

HOUSE BILL No. 5992

May 2, 2002, Introduced by Reps. DeRossett and Cassis and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 3 (MCL 205.53), as amended by 1980 PA 164.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) If a person engages or continues in a business
2 for which a privilege tax is imposed by this act, the person
3 shall, under rules the department prescribes, apply for and
4 obtain from the department ~~—, upon the payment of a registration~~
5 ~~fee of \$1.00,~~ a license to engage in and to conduct that busi-
6 ness for the current tax year. When the department considers it
7 necessary in order to secure the collection of the tax or if an
8 applicant taxpayer has at any time failed, refused, or neglected
9 to pay any tax or interest or penalty upon a tax ~~—~~, or has
10 attempted to evade the payment of any tax or interest or penalty
11 upon a tax by means of petition in bankruptcy, or if applicant

HB5992, As Passed House, May 21, 2002

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1 taxpayer is a corporation and the department has reason to
2 believe that the management or control of the corporation is
3 under persons who have failed to pay any tax or interest or pen-
4 alty upon a tax ~~within the purview of this section~~ UNDER THIS
5 ACT, the department shall require a surety bond payable to the
6 state of Michigan, upon which the applicant or taxpayer shall be
7 the obligor, in the sum of not less than \$1,000.00 nor more than
8 \$25,000.00. ~~—~~ THE SURETY BOND SHALL BE conditioned that the
9 applicant or taxpayer shall comply with this act and shall
10 promptly file true reports and pay the taxes, interest, and pen-
11 alties provided for or required by this act. ~~—, which~~ THE bonds
12 shall be approved as to the amount and surety by the department.
13 The applicant or taxpayer may in lieu of the surety bond deposit
14 a sum of money with the department in an amount ~~as~~ the depart-
15 ment ~~shall determine,~~ DETERMINES to guarantee the payment of
16 the tax, interest, and penalty and compliance with this act. ~~—~~
17 ~~but~~ HOWEVER, the amount determined by the department shall not
18 exceed the estimated tax payable during a 1-year period. The
19 applicant or taxpayer shall be licensed to engage in and conduct
20 the business. The department may require the applicant or tax-
21 payer to furnish other and further bond as it considers necessary
22 within the limits in this section, ~~on the giving of 30 days~~
23 AFTER GIVING A 30-DAY notice in writing. The license shall be
24 renewed annually ~~upon the condition that~~ IF the taxpayer ~~shall~~
25 ~~pay the registration fee and~~ PAYS the tax accrued to the state
26 under this act. A person shall not engage or continue in a
27 business taxable under this act without securing a license. A

1 person, firm, or corporation engaged solely in industrial
2 processing or agricultural producing under this act and who makes
3 no sales at retail within the meaning of this act ~~shall~~ IS not
4 ~~be~~ required to have a license.

5 (2) The REVENUE commissioner or ~~a deputy commissioner des-~~
6 ~~ignated by the commissioner~~ HIS OR HER DESIGNEE, after notice
7 and hearing, may suspend the license of a person who violates or
8 fails to comply with this act or a rule promulgated by the
9 ~~commissioner or a deputy commissioner designated by the commis-~~
10 ~~sioner pursuant to~~ DEPARTMENT UNDER this act. The REVENUE com-
11 missioner or ~~a deputy commissioner designated by the~~
12 ~~commissioner~~ HIS OR HER DESIGNEE may restore licenses after
13 suspension. If a person engages in business taxable under this
14 act while his or her license is in suspension, the tax imposed
15 under this act ~~nevertheless shall be~~ IS imposed and ~~be~~ pay-
16 able with respect to that business.

17 (3) A person who engages in any business in this state
18 ~~which~~ THAT is taxable under this act and who fails to secure
19 from the REVENUE commissioner or ~~a deputy commissioner desig-~~
20 ~~nated by the commissioner~~ HIS OR HER DESIGNEE a license to
21 engage in that business ~~, as required in this act,~~ or who con-
22 tinues to engage in business after the license has expired or was
23 suspended by the REVENUE commissioner or ~~a deputy commissioner~~
24 ~~designated by the commissioner,~~ HIS OR HER DESIGNEE is guilty of
25 a misdemeanor ~~,~~ punishable by a fine of not more than \$1,000.00
26 ~~,~~ or imprisonment for not more than 1 year, or both.