SUBSTITUTE FOR

HOUSE BILL NO. 4067

A bill to amend 1933 PA 167, entitled

"General sales tax act,"

by amending section 6 (MCL 205.56), as amended by 2004 PA 173.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Each taxpayer, unless otherwise provided by law or

2 as required pursuant to subsection (2), (4), or (5), on or before

3 the twentieth day of each month shall make out a return for the

4 preceding month on a form prescribed by the department showing the

5 entire amount of all sales and gross proceeds of his or her

6 business, the allowable deductions, and the amount of tax for which

7 he or she is liable. The taxpayer shall also transmit the return,

8 together with a remittance for the amount of the tax, to the

9 department on or before the twentieth day of that month.

10 (2) Beginning January 1, 1999, each taxpayer that had a total

1 tax liability after subtracting the tax payments made to the

2 secretary of state under this act or the use tax act, 1937 PA 94,

3 MCL 205.91 to 205.111, or after subtracting the tax credits

4 available under section 6a, in the immediately preceding calendar

5 year of $720,000.00 or more shall remit to the department, by an

6 electronic funds transfer method approved by the department on or

7 before the twentieth day of the month, an amount equal to 50% of

8 the taxpayer's liability under this act for the same month in the

9 immediately preceding calendar year, or 50% of the actual liability

10 for the month being reported, whichever is less, plus a

11 reconciliation payment equal to the difference between the tax

12 liability determined for the immediately preceding month minus the

13 amount of tax previously paid for that month. Additionally, the

14 seller shall remit to the department, by an electronic funds

15 transfer method approved by the department on or before the last

16 day of the month, an amount equal to 50% of the taxpayer's

17 liability under this act for the same month in the immediately

18 preceding calendar year, or 50% of the actual liability for the

19 month being reported, whichever is less.

20 (3) The tax imposed under this act shall accrue to this state

21 on the last day of the month in which the sale is incurred.

22 (4) The department, if necessary to insure payment of the tax

23 or to provide a more efficient administration, may require the

24 filing of returns and payment of the tax for other than monthly

25 periods.

26 (5) A taxpayer who is a materialperson may at the option of

27 the taxpayer include the amount of all taxable sales and gross

1 proceeds from materials furnished to an owner, contractor,

2 subcontractor, repairperson, or consumer on a credit sale basis for

3 the purpose of making an improvement to real property in his or her

4 return in the first quarterly return due following the date in

5 which the materialperson made the credit sale to the owner,

6 contractor, subcontractor, repairperson, or consumer.

7 Notwithstanding subsections (1) through (3), a materialperson may

8 at the option of the taxpayer file quarterly returns for a credit

9 sale only as determined by the department. As used in this

10 subsection, "credit sale" means an extension of credit for the sale

11 of taxable goods by a seller other than a credit card sale; and

12 "materialperson" means a person who provides materials for the

13 improvement of real property, who has registered with and has

14 demonstrated to the department that he or she is primarily engaged

15 in the sale **EITHER** of lumber and building material related products

16 **OR OF PRECAST CONCRETE PRODUCTS** to owners, contractors,

17 subcontractors, repairpersons, or consumers, and who is authorized

18 to file a construction lien upon real property and improvements

19 under the construction lien act, 1980 PA 497, MCL 570.1101 to

20 570.1305.

21   (6) If a due date falls on a Saturday, Sunday, state holiday,

22 or legal banking holiday, the taxes are due on the next succeeding

23 business day.