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HOUSE BILL No. 4920

August 2, 2013, Introduced by Rep. Walsh and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled "General sales tax act,"

by amending section 6 (MCL 205.56), as amended by 2012 PA 458.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6. (1) Each taxpayer, unless otherwise provided by law or
- 2 as required pursuant to subsection (2), (3), (5), or (6), on or
- 3 before the twentieth day of each month shall make out a return for
- 4 the preceding month on a form prescribed by the department showing
- 5 the entire amount of all sales and gross proceeds of his or her
- 5 business, the allowable deductions, and the amount of tax for which
 - he or she is liable. The taxpayer shall also transmit the return,
- 8 together with a remittance for the amount of the tax, to the
 - department on or before the twentieth day of that month.
 - (2) Beginning January 1, 1999 through December 31, 2013, 2014,

03125'13 FDD

- 1 each taxpayer that had a total tax liability after subtracting the
- 2 tax payments made to the secretary of state under this act or the
- 3 use tax act, 1937 PA 94, MCL 205.91 to 205.111, or after
- 4 subtracting the tax credits available under section 6a, in the
- 5 immediately preceding calendar year of \$720,000.00 or more shall
- 6 remit to the department, by an electronic funds transfer method
- 7 approved by the department on or before the twentieth day of the
- 8 month, an amount equal to 50% of the taxpayer's liability under
- 9 this act for the same month in the immediately preceding calendar
- 10 year, or 50% of the actual liability for the month being reported,
- 11 whichever is less, plus a reconciliation payment equal to the
- 12 difference between the tax liability determined for the immediately
- 13 preceding month minus the amount of tax previously paid for that
- 14 month. Additionally, the seller shall remit to the department, by
- 15 an electronic funds transfer method approved by the department on
- 16 or before the last day of the month, an amount equal to 50% of the
- 17 taxpayer's liability under this act for the same month in the
- 18 immediately preceding calendar year, or 50% of the actual liability
- 19 for the month being reported, whichever is less.
- 20 (3) Beginning January 1, 2014, 2015, each taxpayer that had a
- 21 total tax liability after subtracting the tax payments made to the
- 22 secretary of state under this act or the use tax act, 1937 PA 94,
- 23 MCL 205.91 to 205.111, or after subtracting the tax credits
- 24 available under section 6a in the immediately preceding calendar
- year of \$720,000.00 or more shall remit to the department, by an
- 26 electronic funds transfer method approved by the department on or
- 27 before the twentieth day of the month, an amount equal to 75% of

03125'13 FDD

- 1 the taxpayer's liability under this act in the immediately
- 2 preceding month or 75% of the taxpayer's liability for the same
- 3 month in the immediately preceding calendar year, whichever is
- 4 less, plus a reconciliation payment equal to the difference between
- 5 the tax liability determined for the immediately preceding month
- 6 minus the amount of tax previously paid for that month. Payment
- 7 remitted to the department by electronic funds transfer may include
- 8 as a single payment any amount due under section 6 of the use tax
- 9 act, 1937 PA 94, MCL 205.96.
- 10 (4) The tax imposed under this act shall accrue to this state
- 11 on the last day of the month in which the sale is incurred.
- 12 (5) The department, if necessary to insure payment of the tax
- 13 or to provide a more efficient administration, may require the
- 14 filing of returns and payment of the tax for other than monthly
- 15 periods.
- 16 (6) A taxpayer who is a material person may at the option of
- 17 the taxpayer include the amount of all taxable sales and gross
- 18 proceeds from materials furnished to an owner, contractor,
- 19 subcontractor, repairperson, or consumer on a credit sale basis for
- 20 the purpose of making an improvement to real property in his or her
- 21 return in the first quarterly return due following the date in
- 22 which the material person made the credit sale to the owner,
- 23 contractor, subcontractor, repairperson, or consumer.
- 24 Notwithstanding subsections (1) through (4), a material person may
- 25 at the option of the taxpayer file quarterly returns for a credit
- 26 sale only as determined by the department. As used in this
- 27 subsection, "credit sale" means an extension of credit for the sale

03125'13 FDD

- 1 of taxable goods by a seller other than a credit card sale; and
- 2 "materialperson" means a person who provides materials for the
- 3 improvement of real property, who has registered with and has
- 4 demonstrated to the department that he or she is primarily engaged
- 5 in the sale of lumber and building material related products,
- 6 precast concrete products, or conduit or fitting products used in
- 7 the collection, conveyance, or distribution of water or sewage to
- 8 owners, contractors, subcontractors, repairpersons, or consumers,
- 9 and who is authorized to file a construction lien upon real
- 10 property and improvements under the construction lien act, 1980 PA
- **11** 497, MCL 570.1101 to 570.1305.
- 12 (7) If a due date falls on a Saturday, Sunday, state holiday,
- 13 or legal banking holiday, the taxes are due on the next succeeding
- 14 business day.

03125'13 Final Page FDD