

SUBSTITUTE FOR
SENATE BILL NO. 936

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 6 (MCL 205.56), as amended by 2014 PA 425, and
by adding section 6d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Each taxpayer, ~~unless~~**except as** otherwise provided
2 by law or as **otherwise** required ~~pursuant to~~**under** subsection (2),
3 (4), or (5), on or before the twentieth day of each month shall
4 make out a return for the preceding month on a form prescribed by
5 the department showing the entire amount of all sales and gross
6 proceeds of ~~his or her~~**the taxpayer's** business, the allowable
7 deductions, and the amount of tax for which ~~he or she~~**the taxpayer**
8 is liable. ~~The~~**Except as otherwise provided in section 6d, the**

1 taxpayer shall also transmit the return, together with a remittance
2 for the amount of the tax, to the department on or before the
3 twentieth day of that month.

4 (2) ~~Each~~ **Except as otherwise provided in section 6d, each**
5 taxpayer that had a total tax liability after subtracting the tax
6 payments made to the secretary of state under this act or the use
7 tax act, 1937 PA 94, MCL 205.91 to 205.111, or after subtracting
8 the tax credits available under section 6a, in the immediately
9 preceding calendar year of \$720,000.00 or more shall remit to the
10 department, by an electronic funds transfer method approved by the
11 department on or before the twentieth day of the month, an amount
12 equal to the following:

13 (a) Beginning January 1, 1999 through December 31, 2013, 50%
14 of the taxpayer's liability under this act for the same month in
15 the immediately preceding calendar year, or 50% of the actual
16 liability for the month being reported, whichever is less, plus a
17 reconciliation payment equal to the difference between the tax
18 liability determined for the immediately preceding month minus the
19 amount of tax previously paid for that month. Additionally, the
20 seller shall remit to the department, by an electronic funds
21 transfer method approved by the department on or before the last
22 day of the month, an amount equal to 50% of the taxpayer's
23 liability under this act for the same month in the immediately
24 preceding calendar year, or 50% of the actual liability for the
25 month being reported, whichever is less.

26 (b) Beginning January 1, 2014, 75% of the taxpayer's liability
27 under this act in the immediately preceding month or 75% of the
28 taxpayer's liability for the same month in the immediately
29 preceding calendar year, whichever is less, plus a reconciliation

1 payment equal to the difference between the tax liability
 2 determined for the immediately preceding month minus the amount of
 3 tax previously paid for that month. Payment remitted to the
 4 department by electronic funds transfer may include as a single
 5 payment any amount due under section 6 of the use tax act, 1937 PA
 6 94, MCL 205.96.

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

9 (4) ~~The~~ **Subject to section 6d, the** department, if necessary to
 10 ~~insure~~ **ensure** payment of the tax or to provide a more efficient
 11 administration, may require the filing of returns and payment of
 12 the tax for other than monthly periods.

13 (5) A taxpayer who is a materialperson may at the option of
 14 the taxpayer include the amount of all taxable sales and gross
 15 proceeds from materials furnished to an owner, contractor,
 16 subcontractor, repairperson, or consumer on a credit sale basis for
 17 the purpose of making an improvement to real property in ~~his or her~~
 18 **the taxpayer's** return in the first quarterly return due following
 19 the date in which the materialperson made the credit sale to the
 20 owner, contractor, subcontractor, repairperson, or consumer.
 21 Notwithstanding subsections (1) ~~through~~ **to** (3), a materialperson
 22 may at the option of the taxpayer file quarterly returns for a
 23 credit sale only as determined by the department. As used in this
 24 subsection: ~~,"credit~~

25 (a) **"Credit sale"** means an extension of credit for the sale of
 26 taxable goods by a seller other than a credit card sale. ~~,"and~~
 27 **"materialperson"**

28 (b) **"Materialperson"** means a person ~~who~~ **that** provides
 29 materials for the improvement of real property, ~~who~~ **that** has

1 registered with and has demonstrated to the department that ~~he or~~
 2 ~~she~~ **the person** is primarily engaged in the sale of lumber and
 3 building material related products, precast concrete products, or
 4 conduit or fitting products used in the collection, conveyance, or
 5 distribution of water or sewage to owners, contractors,
 6 subcontractors, repairpersons, or consumers, and ~~who~~ **that** is
 7 authorized to file a construction lien upon real property and
 8 improvements under the construction lien act, 1980 PA 497, MCL
 9 570.1101 to 570.1305.

