

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 118

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.

1 (2) Beginning January 1, 1999, each taxpayer that had a total
2 tax liability after subtracting the tax payments made to the
3 secretary of state under this act or the use tax act, 1937 PA 94,
4 MCL 205.91 to 205.111, or after subtracting the tax credits
5 available under section 6a, in the immediately preceding calendar
6 year of \$720,000.00 or more shall remit to the department, by an
7 electronic funds transfer method approved by the department on or
8 before the twentieth day of the month, an amount equal to 50% of
9 the taxpayer's liability under this act for the same month in the
10 immediately preceding calendar year, or 50% of the actual liability
11 for the month being reported, whichever is less, plus a
12 reconciliation payment equal to the difference between the tax
13 liability determined for the immediately preceding month minus the
14 amount of tax previously paid for that month. Additionally, the
15 seller shall remit to the department, by an electronic funds
16 transfer method approved by the department on or before the last
17 day of the month, an amount equal to 50% of the taxpayer's
18 liability under this act for the same month in the immediately
19 preceding calendar year, or 50% of the actual liability for the
20 month being reported, whichever is less.

21 (3) The tax imposed under this act shall accrue to this state
22 on the last day of the month in which the sale is incurred.

23 (4) The department, if necessary to insure payment of the tax
24 or to provide a more efficient administration, may require the
25 filing of returns and payment of the tax for other than monthly
26 periods.

27 (5) A taxpayer who is a material person may at the option of

1 the taxpayer include the amount of all taxable sales and gross
2 proceeds from materials furnished to an owner, contractor,
3 subcontractor, repairperson, or consumer on a credit sale basis for
4 the purpose of making an improvement to real property in his or her
5 return in the first quarterly return due following the date in
6 which the materialperson made the credit sale to the owner,
7 contractor, subcontractor, repairperson, or consumer.

8 Notwithstanding subsections (1) through (3), a materialperson may
9 at the option of the taxpayer file quarterly returns for a credit
10 sale only as determined by the department. As used in this
11 subsection, "credit sale" means an extension of credit for the sale
12 of taxable goods by a seller other than a credit card sale; and
13 "materialperson" means a person who provides materials for the
14 improvement of real property, who has registered with and has
15 demonstrated to the department that he or she is primarily engaged
16 in the sale of lumber and building material related products,
17 **PRECAST CONCRETE PRODUCTS, OR CONDUIT OR FITTING PRODUCTS USED IN**
18 **THE COLLECTION, CONVEYANCE, OR DISTRIBUTION OF WATER OR SEWAGE** to
19 owners, contractors, subcontractors, repairpersons, or consumers,
20 and who is authorized to file a construction lien upon real
21 property and improvements under the construction lien act, 1980 PA
22 497, MCL 570.1101 to 570.1305.

23 (6) If a due date falls on a Saturday, Sunday, state holiday,
24 or legal banking holiday, the taxes are due on the next succeeding
25 business day.