

GENERAL SALES TAX ACT (EXCERPT)
Act 167 of 1933

205.54k Drop shipment; definition.

Sec. 4k. (1) The sale of tangible personal property that is part of a drop shipment is exempt from the tax under this act if the taxpayer complies with the requirements of subsection (3).

(2) As used in this section, "drop shipment" means the direct delivery of tangible personal property to a purchaser in Michigan by a person who has sold the property to another person not licensed under this act but possessing a resale or exemption certificate, other written evidence of exemption authorized by another state, or any other acceptable information evidencing qualification for a resale exemption, for resale to the Michigan purchaser.

(3) For each transaction for which an exemption is claimed under subsection (1), the taxpayer shall provide, but not more frequently than annually, any information required by the board under the streamlined sales and use tax agreement in addition to the following information in a form prescribed by the department to the department:

(a) The name, address, and, if readily available, the federal taxpayer identification number of the person to whom the property is sold for resale.

(b) The name, address, and, if readily available, the federal taxpayer identification number of the person to whom the property is shipped in Michigan.

(4) A sale at retail includes a drop shipment.

History: Add. 1986, Act 42, Imd. Eff. Mar. 17, 1986;—Am. 2004, Act 173, Eff. Sept. 1, 2004;—Am. 2008, Act 438, Imd. Eff. Jan. 9, 2009.