by a person
4 other than the advertiser ~~—~~ or the advertising supplement is
5 printed by the newspaper or periodical.

6 (o) Property purchased by persons licensed to operate a com-
7 mercial radio or television station ~~when~~ IF the property is
8 used in the origination or integration of the various sources of
9 program material for commercial radio or television
10 transmission. This subdivision does not include a vehicle
11 licensed and titled for use on public highways or property used
12 in the transmitting to or receiving from an artificial
13 satellite.

14 (p) A person who is a resident of this state who purchases
15 an automobile in another state while in the military service of
16 the United States and who pays a sales tax in the state where the
17 automobile is purchased.

18 (q) A vehicle for which a special registration is secured in
19 accordance with section 226(9) of the Michigan vehicle code, Act
20 No. 300 of the Public Acts of 1949, as amended, being section
21 257.226 of the Michigan Compiled Laws.

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

1 by a ~~licensed~~ health professional as defined by section 4 of
2 former Act No. 264 of the Public Acts of 1974 ~~, as amended,~~
3 ~~being section 325.904 of the Michigan Compiled Laws,~~ or section
4 21005 of the public health code, Act No. 368 of the Public Acts
5 of 1978, being section 333.21005 of the Michigan Compiled Laws,
6 or eyeglasses prescribed or dispensed to correct the person's
7 vision by an ophthalmologist, optometrist, or optician.

8 (s) Water when delivered through water mains or in bulk
9 tanks in quantities of not less than 500 gallons.

10 (t) The purchase of machinery and equipment for use or con-
11 sumption in the rendition of a service, the use or consumption of
12 which is taxable under section 3a(a) except that this exception
13 is limited to the tangible personal property located on the
14 premises of the subscriber and the necessary exchange equipment.

15 (u) A vehicle not for resale used by a nonprofit corporation
16 organized exclusively to provide a community with ambulance or
17 fire department services.

18 (v) Tangible personal property purchased and installed as a
19 component part of a water pollution control facility for which a
20 tax exemption certificate is issued pursuant to Act No. 222 of
21 the Public Acts of 1966, as amended, being sections 323.351 to
22 323.358 of the Michigan Compiled Laws, or an air pollution con-
23 trol facility for which a tax exemption certificate is issued
24 pursuant to Act No. 250 of the Public Acts of 1965, as amended,
25 being sections 336.1 to 336.8 of the Michigan Compiled Laws.

26 (w) Tangible real or personal property donated by a
27 manufacturer, wholesaler, or retailer to an organization or

1 entity exempt pursuant to subdivision (i) or (j) or section 4a(a)
2 or (b) of the general sales tax act, Act No. 167 of the Public
3 Acts of 1933, as amended, being section 205.54a of the Michigan
4 Compiled Laws.

5 (x) The storage, use, or consumption of any aircraft owned
6 or used by a domestic passenger air carrier operating under a
7 certificate issued by the ~~civil aeronautics board~~ UNITED STATES
8 DEPARTMENT OF TRANSPORTATION pursuant to section 401 of title IV
9 of the federal aviation act of 1958, PUBLIC LAW 85-726,
10 49 U.S.C. 1371, if the aircraft is used primarily in the regu-
11 larly scheduled commercial transport of passengers.

