

HOUSE BILL No. 5554

December 12, 2007, Introduced by Reps. Bieda and Condino and referred to the Committee on Tax Policy.

A bill to amend 2004 PA 174, entitled
"Streamlined sales and use tax administration act,"
by amending section 25 (MCL 205.825).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) A certified service provider is the agent of a
2 seller, with whom the certified service provider has contracted for
3 the collection and remittance of sales and use taxes. As the
4 seller's agent, the certified service provider is liable for sales
5 and use tax due to this state on all sales transactions it
6 processes for the seller unless the seller made a material
7 misrepresentation or committed fraud.

8 (2) A seller that uses a certified automated system is
9 responsible and is liable to this state for reporting and remitting
10 tax.

1 (3) A CERTIFIED SERVICE PROVIDER OR A SELLER THAT USES A
2 CERTIFIED AUTOMATED SYSTEM SHALL BE RELIEVED FROM LIABILITY FOR
3 SALES TAX AND USE TAX IF IT RELIED ON THE DEPARTMENT'S
4 DETERMINATION THAT THE SOFTWARE PROGRAM SUBMITTED TO THE BOARD FOR
5 CERTIFICATION AS A CERTIFIED AUTOMATED SYSTEM UNDER THE AGREEMENT
6 ACCURATELY REFLECTED THE TAXABILITY OF THE PRODUCT CATEGORIES
7 INCLUDED IN THE SOFTWARE PROGRAM. THE RELIEF FROM LIABILITY UNDER
8 THIS SECTION DOES NOT APPLY IF A CERTIFIED SERVICE PROVIDER OR A
9 SELLER THAT USES A CERTIFIED AUTOMATED SYSTEM HAS INCORRECTLY
10 CLASSIFIED AN ITEM OR TRANSACTION INTO A PRODUCT CATEGORY OF THE
11 CERTIFIED AUTOMATED SYSTEM.

12 (4) AS PROVIDED IN SECTION 12(9) OF THE GENERAL SALES TAX ACT,
13 1933 PA 167, MCL 205.62, A CERTIFIED SERVICE PROVIDER SHALL BE
14 CONSIDERED A SELLER AND SHALL BE ELIGIBLE FOR RELIEF FROM LIABILITY
15 FOR SALES TAX AS PROVIDED IN SECTION 12 OF THE GENERAL SALES TAX
16 ACT, 1933 PA 167, MCL 205.62.