



# HOUSE BILL No. 4891

September 28, 1999, Introduced by Rep. Bisbee and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 17 (MCL 205.67), as amended by 1995 PA 254.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 17. A person liable for any tax imposed under this act  
2 shall keep accurate and complete beginning and annual inventory  
3 and purchase records of additions to inventory, complete daily  
4 sales records, receipts, invoices, bills of lading, and all per-  
5 tinent documents in a form the department requires. If an exemp-  
6 tion from sales tax is claimed because the sale is for resale or  
7 for any of the other exemptions or deductions granted under this  
8 act, a record shall be kept of the name and address of the person  
9 to whom the sale is made, the date of the sale, the article  
10 purchased, the ~~use to be made of the article, and~~ TYPE OF  
11 EXEMPTION CLAIMED, the amount of the sale, and, if that person

1 has a sales tax license, ~~that~~ THE SALES TAX LICENSE number.  
2 ~~shall also be included.~~ If a taxpayer maintains the records  
3 required under this section, and accepts an exemption certificate  
4 from the buyer in good faith on a form prescribed by the depart-  
5 ment, the taxpayer is not liable for collection of the unpaid tax  
6 after a finding that the sale did not qualify for exemption under  
7 this act. As used in this section, "good faith" means that the  
8 taxpayer ~~exercised reasonable care and effort to determine that~~  
9 ~~the purchaser was entitled to the exemption being claimed~~  
10 RECEIVED A COMPLETED AND SIGNED EXEMPTION CERTIFICATE FROM THE  
11 BUYER. A person knowingly making a sale of tangible personal  
12 property for the purpose of resale at retail to another person  
13 not licensed under this act is liable for the tax imposed under  
14 this act unless the transaction is exempt under the provisions of  
15 section 4k. These records must be retained for a period of 4  
16 years after the tax imposed under this act to which the records  
17 apply is due or as otherwise provided by law. If the department  
18 considers it necessary, the department may require a person, by  
19 notice served upon that person, to make a return, render under  
20 oath certain statements, or keep certain records the department  
21 considers sufficient to show whether or not that person is liable  
22 for tax under this act. If the taxpayer fails to file a return  
23 or to maintain or preserve proper records as prescribed in this  
24 section, or the department has reason to believe that any records  
25 maintained or returns filed are inaccurate or incomplete and that  
26 additional taxes are due, the department may assess the amount of  
27 the tax due from the taxpayer based on information that is

1 available or that may become available to the department. That  
2 assessment is considered prima facie correct for the purpose of  
3 this act and the burden of proof of refuting the assessment is  
4 upon the taxpayer. For purposes of this section, exemption cer-  
5 tificate includes a blanket exemption certificate on a form pre-  
6 scribed by the department that covers all exempt transfers  
7 between the taxpayer and the buyer for a period of ~~3~~ 4 years or  
8 for a period of less than ~~3~~ 4 years as stated on the blanket  
9 exemption certificate if that period is agreed to by the buyer  
10 and taxpayer.