

HOUSE BILL No. 4804

June 23, 2011, Introduced by Reps. Roy Schmidt, Dillon, Townsend, Bledsoe, Haugh, Lipton, Clemente, Yonker, LeBlanc, Opsommer, Wayne Schmidt, Bumstead, Haveman, Liss, Lyons, Lane, Horn, Foster, McBroom, Huuki, Hooker, Walsh and Meadows 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 2004 PA 173.

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), ~~(4), or (3)~~, (5), **OR (6)** on
3 or before the twentieth day of each month shall make out a return
4 for the preceding month on a form prescribed by the department
5 showing the entire amount of all sales and gross proceeds of his or
6 her business, the allowable deductions, and the amount of tax for
7 which he or she is liable. The taxpayer shall also transmit the
8 return, together with a remittance for the amount of the tax, to
9 the department on or before the twentieth day of that month.

10 (2) Beginning January 1, 1999 **THROUGH JUNE 30, 2011**, each

1 taxpayer that had a total tax liability after subtracting the tax
2 payments made to the secretary of state under this act or the use
3 tax act, 1937 PA 94, MCL 205.91 to 205.111, or after subtracting
4 the tax credits available under section 6a, in the immediately
5 preceding calendar year of \$720,000.00 or more shall remit to the
6 department, by an electronic funds transfer method approved by the
7 department on or before the twentieth day of the month, an amount
8 equal to 50% of the taxpayer's liability under this act for the
9 same month in the immediately preceding calendar year, or 50% of
10 the actual liability for the month being reported, whichever is
11 less, plus a reconciliation payment equal to the difference between
12 the tax liability determined for the immediately preceding month
13 minus the amount of tax previously paid for that month.
14 Additionally, the seller shall remit to the department, by an
15 electronic funds transfer method approved by the department on or
16 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 JULY 1, 2011, EACH TAXPAYER THAT HAD A TOTAL TAX
21 LIABILITY AFTER SUBTRACTING THE TAX PAYMENTS MADE TO THE SECRETARY
22 OF STATE UNDER THIS ACT OR THE USE TAX ACT, 1937 PA 94, MCL 205.91
23 TO 205.111, OR AFTER SUBTRACTING THE TAX CREDITS AVAILABLE UNDER
24 SECTION 6A IN THE IMMEDIATELY PRECEDING CALENDAR YEAR OF
25 \$720,000.00 OR MORE SHALL REMIT TO THE DEPARTMENT, BY AN ELECTRONIC
26 FUNDS TRANSFER METHOD APPROVED BY THE DEPARTMENT ON OR BEFORE THE
27 TWENTIETH DAY OF THE MONTH, AN AMOUNT EQUAL TO 75% OF THE

1 TAXPAYER'S LIABILITY UNDER THIS ACT IN THE IMMEDIATELY PRECEDING
2 MONTH, PLUS A RECONCILIATION PAYMENT EQUAL TO THE DIFFERENCE
3 BETWEEN THE TAX LIABILITY DETERMINED FOR THE IMMEDIATELY PRECEDING
4 MONTH MINUS THE AMOUNT OF TAX PREVIOUSLY PAID FOR THAT MONTH.
5 PAYMENT REMITTED TO THE DEPARTMENT BY ELECTRONIC FUNDS TRANSFER MAY
6 INCLUDE AS A SINGLE PAYMENT ANY AMOUNT DUE UNDER SECTION 6 OF THE
7 USE TAX ACT, 1937 PA 94, MCL 205.96.

8 (4) ~~(3)~~—The tax imposed under this act shall accrue to this
9 state on the last day of the month in which the sale is incurred.

10 (5) ~~(4)~~—The department, if necessary to insure payment of the
11 tax or to provide a more efficient administration, may require the
12 filing of returns and payment of the tax for other than monthly
13 periods.

14 (6) ~~(5)~~—A taxpayer who is a materialperson may at the option
15 of the taxpayer include the amount of all taxable sales and gross
16 proceeds from materials furnished to an owner, contractor,
17 subcontractor, repairperson, or consumer on a credit sale basis for
18 the purpose of making an improvement to real property in his or her
19 return in the first quarterly return due following the date in
20 which the materialperson made the credit sale to the owner,
21 contractor, subcontractor, repairperson, or consumer.

22 Notwithstanding subsections (1) through ~~(3)~~, ~~(4)~~, a materialperson
23 may at the option of the taxpayer file quarterly returns for a
24 credit sale only as determined by the department. As used in this
25 subsection, "credit sale" means an extension of credit for the sale
26 of taxable goods by a seller other than a credit card sale; and
27 "materialperson" means a person who provides materials for the

1 improvement of real property, who has registered with and has
2 demonstrated to the department that he or she is primarily engaged
3 in the sale of lumber and building material related products to
4 owners, contractors, subcontractors, repairpersons, or consumers,
5 and who is authorized to file a construction lien upon real
6 property and improvements under the construction lien act, 1980 PA
7 497, MCL 570.1101 to 570.1305.

8 (7) ~~(6)~~—If a due date falls on a Saturday, Sunday, state
9 holiday, or legal banking holiday, the taxes are due on the next
10 succeeding business day.