



HOUSE BILL No. 4907

September 29, 1999, Introduced by Rep. Stallworth 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. (1) A person liable for any tax imposed under this
2 act shall keep accurate and complete beginning and annual inven-
3 tory and purchase records of additions to inventory, complete
4 daily sales records, receipts, invoices, bills of lading, and all
5 pertinent documents in a form the department requires. If an
6 exemption from sales tax is claimed because the sale is for
7 resale or for any of the other exemptions or deductions granted
8 under this act, a record shall be kept of the name and address of
9 the person to whom the sale is made, the date of the sale, the
10 article purchased, the use to be made of the article, and the
11 amount of the sale, and, if that person has a sales tax license,

1 ~~that~~ THE SALES TAX LICENSE number. ~~shall also be included.~~ If
2 a taxpayer maintains the records required under this section, and
3 accepts an exemption certificate from the buyer in good faith on
4 a form prescribed by the department, the taxpayer is not liable
5 for collection of the unpaid tax after a finding that the sale
6 did not qualify for exemption under this act. As used in this
7 section, "good faith" means that the taxpayer exercised reason-
8 able care and effort to determine that the purchaser was entitled
9 to the exemption being claimed. A person knowingly making a sale
10 of tangible personal property for the purpose of resale at retail
11 to another person not licensed under this act is liable for the
12 tax imposed under this act unless the transaction is exempt under
13 the provisions of section 4k. ~~These records~~

14 (2) BEGINNING JANUARY 1, 2000 AND EXCEPT AS PROVIDED IN THIS
15 SUBSECTION, ALL MOTOR VEHICLE PARTS AND ACCESSORIES SOLD AT
16 RETAIL SHALL BE AFFIXED WITH A DEFINING BAR CODE THAT INDICATES
17 THAT PART OR ACCESSORY IS ONE UPON WHICH A PORTION OF THE SALES
18 TAX PAID IS EARMARKED FOR THE COMPREHENSIVE TRANSPORTATION FUND.
19 THE TAXPAYER SHALL USE THE BAR CODE TO REPORT THOSE SALES TO THE
20 DEPARTMENT OF TREASURY IN A MANNER DETERMINED BY THAT
21 DEPARTMENT. THIS SUBSECTION DOES NOT APPLY TO SALES BY NEW AND
22 USED CAR BUSINESSES, USED CAR BUSINESSES, ACCESSORY DEALER BUSI-
23 NESSES, AND GASOLINE STATION BUSINESSES AS CLASSIFIED BY THE
24 DEPARTMENT OF TREASURY.

25 (3) THE RECORDS REQUIRED UNDER SUBSECTION (1) must be
26 retained for a period of 4 years after the tax imposed under this
27 act to which the records apply is due or as otherwise provided by

1 law. If the department considers it necessary, the department
2 may require a person, by notice served upon that person, to make
3 a return, render under oath certain statements, or keep certain
4 records the department considers sufficient to show whether or
5 not that person is liable for tax under this act. If the tax-
6 payer fails to file a return or to maintain or preserve proper
7 records as prescribed in this section, or the department has
8 reason to believe that any records maintained or returns filed
9 are inaccurate or incomplete and that additional taxes are due,
10 the department may assess the amount of the tax due from the tax-
11 payer based on information that is available or that may become
12 available to the department. That assessment is considered prima
13 facie correct for the purpose of this act and the burden of proof
14 of refuting the assessment is upon the taxpayer. For purposes of
15 this section, exemption certificate includes a blanket exemption
16 certificate on a form prescribed by the department that covers
17 all exempt transfers between the taxpayer and the buyer for a
18 period of 3 years or for a period of less than 3 years as stated
19 on the blanket exemption certificate if that period is agreed to
20 by the buyer and taxpayer.