

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senators Runestad and VanderWall

ENROLLED SENATE BILL No. 936

AN ACT to amend 1933 PA 167, entitled “An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this 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:

Sec. 6. (1) Each taxpayer, except as otherwise provided by law or as otherwise required under subsection (2), (4), or (5), on or before the twentieth day of each month shall make out a return for the preceding month on a form prescribed by the department showing the entire amount of all sales and gross proceeds of the taxpayer's business, the allowable deductions, and the amount of tax for which the taxpayer is liable. Except as otherwise provided in section 6d, the taxpayer shall also transmit the return, together with a remittance for the amount of the tax, to the department on or before the twentieth day of that month.

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

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

(b) Beginning January 1, 2014, 75% of the taxpayer's liability under this act in the immediately preceding month or 75% of the taxpayer's liability for the same month in the immediately preceding calendar year, whichever is less, plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month. Payment remitted to the department by electronic funds transfer may include as a single payment any amount due under section 6 of the use tax act, 1937 PA 94, MCL 205.96.

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

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

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

(a) "Credit sale" means an extension of credit for the sale of taxable goods by a seller other than a credit card sale.

(b) "Materialperson" means a person that provides materials for the improvement of real property, that has registered with and has demonstrated to the department that the person is primarily engaged in the sale of lumber and building material related products, precast concrete products, or conduit or fitting products used in the collection, conveyance, or distribution of water or sewage to owners, contractors, subcontractors, repairpersons, or consumers, and that is authorized to file a construction lien upon real property and improvements under the construction lien act, 1980 PA 497, MCL 570.1101 to 570.1305.

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

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

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

(i) June 22, 2020.

(ii) July 20, 2020.

(iii) August 20, 2020.

(iv) September 21, 2020.

(v) October 20, 2020.

(vi) November 20, 2020.

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

(i) July 20, 2020.

(ii) August 20, 2020.

(iii) September 21, 2020.

(iv) October 20, 2020.

(v) November 20, 2020.

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

(i) August 20, 2020.

(ii) September 21, 2020.

(iii) October 20, 2020.

(iv) November 20, 2020.

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

(i) September 21, 2020.

(ii) October 20, 2020.

(iii) November 20, 2020.

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

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

(i) June 22, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

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

(i) July 20, 2020.

(ii) September 21, 2020.

(iii) November 20, 2020.

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

(i) October 20, 2020.

(ii) November 20, 2020.

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

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

(5) As used in this section:

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

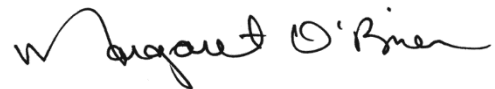
(b) "Qualified taxes" means the taxes otherwise due under this act from a qualified taxpayer for March, April, May, June, July, and August 2020.

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

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

(ii) The taxpayer's business involves assemblages of people that are prohibited by a COVID-19 executive order.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor