

USE TAX ACT (EXCERPT)
Act 94 of 1937

205.101a Selling or quitting business; final return; withholding of purchase money to cover taxes, interest, and penalties; liability for failure to withhold purchase money; purchaser liability for taxes, interest, and penalties of former owner.

Sec. 11a. If any person liable for a tax levied under this act sells a business or stock of goods, or quits the business, that person shall make a final return within 15 days after the date of selling or quitting business. The person's successor or succeeding successors, if any, shall withhold a sufficient amount of the purchase money to cover the amount of the taxes, interest, and penalties due and unpaid until the time the former owner shall produce either a receipt from the department showing that the taxes, interest, and penalties have been paid, or a certificate stating that taxes are not due. If the purchaser or succeeding purchasers of a business or stock of goods fail to withhold a portion of the purchase money as required by this section, that person shall be personally liable for the payment of the taxes, interest, and penalties accrued and unpaid because of the operation of the business by the former owner. Unless the department files a lien for total tax liability at the register of deeds office in the county where the business or stock or goods are located, the purchaser shall not be held liable for payment of the taxes, interest, and penalties accrued and unpaid by the former owner.

History: Add. 1982, Act 478, Imd. Eff. Dec. 30, 1982.

Compiler's note: Former MCL 205.101a pertaining to tax as lien against property, was repealed by Act 165 of 1980.