

USE TAX ACT (EXCERPT)
Act 94 of 1937

205.98 Direct payment authorization.

Sec. 8. (1) The department may authorize a person to assume the obligation of self-accruing and remitting use tax due on purchases or leases directly to the department under a direct payment authorization, if the following conditions are met:

(a) The authorization is to be used for the purchase or lease of tangible personal property or services.

(b) The authorization is necessary because it is either impractical at the time of acquisition to determine the manner in which the tangible personal property or services will be used or it will facilitate improved compliance with the tax laws of this state.

(c) The person requesting authorization for direct payment maintains accurate and complete records of all purchases or leases and uses of tangible personal property or services purchased pursuant to the direct payment authorization in a form acceptable to the department.

(2) The department has the authority to identify items that are not eligible for a direct payment authorization.

History: Add. 1999, Act 117, Imd. Eff. July 14, 1999;—Am. 2004, Act 172, Eff. Sept. 1, 2004.

Compiler's note: Former MCL 205.98, which pertained to remittances, was repealed by Act 165 of 1980, Eff. Sept. 17, 1980.

Enacting section 1 of Act 117 of 1999 provides:

“Enacting section 1. This amendatory act clarifies that, with the exception of telecommunications equipment taxed under section 3a of the use tax act, 1937 PA 94, MCL 205.93a, the tax levied does not apply to the price of property or services to the extent that the property or services are stored, used, or consumed for exempt purposes. For telecommunications equipment taxed under section 3a of the use tax act, 1937 PA 94, MCL 205.93a, this amendatory act clarifies that for periods before April 1, 1999, the tax shall not be apportioned and for periods beginning April 1, 1999, the tax shall be apportioned. This amendatory act clarifies that existing law as originally intended provides for a prorated exemption. This amendatory act takes effect for all periods beginning March 31, 1995 and all tax years that are open under the statute of limitations provided in section 27a of 1941 PA 122, MCL 205.27a.”