208.1200.new Taxpayer; nexus to state; "actively solicits" and "physical presence" defined.

Sec. 200. (1) Except as otherwise provided in this act or under subsection (2), a taxpayer has substantial nexus in this state and is subject to the tax imposed under this act if the taxpayer has a physical presence in this state for a period of more than 1 day during the tax year or if the taxpayer actively solicits sales in this state and has gross receipts of $350,000.00 or more sourced to this state.

(2) For purposes of this section, "actively solicits" shall be defined by the department through written guidance that shall be applied prospectively.

(3) As used in this section, "physical presence" means any activity conducted by the taxpayer or on behalf of the taxpayer by the taxpayer's employee, agent, or independent contractor acting in a representative capacity. Physical presence does not include the activities of professionals providing services in a professional capacity or other service providers if the activity is not significantly associated with the taxpayer's ability to establish and maintain a market in this state.


Compiler's note: Enacting section 1 of Act 36 of 2007 provides:
"Enacting section 1. This act takes effect January 1, 2008 and applies to all business activity occurring after December 31, 2007."

Popular name: MBT