

# HOUSE BILL No. 4906

May 7, 2009, Introduced by Rep. Ebli and referred to the Committee on Tax Policy.

A bill to amend 2004 PA 174, entitled "Streamlined sales and use tax administration act," by amending section 25 (MCL 205.825), as amended by 2008 PA 437.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 25. (1) A certified service provider is the agent of a  
2 seller, with whom the certified service provider has contracted for  
3 the collection and remittance of sales and use taxes. As the  
4 seller's agent, the certified service provider is liable for sales  
5 and use tax due to this state on all sales transactions it  
6 processes for the seller unless the seller made a material  
7 misrepresentation or committed fraud.

8           (2) A seller that uses a certified automated system is  
9 responsible and is liable to this state for reporting and remitting  
10 tax.

11           (3) A certified service provider or a seller that uses a

1 certified automated system ~~shall be relieved from liability~~ **IS NOT**  
2 **LIABLE** for sales tax and use tax if it relied on the department's  
3 determination that the software program submitted to the board for  
4 certification as a certified automated system under the agreement  
5 accurately reflected the taxability of the product categories  
6 included in the software program. ~~The relief~~ **RELIEF** from liability  
7 under this section does not apply if a certified service provider  
8 or a seller that uses a certified automated system has incorrectly  
9 classified an item or transaction into a product category of the  
10 certified automated system.

11 ~~(4) As provided in section 12(9) of the general sales tax act,~~  
12 ~~1933 PA 167, MCL 205.62, a~~ **A** certified service provider ~~shall be~~ **IS**  
13 considered a seller and ~~shall be~~ **IS** eligible for relief from  
14 liability for sales tax as provided in section ~~12~~ **12(9)** of the  
15 general sales tax act, 1933 PA 167, MCL 205.62.

16 **(5) IF THE DEPARTMENT DETERMINES THAT AN ITEM OR TRANSACTION**  
17 **IS INCORRECTLY CLASSIFIED AS TO ITS TAXABILITY BY A CERTIFIED**  
18 **SERVICE PROVIDER OR BY A SELLER THAT USES A CERTIFIED AUTOMATED**  
19 **SYSTEM, THE DEPARTMENT SHALL NOTIFY THAT CERTIFIED SERVICE PROVIDER**  
20 **OR SELLER OF THE INCORRECT CLASSIFICATION. THE CERTIFIED SERVICE**  
21 **PROVIDER OR SELLER SHALL REVISE THE CLASSIFICATION WITHIN 10 DAYS**  
22 **AFTER RECEIPT OF NOTICE FROM THE DEPARTMENT. IF THE CLASSIFICATION**  
23 **IS NOT CHANGED WITHIN 10 DAYS OF NOTICE FROM THE DEPARTMENT, THE**  
24 **CERTIFIED SERVICE PROVIDER OR SELLER THAT USES A CERTIFIED**  
25 **AUTOMATED SYSTEM IS LIABLE FOR THE FAILURE TO COLLECT THE CORRECT**  
26 **AMOUNT OF SALES OR USE TAX DUE AND OWING TO THIS STATE.**