## SUBSTITUTE FOR HOUSE BILL NO. 4380

A bill to amend 2004 PA 175, entitled "Streamlined sales and use tax revenue equalization act," (MCL 205.171 to 205.191) by adding section 12.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 12. (1) FOR A TRANSACTION OCCURRING AFTER DECEMBER 31,
- 2 1999, A TAXPAYER MAY CALCULATE A CREDIT AND SEEK A REFUND FROM THE
- 3 DEPARTMENT UNDER THIS ACT IN AN AMOUNT EQUAL TO 6% OF THE
- 4 CONSIDERATION RECEIVED BY THAT TAXPAYER FROM AN AUTOMOBILE
- 5 MANUFACTURER TO REIMBURSE THAT TAXPAYER FOR A DISCOUNT OR PRICE
- 6 REDUCTION GIVEN ON THE SALE OF A MOTOR VEHICLE TO A MEMBER OF A
- 7 GROUP DESIGNATED BY AN AUTOMOBILE MANUFACTURER AS ENTITLED TO A
- 8 PRICE IDENTIFIED ON THE AUTOMOBILE MANUFACTURER'S INVOICE TO THE
- 9 AUTOMOBILE DEALER THAT THE AUTOMOBILE MANUFACTURER REQUIRES THE

- House Bill No. 4380 (H-3) as amended February 27, 2008
- 1 AUTOMOBILE DEALER TO CHARGE THAT VEHICLE PURCHASER, IF ALL OF THE
- 2 FOLLOWING CONDITIONS ARE MET:
- 3 (A) THE MOTOR VEHICLE PURCHASER WAS NOT EMPLOYED BY THAT
- 4 AUTOMOBILE MANUFACTURER AT THE TIME THE DISCOUNT OR PRICE REDUCTION
- 5 WAS GIVEN.
- 6 (B) THE TAXPAYER CALCULATING THE CREDIT AND SEEKING THE REFUND
- 7 DID NOT REIMBURSE HIMSELF OR HERSELF BY ADDING SALES TAX ON THAT
- 8 PORTION OF THE SALES PRICE RECEIVED FROM AN AUTOMOBILE
- 9 MANUFACTURER.
- 10 (C) THE AMOUNT OF THE CREDIT OR REFUND DOES NOT EXCEED THE
- 11 ACTUAL AMOUNT OF SALES TAX PAID ON THAT PORTION OF THE SALES PRICE
- 12 RECEIVED FROM AN AUTOMOBILE MANUFACTURER BY THE TAXPAYER
- 13 CALCULATING THE CREDIT AND SEEKING THE REFUND.
- 14 (2) AT THE OPTION OF THE TAXPAYER, THE CREDIT AND REFUND
- 15 PROVIDED IN THIS SECTION MAY BE APPLIED TO REDUCE THE SALES TAX DUE
- 16 AND THE PROCEDURES IMPLEMENTING THOSE SALES TAX PAYMENT
- 17 OBLIGATIONS.

[Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

- (a) House Bill No. 5555.
- (b) House Bill No. 5556.]