



SENATE BILL No. 568

May 30, 1995, Introduced by Senators HOFFMAN, MC MANUS and STEIL and referred to the Committee on Finance.

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. 132 of the Public Acts of 1994, 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. 132 of the Public Acts of 1994, 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 all
9 pertinent documents in a form the department requires. If an

1 exemption from sales tax is claimed because the sale is for
2 resale or for any of the other exemptions or deductions granted
3 under this act, a record shall be kept of the name and address of
4 the person to whom the sale is made, the date of the sale, the
5 article purchased, the use to be made of the article, and the
6 amount of the sale, and if that person has a sales tax license,
7 that number shall also be included. If a taxpayer maintains the
8 records required under this section, and accepts an exemption
9 certificate from the buyer in good faith on a form prescribed by
10 the department, the taxpayer is not liable for collection of the
11 unpaid tax after a finding that the sale did not qualify for
12 exemption under this act. As used in this section, "good faith"
13 means that the taxpayer exercised reasonable care and effort to
14 determine that the purchaser was entitled to the exemption being
15 claimed. A person knowingly making a sale of tangible personal
16 property for the purpose of resale at retail to another person
17 not licensed under this act is liable for the tax imposed under
18 this act unless the transaction is exempt under the provisions of
19 section 4k. These records must be retained for a period of 4
20 years after the tax imposed under this act to which the records
21 apply is due or as otherwise provided by law. If the department
22 considers it necessary, the department may require a person, by
23 notice served upon that person, to make a return, render under
24 oath certain statements, or keep certain records the department
25 considers sufficient to show whether or not that person is liable
26 for tax under this act. If the taxpayer fails to file a return
27 or to maintain or preserve proper records as prescribed in this

1 section, or the department has reason to believe that any records
2 maintained or returns filed are inaccurate or incomplete and that
3 additional taxes are due, the department may assess the amount of
4 the tax due from the taxpayer based on information that is avail-
5 able or that may become available to the department. That
6 assessment is considered prima facie correct for the purpose of
7 this act and the burden of proof of refuting the assessment is
8 upon the taxpayer. FOR PURPOSES OF THIS SECTION, EXEMPTION CER-
9 TIFICATE INCLUDES A BLANKET EXEMPTION CERTIFICATE ON A FORM PRE-
10 SCRIBED BY THE DEPARTMENT THAT COVERS ALL EXEMPT TRANSFERS
11 BETWEEN THE TAXPAYER AND THE BUYER FOR A PERIOD OF 3 YEARS OR FOR
12 A PERIOD OF LESS THAN 3 YEARS AS STATED ON THE BLANKET EXEMPTION
13 CERTIFICATE IF THAT PERIOD IS AGREED TO BY THE BUYER AND
14 TAXPAYER.