

SUBSTITUTE FOR
HOUSE BILL NO. 5313

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending sections 4f and 6 (MCL 205.94f and 205.96), as
amended by 1993 PA 326.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4f. (1) In computing the amount of tax payments
2 required for any month of a seller not subject to section 6(2)
3 who collects the tax from the purchaser under the provisions of
4 this act, the seller who collects the tax from a purchaser may
5 deduct the amount provided by subdivision (a) or (b), whichever
6 is greater:
7 (a) If the tax that accrued to the state from the purchase
8 of tangible personal property or services during the preceding
9 month is remitted to the department on or before the seventh day
10 of the month in which remittance is due, 0.75% of the tax

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

10 (b) The tax collected at a rate of 4% on \$150.00 of taxable
11 purchase price for the preceding monthly period or a prorated
12 portion of \$150.00 of the taxable purchase price for the preced-
13 ing month if the seller engaged in business for less than a
14 month.

15 ~~-(2) In computing the amount of tax levied under this act~~
16 ~~for any month, a seller who collects the tax from the purchaser~~
17 ~~under this act and who is subject to section 6(2) may deduct the~~
18 ~~amount provided in this subsection. If the tax that is due to~~
19 ~~the state from the purchase of tangible personal property or~~
20 ~~services is remitted to the department on or before the eleventh~~
21 ~~day of the month in which remittance is due, 0.75% of the tax due~~
22 ~~at a rate of 4% but not to exceed \$20,000.00 of the tax due for~~
23 ~~that month may be deducted. If the tax that is due to the state~~
24 ~~from the purchase of tangible personal property or services is~~
25 ~~remitted to the department after the eleventh day and on or~~
26 ~~before the eighteenth day of the month in which remittance is~~

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~~1 due, 0.50% of the tax due at a rate of 4% but not to exceed
2 \$15,000.00 of the tax due for that month may be deducted.~~

3 (2) IN COMPUTING THE AMOUNT OF TAX LEVIED UNDER THIS ACT FOR
4 ANY MONTH, A SELLER WHO IS A TELECOMMUNICATION PROVIDER, WHO COL-
5 LECTS THE TAX FROM THE PURCHASER UNDER THIS ACT, AND WHO IS
6 SUBJECT TO SECTION 6(2) MAY DEDUCT THE AMOUNT PROVIDED IN THIS
7 SUBSECTION. IF THE TAX THAT IS DUE TO THE STATE FROM THE PUR-
8 CHASE OF TANGIBLE PERSONAL PROPERTY OR SERVICES IS REMITTED TO
9 THE DEPARTMENT ON OR BEFORE THE SEVENTH DAY OF THE MONTH IN WHICH
10 REMITTANCE IS DUE, 0.75% OF THE TAX DUE AT A RATE OF 4% BUT NOT
11 TO EXCEED \$20,000.00 OF THE TAX DUE FOR THAT MONTH MAY BE
12 DEDUCTED. IF THE TAX THAT IS DUE TO THE STATE FROM THE PURCHASE
13 OF TANGIBLE PERSONAL PROPERTY OR SERVICES IS REMITTED TO THE
14 DEPARTMENT AFTER THE SEVENTH DAY AND ON OR BEFORE THE FIFTEENTH
15 DAY OF THE MONTH IN WHICH REMITTANCE IS DUE, 0.50% OF THE TAX DUE
16 AT A RATE OF 4% BUT NOT TO EXCEED \$15,000.00 OF THE TAX DUE FOR
17 THAT MONTH MAY BE DEDUCTED.

18 (3) A deduction is not allowed under this section for pay-
19 ments of taxes made to the department after the day the person is
20 required to pay the tax imposed by this act pursuant to section
21 6.

22 (4) If, pursuant to section 6(3), the commissioner of reve-
23 nue prescribes the filing of returns and the payment of the tax
24 for periods in excess of 1 month, a seller who collects the tax
25 from the purchaser is entitled to a deduction from the tax col-
26 lections remitted to the department for the extended payment

1 period that is equivalent to the deduction allowed under
2 subsection (1) or (2) for monthly periods.

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

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

24 ~~-(2) Each seller that had a total tax liability after sub-~~
25 ~~tracting the tax payments made to the secretary of state under~~
26 ~~this act or the sales tax act, Act No. 167 of the Public Acts of~~
27 ~~1933, being sections 205.51 to 205.78 of the Michigan Compiled~~

~~1 Laws, or after subtracting the tax credits available under
2 section 6a of the general sales tax act, Act No. 167 of the
3 Public Acts of 1933, being section 205.6a of the Michigan
4 Compiled Laws, in the immediately preceding calendar year of
5 \$480,000.00 for 1993, \$660,000.00 for 1994, or \$720,000.00 for
6 each year after 1994, or more on or before the eighteenth of each
7 month shall remit to the department, by an electronic funds
8 transfer method approved by the commissioner of revenue, an
9 amount equal to 95% of the taxpayer's liability under this act
10 for the same month in the immediately preceding calendar year, or
11 95% of the actual liability for the current month being reported,
12 plus a reconciliation payment equal to the difference between the
13 tax liability determined for the immediately preceding month
14 minus the amount of tax previously paid for that month. However,
15 for the period beginning May 1, 1994 through April 30, 1995, the
16 payment required under this subsection shall be 140% of the
17 taxpayer's liability under this act for the same month in the
18 immediately preceding calendar year or 95% of the actual liabil-
19 ity for the current month being reported, plus the reconciliation
20 payment described in this subsection.~~

21 (2) EACH SELLER WHO IS A TELECOMMUNICATION PROVIDER THAT HAD
22 A TOTAL TAX LIABILITY AFTER SUBTRACTING THE TAX PAYMENTS MADE TO
23 THE SECRETARY OF STATE UNDER THIS ACT OR THE SALES TAX ACT, 1933
24 PA 167, MCL 205.51 TO 205.78, OR AFTER SUBTRACTING THE TAX CRED-
25 ITS AVAILABLE UNDER SECTION 6A OF THE GENERAL SALES TAX ACT, 1933
26 PA 167, MCL 205.56A, IN THE IMMEDIATELY PRECEDING CALENDAR YEAR
27 OF \$720,000.00 OR MORE SHALL REMIT TO THE DEPARTMENT, BY AN

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1 ELECTRONIC FUNDS TRANSFER METHOD APPROVED BY THE COMMISSIONER OF
2 REVENUE ON OR BEFORE THE FIFTEENTH OF THE IMMEDIATELY FOLLOWING
3 CALENDAR MONTH, AN AMOUNT EQUAL TO 95% OF THE TAXPAYER'S LIABIL-
4 ITY UNDER THIS ACT FOR THE SAME MONTH IN THE IMMEDIATELY PRECED-
5 ING CALENDAR YEAR, PLUS A RECONCILIATION PAYMENT EQUAL TO THE
6 DIFFERENCE BETWEEN THE TAX LIABILITY DETERMINED FOR THE IMMEDI-
7 ATELY PRECEDING REMITTANCE MINUS THE AMOUNT OF TAX PREVIOUSLY
8 PAID FOR THAT MONTH.

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

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

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

23 (6) AS USED IN THIS SECTION AND SECTION 4F,
24 "TELECOMMUNICATION PROVIDER" MEANS THAT TERM AS DEFINED IN SEC-
25 TION 102 OF THE MICHIGAN TELECOMMUNICATIONS ACT, 1991 PA 179, MCL
26 484.2102.

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1 Enacting section 1. This amendatory act takes effect
2 January 1, 1999.