

Act No. 577
Public Acts of 2006
Approved by the Governor
December 30, 2006
Filed with the Secretary of State
January 3, 2007
EFFECTIVE DATE: March 4, 2007

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Senators McManus, Birkholz, Gilbert, Jelinek, Bishop and Allen

ENROLLED SENATE BILL No. 1039

AN ACT to amend 2004 PA 175, entitled "An act to impose taxes and create credits and refundable credits to modify and equalize the impact of changes made to the general sales tax act and use tax act necessary to bring those taxes into compliance with the streamlined sales tax agreement so this state may participate in the streamlined sales tax system and governing board; to prescribe certain powers and duties of certain state departments; and to provide for the disbursement of certain proceeds," (MCL 205.171 to 205.191) by adding section 14.

The People of the State of Michigan enact:

Sec. 14. (1) A qualified person who paid a tax under the general sales tax act may calculate a credit and seek a refund from the department equal to 6% of the gross proceeds of a qualified sale of an auctioned item in excess of the fair market value of that auctioned item.

(2) A qualified person may not seek a credit or refund from the department under this section for any portion of a qualified sale of an auctioned item for which a tax under the general sales tax act was collected from the purchaser, unless the tax collected was refunded to the purchaser.

(3) A qualified person seeking a credit or refund under this section shall obtain and retain in its records a certification of fair market value supplied by the donor of an auctioned item on a form prescribed by the department.

(4) At the option of the qualified person, the credit calculated under this section may be applied to reduce the tax due under the general sales tax act, in accordance with the procedures implementing those sales tax payment obligations.

(5) As used in this section:

(a) "General sales tax act" means the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

(b) "Qualified person" means an organization not operated for profit that is exempt from federal income tax under section 501(c)(3) or 501(c)(4) of the internal revenue code, 26 USC 501.

(c) "Qualified sale" means a sale made by a qualified person through a charitable auction.

Enacting section 1. This amendatory act takes effect 60 days after the date it is enacted.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved _____

Governor