

Act No. 18
Public Acts of 1993
Approved by the Governor
April 14, 1993
Filed with the Secretary of State
April 14, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Senator Geake

ENROLLED SENATE BILL No. 438

AN ACT to amend sections 4 and 6 of Act No. 167 of the Public Acts of 1933, entitled as amended "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," section 4 as amended by Act No. 219 of the Public Acts of 1981 and section 6 as amended by Act No. 186 of the Public Acts of 1980, being sections 205.54 and 205.56 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 4 and 6 of Act No. 167 of the Public Acts of 1933, section 4 as amended by Act No. 219 of the Public Acts of 1981 and section 6 as amended by Act No. 186 of the Public Acts of 1980, being sections 205.54 and 205.56 of the Michigan Compiled Laws, are amended to read as follows:

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

(a) If the tax that accrued to the state from the sales at retail during the preceding month is remitted to the department on or before the seventh day of the month in which remittance is due, 0.75% of the tax due for the preceding monthly period, but not to exceed \$20,000.00 of the tax due for that month. If the tax that accrued to the state from the sales at retail during the preceding month is remitted to the department after the seventh day and on or before the fifteenth day of the month in which remittance is due, 0.50% of the tax due for the preceding monthly period, but not to exceed \$15,000.00 of the tax due for that month.

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

(2) In computing the amount of tax levied under this act for any month, a taxpayer subject to section 6(2) may deduct the amount provided in this subsection. If the tax that is due to the state is remitted to the department on or before the eleventh day of the month in which remittance is due, 0.75% of the tax due but not to exceed \$20,000.00 of the tax due for that month may be deducted. If the tax that is due to the state is remitted to the department after the eleventh day and on or before the eighteenth day of the month in which remittance is due, 0.50% of the tax due but not to exceed \$15,000.00 of the tax due for that month may be deducted.

(3) A deduction shall not be allowed under this section for payments of taxes made to the department after the day the taxpayer is required to pay, pursuant to section 6, the tax imposed by this act.

(4) If, pursuant to section 6(4), the commissioner of revenue prescribes the filing of returns and the payment of the tax for periods in excess of 1 month, a taxpayer shall be entitled to a deduction from the tax collections remitted to the department for the extended payment period that is equivalent to the deduction allowed under subsection (1) or (2) for monthly periods.

(5) The commissioner may prescribe the filing of estimated returns and annual periodic reconciliations as necessary to carry out the purposes of this section.

(6) A person subject to a tax under this act shall not include in the amount of his or her gross proceeds used for the computation of the tax any proceeds of his or her business derived from sales to the United States, its unincorporated agencies and instrumentalities, any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States, the American Red Cross and its chapters and branches, and this state or its departments and institutions or any of its political subdivisions.

Sec. 6. (1) Each taxpayer unless otherwise provided by law or as required pursuant to subsection (2) or (4), on or before the fifteenth day of each month shall make out a return for the preceding month on a form prescribed by the department showing the entire amount of all sales and gross proceeds of his or her business, the allowable deductions therefrom, and the amount of tax for which he or she is liable, and shall transmit the return, together with a remittance for the amount of the tax, to the department on or before the fifteenth day of the month. The monthly return shall be signed by the taxpayer or his or her duly authorized agent and, if prepared for the taxpayer by any other person, the return shall so state, give the name and address of that person, be signed by that person, and give the name of his or her employer, if any.

(2) Beginning July 1, 1993, each taxpayer that had a total tax liability after subtracting the fee payments made to the secretary of state, under this act or the use tax act, Act No. 94 of the Public Acts of 1937, being sections 205.91 to 205.111 of the Michigan Compiled Laws, in the immediately preceding calendar year of \$480,000.00 or more on or before the eighteenth of each month shall remit to the department, by an electronic funds transfer method approved by the commissioner of revenue, an amount equal to 95% of the taxpayer's liability under this act for the same month in the immediately preceding calendar year plus a reconciliation payment equal to the difference between the tax liability determined for the immediately preceding month minus the amount of tax previously paid for that month.

(3) The tax imposed under this act shall accrue to the state on the last day of the month in which the sale is incurred.

(4) The commissioner of revenue, when necessary to insure payment of the tax or to provide a more efficient administration, may require the filing of returns and payment of the tax for other than monthly periods.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.

