

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 845

A bill to amend 1937 PA 94, entitled
"Use tax act,"
(MCL 205.91 to 205.111) by adding section 3e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 3E. BEGINNING DECEMBER 1, 2007, ALL OF THE FOLLOWING

2 APPLY:

3 (A) A PERSON THAT PROVIDES 1 OR MORE OF THE SERVICES SUBJECT
4 TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D SHALL NOT COLLECT
5 THE TAX FROM ANY PERSON THAT RECEIVES A SERVICE SUBJECT TO THE TAX
6 UNDER THIS ACT PURSUANT TO SECTION 3D. PRIOR TO THE EFFECTIVE DATE
7 OF THE AMENDATORY ACT THAT ADDED THIS SECTION, IF A PERSON THAT
8 PROVIDES 1 OR MORE OF THE SERVICES SUBJECT TO THE TAX UNDER THIS
9 ACT PURSUANT TO SECTION 3D COLLECTS THE TAX FROM A PERSON THAT

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1 RECEIVES A SERVICE SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO
2 SECTION 3D, THE TAX SHALL BE [RETURNED TO THE PERSON THAT RECEIVED THE
3 SERVICE OR] REMITTED TO THE DEPARTMENT AND THE
4 PERSON THAT RECEIVED THE SERVICE MAY FILE AN APPLICATION FOR A
5 REFUND OF THE TAX. THE APPLICATION SHALL BE IN A FORM PRESCRIBED BY
6 THE DEPARTMENT.

7 (B) A PERSON THAT PROVIDES 1 OR MORE OF THE SERVICES SUBJECT
8 TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D IS NOT LIABLE FOR
9 ANY FAILURE COLLECT THE TAX LEVIED UNDER THIS ACT ON SERVICES
10 SUBJECT TO THE TAX UNDER SECTION 3D. HOWEVER, IF A PERSON THAT
11 PROVIDES 1 OR MORE OF THE SERVICES SUBJECT TO THE TAX UNDER THIS
12 ACT PURSUANT TO SECTION 3D COLLECTS THE TAX FROM A PERSON THAT
13 RECEIVES A SERVICE SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO
14 SECTION 3D PRIOR TO THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
15 ADDED THIS SECTION, THE TAX SHALL BE REMITTED AS PROVIDED IN
16 SUBDIVISION (A). IF A PERSON THAT PROVIDES 1 OR MORE OF THE
17 SERVICES SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D
18 FAILS TO REMIT ANY TAX COLLECTED FROM A PERSON THAT RECEIVES A
19 SERVICE SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D
20 PRIOR TO THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
21 SECTION, THE PERSON THAT COLLECTED THE TAX IS SUBJECT TO THE
22 PENALTIES PROVIDED IN SECTION 16 [UNLESS THE TAX COLLECTED WAS RETURNED
23 TO THE PERSON THAT RECEIVED THE SERVICE].

24 (C) THE DEPARTMENT OF TREASURY SHALL NOT DO ANY OF THE
25 FOLLOWING:

26 (i) COLLECT THE TAX LEVIED UNDER THIS ACT FROM A PERSON THAT
27 PROVIDES 1 OR MORE OF THE SERVICES SUBJECT TO THE TAX UNDER THIS
28 ACT PURSUANT TO SECTION 3D. HOWEVER, IF A PERSON THAT PROVIDES 1 OR
29 MORE OF THE SERVICES SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO

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1 SECTION 3D COLLECTS THE TAX FROM A PERSON THAT RECEIVES A SERVICE
2 SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D PRIOR TO
3 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION
4 AND DOES NOT [RETURN OR] REMIT THAT TAX AS PROVIDED IN SUBDIVISION (A),
5 THE
6 DEPARTMENT SHALL COLLECT THAT TAX. A PERSON THAT RECEIVES A SERVICE
7 SUBJECT TO THE TAX UNDER THIS ACT PURSUANT TO SECTION 3D AND WHO
8 PAID THAT TAX MAY APPLY FOR A REFUND OF THAT TAX AS PROVIDED IN
9 SUBDIVISION (A).

10 (ii) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (B), PENALIZE
11 A PERSON THAT PROVIDES 1 OR MORE OF THE SERVICES SUBJECT TO THE TAX
12 UNDER THIS ACT PURSUANT TO SECTION 3D FOR FAILURE TO COLLECT[, RETURN,]
13 OR
14 REMIT THE TAX LEVIED UNDER THIS ACT ON SERVICES SUBJECT TO THE TAX
15 UNDER SECTION 3D.