12 SEC. 4E. THE USE OF TANGIBLE PERSONAL PROPERTY PURCHASED BY
13 PERSONS ENGAGED IN THE BUSINESS OF CONSTRUCTING, ALTERING,
14 REPAIRING, OR IMPROVING REAL ESTATE FOR OTHERS IS EXEMPT FROM THE
15 TAX IMPOSED AT THE ADDITIONAL RATE OF 2% IF THE TANGIBLE PERSONAL
16 PROPERTY IS PURCHASED, MANUFACTURED, FABRICATED, OR ASSEMBLED BY
17 THOSE PERSONS AND IS AFFIXED AND MADE A STRUCTURAL PART OF REAL
18 ESTATE OR USED AND COMPLETELY CONSUMED, IN THE FULFILLMENT OF A
19 SINGLE CONTRACT THAT IS EITHER A FIXED PRICE CONTRACT OFFERED
20 BEFORE FEBRUARY 8, 1994, ACCEPTED BEFORE MAY 8, 1994, AND NOT
21 SUBJECT TO CHANGE OR MODIFICATION OR A CONTRACT ENTERED INTO PUR-
22 SUANT TO THE OBLIGATION OF A FORMAL WRITTEN BID MADE BEFORE
23 FEBRUARY 8, 1994 AND ACCEPTED BEFORE MAY 8, 1994 THAT CANNOT BE
24 ALTERED OR WITHDRAWN. THE TAX IMPOSED AT THE ADDITIONAL RATE OF
25 2% ALSO DOES NOT APPLY TO A BONA FIDE SALES OR LEASE AGREEMENT
26 MADE BEFORE FEBRUARY 8, 1994 IF THE AGREEMENT CANNOT BE WITHDRAWN

1 OR ALTERED, OR CONTAINS A FIXED PRICE NOT SUBJECT TO CHANGE OR
2 MODIFICATION.

3 Sec. 4f. ~~(1) In computing the amount of tax payments~~
4 ~~required for any month of a seller not subject to section 6(2)~~
5 ~~who collects the tax from the purchaser under the provisions of~~
6 ~~this act, the seller who collects the tax from a purchaser may~~
7 ~~deduct the amount provided by subdivision (a) or (b), whichever~~
8 ~~is greater:~~

9 ~~(a) If the tax that accrued to the state from the purchase~~
10 ~~of tangible personal property or services during the preceding~~
11 ~~month is remitted to the department on or before the seventh day~~
12 ~~of the month in which remittance is due, 0.75% of the tax col-~~
13 ~~lected for the preceding monthly period, but not to exceed~~
14 ~~\$20,000.00 of the tax collected for that month. If the tax that~~
15 ~~accrued to the state from the purchase of tangible personal prop-~~
16 ~~erty or services during the preceding month is remitted to the~~
17 ~~department after the seventh day of the month and on or before~~
18 ~~the fifteenth day of the month in which remittance is due, 0.50%~~
19 ~~of the tax collected for the preceding monthly period, but not to~~
20 ~~exceed \$15,000.00 of the tax collected for that month.~~

21 ~~(b) The tax collected on \$150.00 of taxable purchase price~~
22 ~~for the preceding monthly period or a prorated portion of \$150.00~~
23 ~~of the taxable purchase price for the preceding month if the~~
24 ~~seller engaged in business for less than a month.~~

25 ~~(2) In computing the amount of tax levied under this act for~~
26 ~~any month, a seller who collects the tax from the purchaser under~~
27 ~~this act and who is subject to section 6(2) may deduct the amount~~

~~1 provided in this subsection. If the tax that is due to the state~~
~~2 from the purchase of tangible personal property or services is~~
~~3 remitted to the department on or before the eleventh day of the~~
~~4 month in which remittance is due, 0.75% of the tax due but not to~~
~~5 exceed \$20,000.00 of the tax due for that month may be deducted.~~
~~6 If the tax that is due to the state from the purchase of tangible~~
~~7 personal property or services is remitted to the department after~~
~~8 the eleventh day and on or before the eighteenth day of the month~~
~~9 in which remittance is due, 0.50% of the tax due but not to~~
~~10 exceed \$15,000.00 of the tax due for that month may be deducted.~~

~~11 (3) A deduction shall not be allowed under this section for~~
~~12 payments of taxes made to the department after the day the person~~
~~13 is required to pay, pursuant to section 6, the tax imposed by~~
~~14 this act.~~

~~15 (4) If, pursuant to section 6(3), the commissioner of reve-~~
~~16 nue prescribes the filing of returns and the payment of the tax~~
~~17 for periods in excess of 1 month, a seller who collects the tax~~
~~18 from the purchaser shall be entitled to a deduction from the tax~~
~~19 collections remitted to the department for the extended payment~~
~~20 period that is equivalent to the deduction allowed under subsec-~~
~~21 tion (1) or (2) for monthly periods.~~

