

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 6251

(As passed the House, December 3, 1998)

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 6 (MCL 205.56), as amended by 1998 PA 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Each taxpayer, unless otherwise provided by law
2 or as required pursuant to subsection (2), (3), ~~or~~ (5), OR (6),
3 on or before the fifteenth day of each month shall make out a
4 return for the preceding month on a form prescribed by the
5 department showing the entire amount of all sales and gross pro-
6 ceeds of his or her business, the allowable deductions,
7 ~~therefrom,~~ and the amount of tax for which he or she is
8 liable. The taxpayer shall also transmit the return, together
9 with a remittance for the amount of the tax, to the department on
10 or before the fifteenth day of that month. The monthly return
11 shall be signed by the taxpayer or his or her duly authorized

HB 6251, As Passed Senate, December 10, 1998

House Bill No. 6251

2

1 agent and, if prepared for the taxpayer by any other person, the
2 return shall so state, give the name and address of that person,
3 be signed by that person, and give the name of ~~his or her~~ THAT
4 PERSON'S employer, if any.

5 (2) Before January 1, 1999, each taxpayer that had a total
6 tax liability, after subtracting the tax payments made to the
7 secretary of state under this act or the use tax act, 1937 PA 94,
8 MCL 205.91 to 205.111, or after subtracting the tax credits
9 available under section 6a, in the immediately preceding calendar
10 year of \$720,000.00 or more on or before the eighteenth of each
11 month shall remit to the department, by an electronic funds
12 transfer method approved by the commissioner of revenue, an
13 amount equal to 95% of the taxpayer's liability under this act
14 for the same month in the immediately preceding calendar year, or
15 95% of the actual liability for the current month being reported,
16 plus a reconciliation payment equal to the difference between the
17 tax liability determined for the immediately preceding month
18 minus the amount of tax previously paid for that month.

19 (3) Beginning January 1, 1999, each taxpayer that had a
20 total tax liability after subtracting the tax payments made to
21 the secretary of state under this act or the use tax act, 1937
22 PA 94, MCL 205.91 to 205.111, or after subtracting the tax cred-
23 its available under section 6a, in the immediately preceding cal-
24 endar year of \$720,000.00 or more shall remit to the department,
25 by an electronic funds transfer method approved by the commis-
26 sioner of revenue on or before the fifteenth day of the month, an
27 amount equal to 50% of the taxpayer's liability under this act

HB 6251, As Passed Senate, December 10, 1998

House Bill No. 6251 (H-1) as amended December 3, 1998
and amended December 10, 1998

3

1 for the same month in the immediately preceding calendar year, or
2 50% of the actual liability for the month being reported, which-
3 ever is less, plus a reconciliation payment equal to the differ-
4 ence between the tax liability determined for the immediately
5 preceding month minus the amount of tax previously paid for that
6 month. Additionally, the seller shall remit to the department,
7 by an electronic funds transfer method approved by the commis-
8 sioner of revenue on or before the last day of the month, an
9 amount equal to 50% of the taxpayer's liability under this act
10 for the same month in the immediately preceding calendar year, or
11 50% of the actual liability for the month being reported, which-
12 ever is less.

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

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

19 (6) A TAXPAYER WHO IS A MATERIALPERSON MAY AT THE OPTION OF THE
20 TAXPAYER INCLUDE THE
21 AMOUNT OF ALL TAXABLE SALES AND GROSS PROCEEDS FROM MATERIALS
22 FURNISHED
23 TO AN OWNER, CONTRACTOR, SUBCONTRACTOR, REPAIRPERSON, OR CONSUMER
24 ON A CREDIT SALE BASIS FOR THE PURPOSE OF MAKING AN IMPROVEMENT TO
25 REAL
26 PROPERTY IN HIS OR HER RETURN IN THE FIRST QUARTERLY RETURN DUE
27 FOLLOWING THE DATE IN WHICH THE MATERIALPERSON MADE THE CREDIT SALE
28 TO THE OWNER, CONTRACTOR, SUBCONTRACTOR, REPAIRPERSON, OR CONSUMER.
29 NOTWITHSTANDING SUBSECTIONS (1) THROUGH (4), A MATERIALPERSON MAY AT
30 THE OPTION OF THE TAXPAYER FILE QUARTERLY RETURNS FOR A CREDIT SALE
31 ONLY AS DETERMINED BY THE DEPARTMENT. AS USED IN
32 THIS SUBSECTION, "CREDIT SALE" MEANS AN EXTENSION OF CREDIT FOR
33 THE SALE OF TAXABLE GOODS BY A SELLER OTHER THAN A CREDIT
34 CARD SALE; AND "MATERIALPERSON"

HB 6251, As Passed Senate, December 10, 1998

House Bill No. 6251 as amended December 10, 1998

4

1 MEANS A PERSON WHO PROVIDES MATERIALS FOR THE IMPROVEMENT OF REAL
2 PROPERTY, WHO HAS REGISTERED WITH AND HAS DEMONSTRATED TO THE
3 DEPARTMENT THAT HE OR SHE
4 IS PRIMARILY ENGAGED IN THE SALE OF LUMBER AND BUILDING MATERIAL
5 RELATED PRODUCTS TO OWNERS, CONTRACTORS, SUBCONTRACTORS, REPAIR-
6 PERSONS, OR CONSUMERS, AND WHO IS AUTHORIZED TO FILE A CONSTRUC-
7 TION LIEN UPON REAL PROPERTY AND IMPROVEMENTS UNDER THE CONSTRUC-
TION LIEN ACT, 1980 PA 497, MCL 570.1101 TO 570.1305.