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BILL ANALYSIS

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Senate Bill 118 (as reported without amendment)
Sponsor: Senator Mike Green
Committee: Finance

CONTENT

The bill would amend the General Sales Tax Act to include a person who sells precast concrete products in the definition of "materialperson", making the person eligible to file returns for credit sales quarterly, rather than monthly.

Subject to certain exceptions, the Act requires a taxpayer to file a sales tax return and remit the amount due on a monthly basis, or twice a month if the taxpayer remitted $720,000 or more in the previous year. A taxpayer who is a materialperson has the option of filing quarterly returns for a credit sale (an extension of credit for the sale of taxable goods by a seller, other than a credit card sale).

A "materialperson" is a person who provides materials for the improvement of real property, who has registered with the Department of Treasury and demonstrated to the Department that he or she is primarily engaged in the sale of lumber and building material-related products to owners, contractors, subcontractors, repairpersons, or consumers, and who is authorized to file a construction lien upon real property and improvements under the Construction Lien Act.

Under the bill, the definition also would include a person who is primarily engaged in the sale of precast concrete products, and meets the other criteria.

MCL 205.56 Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-4-11 Fiscal Analyst: David Zin