

SUBSTITUTE FOR
SENATE BILL NO. 1158

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4 (MCL 205.54), as amended by 1993 PA 325.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) In computing the amount of tax levied under
2 this act for any month, a taxpayer not subject to section 6(2)
3 may deduct the amount provided by subdivision (a) or (b), which-
4 ever is greater:

5 (a) If the tax that accrued to the state from the sales at
6 retail during the preceding month is remitted to the department
7 on or before the seventh day of the month in which remittance is
8 due, 0.75% of the tax due at a rate of 4% for the preceding
9 monthly period, but not to exceed \$20,000.00 of the tax due for
10 that month. If the tax that accrued to the state from the sales
11 at retail during the preceding month is remitted to the

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1 department after the seventh day and on or before the fifteenth
2 day of the month in which remittance is due, 0.50% of the tax due
3 at a rate of 4% for the preceding monthly period, but not to
4 exceed \$15,000.00 of the tax due for that month.

5 (b) The tax at a rate of 4% due on \$150.00 of taxable gross
6 proceeds for the preceding monthly period, or a prorated portion
7 of \$150.00 of the taxable gross proceeds for the preceding month
8 if the taxpayer engaged in business for less than a month.

9 (2) ~~In~~ BEFORE JANUARY 1, 1999, IN computing the amount of
10 tax levied under this act for any month, a taxpayer subject to
11 section 6(2) may deduct the amount provided in this subsection.
12 If the tax that is due to the state is remitted to the department
13 on or before the eleventh day of the month in which remittance is
14 due, 0.75% of the tax due at a rate of 4% but not to exceed
15 \$20,000.00 of the tax due for that month may be deducted. If the
16 tax that is due to the state is remitted to the department after
17 the eleventh day and on or before the eighteenth day of the month
18 in which remittance is due, 0.50% of the tax due at a rate of 4%
19 but not to exceed \$15,000.00 of the tax due for that month may be
20 deducted.

21 (3) BEGINNING JANUARY 1, 1999, IN COMPUTING THE AMOUNT OF
22 TAX LEVIED UNDER THIS ACT FOR ANY MONTH, A TAXPAYER WHO IS
23 SUBJECT TO SECTION 6(3) MAY DEDUCT FROM THE AMOUNT OF THE TAX
24 PAID 0.50% OF THE TAX DUE AT A RATE OF 4%.

25 (4) ~~(3)~~ A deduction ~~shall~~ IS not ~~be~~ allowed under this
26 section for payments of taxes made to the department after the

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1 day the taxpayer is required to pay, pursuant to section 6, the
2 tax imposed by this act.

3 (5) ~~(4)~~ If, pursuant to section ~~6(4)~~ 6(5), the commis-
4 sioner of revenue prescribes the filing of returns and the pay-
5 ment of the tax for periods in excess of 1 month, a taxpayer
6 ~~shall be~~ IS entitled to a deduction from the tax collections
7 remitted to the department for the extended payment period that
8 is equivalent to the deduction allowed under subsection (1), ~~or~~
9 (2), OR (3) for monthly periods.

10 (6) ~~(5)~~ The commissioner may prescribe the filing of esti-
11 mated returns and annual periodic reconciliations as necessary to
12 carry out the purposes of this section.

13 (7) ~~(6)~~ A person subject to a tax under this act shall not
14 include in the amount of his or her gross proceeds used for the
15 computation of the tax any proceeds of his or her business
16 derived from sales to the United States, its unincorporated agen-
17 cies and instrumentalities, any incorporated agency or instrumen-
18 tality of the United States wholly owned by the United States or
19 by a corporation wholly owned by the United States, the American
20 Red Cross and its chapters and branches, and this state or its
21 departments and institutions or any of its political
22 subdivisions.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 89th Legislature are enacted into law:

- (a) House Bill No. 4942.
- (b) House Bill No. 5313.