~~22 (5) The commissioner may prescribe the filing of estimated~~
~~23 returns and annual periodic reconciliations as necessary to carry~~
~~24 out the purposes of this section.~~

25 Sec. 6. (1) Every person storing, using, or consuming tan-
26 gible personal property or services, the storage, use, or
27 consumption of which is subject to the tax imposed by the act

1 when the tax was not paid to a seller, and every seller
2 collecting the tax from the purchaser, unless otherwise pre-
3 scribed by the department under the provisions of subsection (2)
4 or (3), on or before the fifteenth day of each calendar month
5 shall file with the department a return for the preceding calen-
6 dar month in a form prescribed by the department, showing the
7 price of each purchase of tangible personal property or services
8 during the preceding month, and other information the department
9 considers necessary for the proper administration of this act.
10 At the same time each person shall pay to the department the
11 amount of tax imposed by this act with respect to the purchases
12 covered by the return. A return shall be signed by the person
13 liable for the tax or his or her duly authorized agent. If the
14 return is prepared by a person other than the taxpayer, the
15 return shall also be signed by the person and show his or her
16 address.

17 (2) ~~Beginning July 1, 1993, each~~ EACH seller that had a
18 total tax liability after subtracting the tax payments made to
19 the secretary of state ~~—~~ under this act or the sales tax act,
20 Act No. 167 of the Public Acts of 1933, being sections 205.51 to
21 205.78 of the Michigan Compiled Laws, OR AFTER SUBTRACTING THE
22 TAX CREDITS AVAILABLE UNDER SECTION 6A OF THE GENERAL SALES TAX
23 ACT, ACT NO. 167 OF THE PUBLIC ACTS OF 1933, BEING SECTION 205.6A
24 OF THE MICHIGAN COMPILED LAWS, in the immediately preceding cal-
25 endar year of ~~\$480,000.00~~ \$590,000.00 FOR 1993, OR \$720,000.00
26 FOR 1994 AND EACH YEAR AFTER 1994, or more on or before the
27 eighteenth of each month shall remit to the department, by an

1 electronic funds transfer method approved by the commissioner of
2 revenue, an amount equal to ~~95%~~ 75% of the ~~seller's~~
3 TAXPAYER'S liability under this act for the same month in the
4 immediately preceding calendar year, OR 75% OF THE ACTUAL LIABIL-
5 ITY FOR THE CURRENT MONTH BEING REPORTED, plus a reconciliation
6 payment equal to the difference between the tax liability deter-
7 mined for the immediately preceding month minus the amount of tax
8 previously paid for that month.

9 (3) The commissioner of revenue, ~~when~~ IF considered neces-
10 sary to insure payment of the tax or to provide a more efficient
11 administration, may require and prescribe the filing of returns
12 and payment of the tax for other than monthly periods.

13 (4) If a corporation licensed under this act fails for any
14 reason to file the required returns or to pay the tax due, any of
15 its officers having control or supervision of, or charged with
16 the responsibility for, making the returns and payments is per-
17 sonally liable for the failure. The dissolution of a corporation
18 does not discharge an officer's liability for a prior failure of
19 the corporation to make a return or remit the tax due.

20 (5) The tax imposed under this act shall accrue to the state
21 on the last day of each calendar month.

22 Sec. 21. (1) Except as provided in subsection (2), all
23 money received and collected under the provisions of this act
24 shall be deposited by the department, in the state treasury to
25 the credit of the general fund, to be disbursed only by appropri-
26 ations by the legislature.

1 (2) THE COLLECTIONS FROM THE USE TAX IMPOSED AT THE
2 ADDITIONAL RATE OF 2% SHALL BE DEPOSITED IN THE STATE SCHOOL AID
3 FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTI-
4 TUTION OF 1963.

5 Section 2. This amendatory act shall not take effect unless
6 Senate Joint Resolution ____ or House Joint Resolution Z
7 (request no. 05069'93*) of the 87th Legislature becomes a part of
8 the state constitution of 1963 as provided in section 1 of
9 Article XII of the state constitution of 1963.