

HOUSE BILL No. 5855

March 14, 2006, Introduced by Reps. Sheen, Taub, Gaffney, Hansen, Stahl, Hoogendyk, Vander Veen, Elsenheimer, Brandenburg, Garfield, Pastor, Drolet, Gosselin, Acciavatti, Ball, Casperson, Marleau, Robertson, Pavlov, Jones, Moolenaar and Walker and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 5 (MCL 205.95), as amended by 2004 PA 172.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) Except as otherwise provided in this subsection or
2 subsection (5), a person engaged in the business of selling
3 tangible personal property for storage, use, or other consumption
4 in this state shall register with the department and give the name
5 and address of each agent operating in this state, the location of
6 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 relevant to the enforcement of this act.
9 However, a seller holding a sales tax license obtained under the
10 general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, is not

1 required to separately register with the department under this act.
2 Every seller shall source sales in accordance with section 20 and
3 collect the tax imposed by this act from the consumer.

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

21 (3) A domestic corporation or a foreign corporation authorized
22 to transact business in this state that submits a certificate of
23 dissolution or requests a certificate of withdrawal from this state
24 shall request a certificate from the department stating that taxes
25 are not due under section 27a of 1941 PA 122, MCL 205.27a, not more
26 than 60 days after submitting the certificate of dissolution or
27 requesting the certificate of withdrawal. A corporation that does

1 not request a certificate stating that taxes are not due is subject
2 to the same penalties under section 24 of 1941 PA 122, MCL 205.24,
3 that a taxpayer would be subject to for failure to file a return.

4 (4) A lessor may elect to pay use tax on receipts from the
5 rental or lease of the tangible personal property in lieu of
6 payment of sales or use tax on the full cost of the property at the
7 time it is acquired. For tax years that begin after December 31,
8 ~~2001~~ **1999 AND BEFORE JANUARY 1, 2002**, in order to make a valid
9 election under this subsection, a lessor of tangible personal
10 property that is an aircraft shall obtain a use tax registration by
11 the earlier of the date set for the first payment of use tax under
12 the lease or rental agreement or ~~90~~ **150** days after the lessor
13 first brings the aircraft into this state. **FOR TAX YEARS THAT BEGIN**
14 **AFTER DECEMBER 31, 2001, IN ORDER TO MAKE A VALID ELECTION UNDER**
15 **THIS SUBSECTION, A LESSOR OF TANGIBLE PERSONAL PROPERTY THAT IS AN**
16 **AIRCRAFT SHALL OBTAIN A USE TAX REGISTRATION BY THE EARLIER OF THE**
17 **DATE SET FOR THE FIRST PAYMENT OF USE TAX UNDER THE LEASE OR RENTAL**
18 **AGREEMENT OR 90 DAYS AFTER THE LESSOR FIRST BRINGS THE AIRCRAFT**
19 **INTO THIS STATE.**

20 (5) A seller registered under the streamlined sales and use
21 tax agreement who is not otherwise subject to the tax under this
22 act is not required to register under this section because of the
23 registration under the streamlined sales and use tax agreement.