

**SENATE 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) OR  
3 (3) who collects the tax from the purchaser under the provisions  
4 of 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

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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~~ BEFORE JANUARY 1, 1999, IN computing the amount of  
16 tax levied under this act for any month, a seller who collects  
17 the tax from the purchaser under this act and who is subject to  
18 section 6(2) may deduct the amount provided in this subsection.  
19 If the tax that is due to the state from the purchase of tangible  
20 personal property or services is remitted to the department on or  
21 before the eleventh day of the month in which remittance is due,  
22 0.75% of the tax due at a rate of 4% but not to exceed \$20,000.00  
23 of the tax due for that month may be deducted. If the tax that  
24 is due to the state from the purchase of tangible personal prop-  
25 erty or services is remitted to the department after the eleventh  
26 day and on or before the eighteenth day of the month in which  
27 remittance is due, 0.50% of the tax due at a rate of 4% but not

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1 to exceed \$15,000.00 of the tax due for that month may be  
2 deducted.

3       (3) BEGINNING JANUARY 1, 1999, IN COMPUTING THE AMOUNT OF  
4 TAX LEVIED UNDER THIS ACT FOR ANY MONTH, A SELLER WHO COLLECTS  
5 THE TAX FROM THE PURCHASER UNDER THIS ACT AND WHO IS SUBJECT TO  
6 SECTION 6(3) MAY DEDUCT FROM THE AMOUNT OF THE TAX PAID 0.50% OF  
7 THE TAX DUE AT A RATE OF 4%.

8       (4) ~~—(3)—~~ A deduction is not allowed under this section for  
9 payments of taxes made to the department after the day the person  
10 is required to pay the tax imposed by this act pursuant to sec-  
11 tion 6.

12       (5) ~~—(4)—~~ If, pursuant to section ~~—6(3)—~~ 6(4), the commis-  
13 sioner of revenue prescribes the filing of returns and the pay-  
14 ment of the tax for periods in excess of 1 month, a seller who  
15 collects the tax from the purchaser is entitled to a deduction  
16 from the tax collections remitted to the department for the  
17 extended payment period that is equivalent to the deduction  
18 allowed under subsection (1), ~~—or—~~ (2), OR (3) for monthly  
19 periods.

20       (6) ~~—(5)—~~ The commissioner may prescribe the filing of esti-  
21 mated returns and annual periodic reconciliations as necessary to  
22 carry out the purposes of this section.

23       Sec. 6. (1) Every person storing, using, or consuming tan-  
24 gible personal property or services, the storage, use, or con-  
25 sumption of which is subject to the tax imposed by ~~—the—~~ THIS act  
26 when the tax was not paid to a seller, and every seller  
27 collecting the tax from the purchaser, unless otherwise

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1 prescribed by the department under the provisions of subsection  
2 (2), ~~or~~ (3), OR (4), on or before the fifteenth day of each  
3 calendar month shall file with the department a return for the  
4 preceding calendar month, in a form prescribed by the department,  
5 showing the price of each purchase of tangible personal property  
6 or services during the preceding month, and other information the  
7 department considers necessary for the proper administration of  
8 this act. At the same time, each person shall pay to the depart-  
9 ment the amount of tax imposed by this act with respect to the  
10 purchases covered by the return. A return shall be signed by the  
11 person liable for the tax or his or her duly authorized agent.  
12 If the return is prepared by a person other than the taxpayer,  
13 the return shall also be signed by ~~the~~ THAT person and show his  
14 or her address.

15 (2) ~~Each~~ BEFORE JANUARY 1, 1999, EACH seller that had a  
16 total tax liability after subtracting the tax payments made to  
17 the secretary of state under this act or the sales tax act, ~~Act~~  
18 ~~No. 167 of the Public Acts of 1933, being sections 205.51 to~~  
19 ~~205.78 of the Michigan Compiled Laws~~ 1933 PA 167, MCL 205.51 TO  
20 205.78, or after subtracting the tax credits available under  
21 section 6a of the general sales tax act, ~~Act No. 167 of the~~  
22 ~~Public Acts of 1933, being section 205.6a of the Michigan~~  
23 ~~Compiled Laws~~ 1933 PA 167, MCL 205.6A, in the immediately pre-  
24 ceding calendar year of ~~\$480,000.00 for 1993, \$660,000.00 for~~  
25 ~~1994, or \$720,000.00 for each year after 1994,~~ or more on or  
26 before the eighteenth of each month shall remit to the  
27 department, by an electronic funds transfer method approved by