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

13 **Sec. 6d. (1) A qualified taxpayer that files a monthly return**
 14 **under this act may defer payment of qualified taxes by remitting**
 15 **them in installments as follows:**

16 (a) Taxes otherwise due for March, April, and May must be paid
 17 in 6 equal installments with 1 installment due on each of the
 18 following dates:

19 (i) June 22, 2020.

20 (ii) July 20, 2020.

21 (iii) August 20, 2020.

22 (iv) September 21, 2020.

23 (v) October 20, 2020.

24 (vi) November 20, 2020.

25 (b) Taxes otherwise due for June 2020 must be paid in 5 equal
 26 installments with 1 installment due on each of the following dates:

27 (i) July 20, 2020.

28 (ii) August 20, 2020.

1 (iii) September 21, 2020.

2 (iv) October 20, 2020.

3 (v) November 20, 2020.

4 (c) Taxes otherwise due for July 2020 must be paid in 4 equal
5 installments with 1 installment due on each of the following dates:

6 (i) August 20, 2020.

7 (ii) September 21, 2020.

8 (iii) October 20, 2020.

9 (iv) November 20, 2020.

10 (d) Taxes otherwise due for August 2020 must be paid in 3
11 equal installments with 1 installment due on each of the following
12 dates:

13 (i) September 21, 2020.

14 (ii) October 20, 2020.

15 (iii) November 20, 2020.

16 (2) A qualified taxpayer that files a quarterly return under
17 this act may defer payment of qualified taxes by remitting them in
18 installments as follows:

19 (a) Taxes otherwise due for March of quarter 1 of 2020 must be
20 paid in 3 equal installments with 1 installment due on each of the
21 following dates:

22 (i) June 22, 2020.

23 (ii) September 21, 2020.

24 (iii) November 20, 2020.

25 (b) Taxes otherwise due for quarter 2 of 2020 must be paid in
26 3 equal installments with 1 installment due on each of the
27 following dates:

28 (i) July 20, 2020.

1 (ii) September 21, 2020.

2 (iii) November 20, 2020.

3 (c) Taxes otherwise due for July and August of quarter 3 of
4 2020 must be paid in 2 equal monthly installments with 1
5 installment due on each of the following dates:

6 (i) October 20, 2020.

7 (ii) November 20, 2020.

8 (3) If a qualified taxpayer intends to defer payment of
9 qualified taxes otherwise due under this act for August 2020, the
10 qualified taxpayer shall submit an estimate of the taxes to be
11 deferred for August 2020 to the department not later than July 31,
12 2020 on a form prescribed by the department.

13 (4) Penalties and interest must not be added to qualified
14 taxes remitted pursuant to this section.

15 (5) As used in this section:

16 (a) "COVID-19 executive order" means an executive order issued
17 by the governor in response to the coronavirus (COVID-19) public
18 health emergency.

19 (b) "Qualified taxes" means the taxes otherwise due under this
20 act from a qualified taxpayer for March, April, May, June, July,
21 and August 2020.

22 (c) "Qualified taxpayer" means a taxpayer whose business has
23 been negatively impacted as the result of a COVID-19 executive
24 order. A taxpayer's business is considered negatively impacted by a
25 COVID-19 executive order if 1 or more of the following apply:

26 (i) As a result of a COVID-19 executive order, the taxpayer's
27 place of business is closed or restricted to ingress, egress, use,
28 and occupancy by members of the public.

29 (ii) The taxpayer's business involves assemblages of people

1 that are prohibited by a COVID-19 executive order.