

USE TAX ACT (EXCERPT)
Act 94 of 1937

205.94f Computing monthly tax payments; deductions by seller collecting tax from purchaser; disallowance of deduction; deduction for extended payment period; filing estimated returns and annual periodic reconciliations; registration under streamlined sales and use tax agreement.

Sec. 4f. (1) In computing the amount of tax payments required for any month of a seller not subject to section 6(2) who collects the tax from the purchaser under the provisions of this act, the seller who collects the tax from a purchaser may deduct the amount provided by subdivision (a) or (b), whichever is greater:

(a) If the tax that accrued to the state from the purchase of tangible personal property or services during the preceding month is remitted to the department on or before the twelfth day of the month in which remittance is due, 0.75% of the tax collected at a rate of 4% for the preceding monthly period, but not to exceed \$20,000.00 of the tax collected for that month. If the tax that accrued to the state from the purchase of tangible personal property or services during the preceding month is remitted to the department after the twelfth day of the month and on or before the twentieth day of the month in which remittance is due, 0.50% of the tax collected at a rate of 4% for the preceding monthly period, but not to exceed \$15,000.00 of the tax collected for that month.

(b) The tax collected at a rate of 4% on \$150.00 of taxable purchase price for the preceding monthly period or a prorated portion of \$150.00 of the taxable purchase price for the preceding month if the seller engaged in business for less than a month.

(2) Beginning January 1, 1999, in computing the amount of tax levied under this act for any month, a seller who collects the tax from the purchaser under this act and who is subject to section 6(2) may deduct from the amount of the tax paid 0.50% of the tax due at a rate of 4%.

(3) A deduction is not allowed under this section for payments of taxes made to the department after the day the person is required to pay the tax imposed by this act pursuant to section 6.

(4) If, pursuant to section 6(3), the department prescribes the filing of returns and the payment of the tax for periods in excess of 1 month, a seller who collects the tax from the purchaser is entitled to a deduction from the tax collections remitted to the department for the extended payment period that is equivalent to the deduction allowed under subsection (1) or (2) for monthly periods.

(5) The department may prescribe the filing of estimated returns and annual periodic reconciliations as necessary to carry out the purposes of this section.

(6) A seller registered under the streamlined sales and use tax agreement may claim a deduction under this section if provided for in the streamlined sales and use tax administration act.

History: Add. 1981, Act 220, Eff. Mar. 31, 1982;—Am. 1993, Act 17, Imd. Eff. Apr. 14, 1993;—Am. 1993, Act 326, Eff. May 1, 1994;—Am. 1998, Act 266, Imd. Eff. July 17, 1998;—Am. 2004, Act 172, Eff. Sept. 1, 2004.