

HOUSE BILL No. 5212

October 16, 2001, Introduced by Reps. Richardville, Vear, Wojno, Koetje, Cassis, Drolet, Gosselin, Birkholz, Basham, Pappageorge, Raczkowski, Hummel, Mead, Shackleton, Newell, Allen, Meyer, Kowall, Woronchak, Toy, Godchaux, Faunce, O'Neil, Minore, Hale, Hart, Hager, Van Woerkom and Bovin and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 14 (MCL 205.104), as amended by 1986 PA 41.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. A person in the business of selling tangible per-
2 sonal property and liable for any tax imposed under this act
3 shall keep accurate and complete beginning and annual inventory
4 and purchase records of additions to inventory, complete daily
5 sales records, receipts, invoices, bills of lading, ~~and any~~ and
6 all pertinent documents in a form the department ~~may require~~
7 REQUIRES. If an exemption from ~~this~~ USE tax is claimed ~~by~~
8 ~~reason of any~~ BECAUSE of the exemptions or deductions granted
9 under this act, a record shall be kept of the name and address of
10 the person to whom the sale is made, the date of the sale, the
11 article purchased, the use to be made of the article, and the

1 amount of the sale, and if that person has a sales tax license
2 issued under ~~the provisions of~~ the general sales tax act, ~~Act~~
3 ~~No. 167 of the Public Acts of 1933, as amended being sections~~
4 ~~205.51 to 205.78 of the Michigan Compiled Laws, that number shall~~
5 ~~also be included. Any~~ 1933 PA 167, MCL 205.51 TO 205.78, THE
6 SALES TAX LICENSE NUMBER. IF A TAXPAYER MAINTAINS THE RECORDS
7 REQUIRED UNDER THIS SECTION, AND ACCEPTS AN EXEMPTION CERTIFICATE
8 FROM THE BUYER IN GOOD FAITH ON A FORM PRESCRIBED BY THE DEPART-
9 MENT, THE TAXPAYER IS NOT LIABLE FOR COLLECTION OF THE UNPAID TAX
10 AFTER A FINDING THAT THE SALE DID NOT QUALIFY FOR EXEMPTION UNDER
11 THIS ACT. AS USED IN THIS SECTION, "GOOD FAITH" MEANS THAT THE
12 TAXPAYER RECEIVED A COMPLETED AND SIGNED EXEMPTION CERTIFICATE
13 FROM THE BUYER. A person knowingly making a sale of tangible
14 personal property for the purpose of resale at retail to another
15 person not licensed under ~~Act No. 167 of the Public Acts of~~
16 ~~1933, as amended, shall be~~ THE GENERAL SALES TAX ACT, 1933
17 PA 167, MCL 205.51 TO 205.78, IS liable for the tax imposed by
18 this act unless the transaction is exempt under the provisions of
19 section ~~4h~~ 4I. These records must be kept for a period of 4
20 years after the tax imposed under this act to which the records
21 apply is due or as otherwise provided by law. If the department
22 considers it necessary, the department may require any person, by
23 notice served upon that person, to make a return, render under
24 oath certain statements, or keep certain records the department
25 considers sufficient to show whether or not that person is liable
26 for tax under this act. If the taxpayer fails to file a return
27 or to maintain or preserve proper records as prescribed in this

1 section, or the department has reason to believe that any records
2 maintained or returns filed are inaccurate or incomplete and that
3 additional taxes are due, the department may assess the amount of
4 the tax due from the taxpayer based on information that is avail-
5 able or that may become available to the department. That
6 assessment ~~shall be~~ IS considered prima facie correct for the
7 purpose of this act and the burden of proof of refuting the
8 assessment ~~shall be~~ IS upon the taxpayer.