

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 594

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 5 (MCL 205.95), as amended by 2002 PA 255.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) ~~-(a)-~~ Except as otherwise provided in this sub-
2 section, ~~every~~ A person engaged in the business of selling tan-
3 gible personal property for storage, use, or other consumption in
4 this state shall register with the department and give the name
5 and address of each agent operating in this state, the location
6 of all distribution or sales houses or offices or other places of
7 business in this state, and any other information that the
8 department requires ~~with respect to matters pertinent~~ RELEVANT
9 to the enforcement of this act. ~~A~~ HOWEVER, A seller holding a
10 sales tax license obtained ~~pursuant to~~ UNDER the general sales
11 tax act, 1933 PA 167, MCL 205.51 to 205.78, is not required to

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1 separately register with the department ~~as provided in~~ UNDER
2 this act. Every ~~such~~ seller shall collect the tax imposed by
3 this act from the consumer.

4 (2) ~~(b)~~ The corporation, securities, and land development
5 bureau of the department of consumer and industry services shall
6 not issue to any foreign corporation engaged in the business of
7 selling tangible personal property a certificate of authority to
8 do business in this state or approve and file the proposed arti-
9 cles of incorporation submitted to it by any domestic corporation
10 authorizing or permitting ~~such~~ THAT corporation to conduct any
11 business of selling ~~of~~ tangible personal property unless the
12 corporation submits with the application for the certificate of
13 authority or proposed articles of incorporation ~~, an applica-~~
14 tion for registration of the corporation under ~~the provisions~~
15 ~~of~~ this act or an application for a sales tax license under ~~the~~
16 ~~provisions of~~ the general sales tax act, 1933 PA 167, MCL 205.51
17 to 205.78. ~~, which~~ THE application shall be transmitted to the
18 department by the corporation, securities, and land development
19 bureau. ~~of the department of consumer and industry services.~~

20 ~~(c) The corporation, securities, and land development~~
21 ~~bureau of the department of consumer and industry services shall~~
22 ~~withhold the issuance of any certificate of dissolution or with-~~
23 ~~drawal in the case of any corporation organized under the laws of~~
24 ~~this state or organized under the laws of another state and~~
25 ~~admitted to do business in this state until the receipt of a~~
26 ~~notice from the department to the effect that all taxes levied~~
27 ~~under this act against that corporation have been paid, or until~~

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1 ~~it is notified by the department that the applicant does not owe~~
2 ~~taxes levied under this act.~~

3 (3) A DOMESTIC CORPORATION OR A FOREIGN CORPORATION AUTHO-
4 RIZED TO TRANSACT BUSINESS IN THIS STATE THAT SUBMITS A CERTIFI-
5 CATE OF DISSOLUTION OR REQUESTS A CERTIFICATE OF WITHDRAWAL FROM
6 THIS STATE SHALL REQUEST A CERTIFICATE FROM THE DEPARTMENT STAT-
7 ING THAT TAXES ARE NOT DUE UNDER SECTION 27A OF 1941 PA 122, MCL
8 205.27A, NOT MORE THAN 60 DAYS AFTER SUBMITTING THE CERTIFICATE
9 OF DISSOLUTION OR REQUESTING THE CERTIFICATE OF WITHDRAWAL. A
10 CORPORATION THAT DOES NOT REQUEST A CERTIFICATE STATING THAT
11 TAXES ARE NOT DUE IS SUBJECT TO THE SAME PENALTIES UNDER SECTION
12 24 OF 1941 PA 122, MCL 205.24, THAT A TAXPAYER WOULD BE SUBJECT
13 TO FOR FAILURE TO FILE A RETURN.

14 (4) ~~(d)~~ A lessor may elect to pay use tax on receipts from
15 the rental or lease of the tangible personal property in lieu of
16 payment of sales or use tax on the full cost of the property at
17 the time it is acquired. For tax years that begin after December
18 31, 2001, in order to make a valid election under this subsec-
19 tion, a lessor of tangible personal property that is an aircraft
20 shall obtain a use tax registration by the earlier of the date
21 set for the first payment of use tax under the lease or rental
22 agreement or 90 days after the lessor first brings the aircraft
23 into this state.