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1 the commissioner of revenue, an amount equal to 95% of the  
2 taxpayer's liability under this act for the same month in the  
3 immediately preceding calendar year, or 95% of the actual liabil-  
4 ity for the current month being reported, plus a reconciliation  
5 payment equal to the difference between the tax liability deter-  
6 mined for the immediately preceding month minus the amount of tax  
7 previously paid for that month. ~~However, for the period begin-~~  
8 ~~ning May 1, 1994 through April 30, 1995, the payment required~~  
9 ~~under this subsection shall be 140% of the taxpayer's liability~~  
10 ~~under this act for the same month in the immediately preceding~~  
11 ~~calendar year or 95% of the actual liability for the current~~  
12 ~~month being reported, plus the reconciliation payment described~~  
13 ~~in this subsection.~~

14 (3) BEGINNING JANUARY 1, 1999, EACH SELLER THAT HAD A TOTAL  
15 TAX LIABILITY AFTER SUBTRACTING THE TAX PAYMENTS MADE TO THE SEC-  
16 RETARY OF STATE UNDER THIS ACT OR THE SALES TAX ACT, 1933 PA 167,  
17 MCL 205.51 TO 205.78, OR AFTER SUBTRACTING THE TAX CREDITS AVAIL-  
18 ABLE UNDER SECTION 6A OF THE GENERAL SALES TAX ACT, 1933 PA 167,  
19 MCL 205.56A, IN THE IMMEDIATELY PRECEDING CALENDAR YEAR OF  
20 \$720,000.00 OR MORE SHALL REMIT TO THE DEPARTMENT, BY AN ELEC-  
21 TRONIC FUNDS TRANSFER METHOD APPROVED BY THE COMMISSIONER OF REV-  
22 ENUE ON OR BEFORE THE FIFTEENTH DAY OF THE MONTH, AN AMOUNT EQUAL  
23 TO 50% OF THE TAXPAYER'S LIABILITY UNDER THIS ACT FOR THE SAME  
24 MONTH IN THE IMMEDIATELY PRECEDING CALENDAR YEAR, OR 50% OF THE  
25 ACTUAL LIABILITY FOR THE MONTH BEING REPORTED, WHICHEVER IS LESS,  
26 PLUS A RECONCILIATION PAYMENT EQUAL TO THE DIFFERENCE BETWEEN THE  
27 TAX LIABILITY DETERMINED FOR THE IMMEDIATELY PRECEDING MONTH

1 MINUS THE AMOUNT OF TAX PREVIOUSLY PAID FOR THAT MONTH.

2 ADDITIONALLY, THE SELLER SHALL REMIT TO THE DEPARTMENT, BY AN  
3 ELECTRONIC FUNDS TRANSFER METHOD APPROVED BY THE COMMISSIONER OF  
4 REVENUE ON OR BEFORE THE LAST DAY OF THE MONTH, AN AMOUNT EQUAL  
5 TO 50% OF THE TAXPAYER'S LIABILITY UNDER THIS ACT FOR THE SAME  
6 MONTH IN THE IMMEDIATELY PRECEDING CALENDAR YEAR, OR 50% OF THE  
7 ACTUAL LIABILITY FOR THE MONTH BEING REPORTED, WHICHEVER IS LESS.

8 (4) ~~-(3) The commissioner of revenue, if~~ IF considered nec-  
9 essary to insure payment of the tax or to provide a more effi-  
10 cient administration, THE REVENUE COMMISSIONER may require and  
11 prescribe the filing of returns and payment of the tax for other  
12 than monthly periods.

13 (5) ~~-(4) If a corporation licensed under this act fails for~~  
14 any reason to file the required returns or to pay the tax due,  
15 any of its officers having control or supervision of, or charged  
16 with the responsibility for, making the returns and payments ~~is~~  
17 ARE personally liable for the failure. The dissolution of a cor-  
18 poration does not discharge an officer's liability for a prior  
19 failure of the corporation to make a return or remit the tax  
20 due.

21 (6) ~~-(5) The tax imposed under this act shall accrue to~~  
22 ~~the~~ THIS state on the last day of each calendar month.

Enacting section 1. This amendatory act does not take effect  
unless all of the following bills of the 89th Legislature are  
enacted into law:

- (a) Senate Bill No. 1158.
- (b) House Bill No. 4942.