HOUSE BILL No. 4541

March 29, 2007, Introduced by Reps. Bieda and Condino and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled

"General sales tax act,"

(MCL 205.51 to 205.78) by adding section 9a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 9A. (1) ANY OTHER PROVISION OF THIS ACT NOTWITHSTANDING, THE DEPARTMENT SHALL ESTABLISH A PILOT PROGRAM IN WHICH BOTH OF THE FOLLOWING OCCUR:

(A) PERSONS DESIGNATED UNDER SUBSECTION (2) SHALL ELECTRONICALLY SUBMIT A RETURN FOR EACH SALE AT RETAIL TO THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE. THE RETURN SHALL SHOW THE ENTIRE AMOUNT OF THE SALE AT RETAIL, THE GROSS PROCEEDS FROM THAT SALE AT RETAIL, THE ALLOWABLE DEDUCTIONS, IF ANY, AND THE AMOUNT OF TAX FOR WHICH HE OR SHE IS LIABLE ON THAT SALE AT RETAIL. THE RETURN SHALL INCLUDE THE REMITTANCE FOR THE AMOUNT OF TAX FOR WHICH

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HE OR SHE IS LIABLE ON THAT SALE AT RETAIL.

(B) THE DEPARTMENT SHALL ISSUE AN ELECTRONICALLY GENERATED RECEIPT TO EACH CUSTOMER OF A TAXPAYER LIABLE FOR MAKING OUT A RETURN UNDER SUBDIVISION (A). THE RECEIPT SHALL INDICATE THAT THE TAXPAYER HAS ELECTRONICALLY REPORTED TO THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE THE ENTIRE AMOUNT OF THE SALE AT RETAIL, THE GROSS PROCEEDS FROM THAT SALE AT RETAIL, THE ALLOWABLE DEDUCTIONS, IF ANY, THE AMOUNT OF TAX FOR WHICH HE OR SHE IS LIABLE ON THAT SALE AT RETAIL, AND THE AMOUNT OF TAX REMITTED FOR THAT SALE AT RETAIL.

(2) THE DEPARTMENT SHALL RANDOMLY SELECT TAXPAYERS TO PARTICIPATE IN THE PILOT PROGRAM UNDER THIS SECTION. TAXPAYERS SELECTED SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, THOSE TAXPAYERS WHO HAVE FAILED, REFUSED, OR NEGLECTED TO PAY ANY TAX, PENALTY, OR INTEREST DUE UNDER THIS ACT.

(3) THE PILOT PROGRAM UNDER THIS SECTION SHALL BE IMPLEMENTED AND ADMINISTERED WITH EXISTING DEPARTMENT FUNDS. NO TAXPAYER SHALL BE LIABLE FOR ANY COSTS ASSOCIATED WITH THE IMPLEMENTATION OR ADMINISTRATION OF THE PILOT PROGRAM UNDER THIS SECTION, INCLUDING ANY COSTS FOR ELECTRONIC EQUIPMENT.