

SUBSTITUTE FOR
HOUSE BILL NO. 4380

A bill to amend 2004 PA 175, entitled
"Streamlined sales and use tax revenue equalization act,"
(MCL 205.171 to 205.191) by adding section 12.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 12. (1) FOR A TRANSACTION OCCURRING AFTER DECEMBER 31,
2 1999, A TAXPAYER MAY CALCULATE A CREDIT AND SEEK A REFUND FROM THE
3 DEPARTMENT UNDER THIS ACT IN AN AMOUNT EQUAL TO 6% OF THE
4 CONSIDERATION RECEIVED BY THAT TAXPAYER FROM AN AUTOMOBILE
5 MANUFACTURER TO REIMBURSE THAT TAXPAYER FOR A DISCOUNT OR PRICE
6 REDUCTION GIVEN ON THE SALE OF A MOTOR VEHICLE TO A MEMBER OF A
7 GROUP DESIGNATED BY AN AUTOMOBILE MANUFACTURER AS ENTITLED TO A
8 PRICE IDENTIFIED ON THE AUTOMOBILE MANUFACTURER'S INVOICE TO THE
9 AUTOMOBILE DEALER THAT THE AUTOMOBILE MANUFACTURER REQUIRES THE

House Bill No. 4380 (H-3) as amended February 27, 2008

1 AUTOMOBILE DEALER TO CHARGE THAT VEHICLE PURCHASER, IF ALL OF THE
2 FOLLOWING CONDITIONS ARE MET:

3 (A) THE MOTOR VEHICLE PURCHASER WAS NOT EMPLOYED BY THAT
4 AUTOMOBILE MANUFACTURER AT THE TIME THE DISCOUNT OR PRICE REDUCTION
5 WAS GIVEN.

6 (B) THE TAXPAYER CALCULATING THE CREDIT AND SEEKING THE REFUND
7 DID NOT REIMBURSE HIMSELF OR HERSELF BY ADDING SALES TAX ON THAT
8 PORTION OF THE SALES PRICE RECEIVED FROM AN AUTOMOBILE
9 MANUFACTURER.

10 (C) THE AMOUNT OF THE CREDIT OR REFUND DOES NOT EXCEED THE
11 ACTUAL AMOUNT OF SALES TAX PAID ON THAT PORTION OF THE SALES PRICE
12 RECEIVED FROM AN AUTOMOBILE MANUFACTURER BY THE TAXPAYER
13 CALCULATING THE CREDIT AND SEEKING THE REFUND.

14 (2) AT THE OPTION OF THE TAXPAYER, THE CREDIT AND REFUND
15 PROVIDED IN THIS SECTION MAY BE APPLIED TO REDUCE THE SALES TAX DUE
16 AND THE PROCEDURES IMPLEMENTING THOSE SALES TAX PAYMENT
17 OBLIGATIONS.

[Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

- (a) House Bill No. 5555.
- (b) House Bill No. 5556.]