

SENATE BILL NO. 696

January 25, 2024, Introduced by Senators HOITENGA, BELLINO, WEBBER and HAUCK and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4 (MCL 205.54), as amended by 2004 PA 173.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (a) If the tax that accrued to this state from the sales at
6 retail during the preceding month is remitted to the department on

1 or before the twelfth day of the month in which remittance is due,
2 0.75% of the tax due at a rate of 4% for the preceding monthly
3 period, but not to exceed \$20,000.00 of the tax due for that month.
4 If the tax that accrued to this state from the sales at retail
5 during the preceding month is remitted to the department after the
6 twelfth day and on or before the twentieth day of the month in
7 which remittance is due, 0.50% of the tax due at a rate of 4% for
8 the preceding monthly period, but not to exceed \$15,000.00 of the
9 tax due for that month.

10 (b) The tax at a rate of 4% due on ~~\$150.00~~ **\$500.00** of taxable
11 gross proceeds for the preceding monthly period, or a prorated
12 portion of ~~\$150.00~~ **\$500.00** of the taxable gross proceeds for the
13 preceding month if the taxpayer engaged in business for less than a
14 month.

15 (2) Beginning January 1, 1999, in computing the amount of tax
16 levied under this act for any month, a taxpayer who is subject to
17 section 6(2) may deduct from the amount of the tax paid 0.50% of
18 the tax due at a rate of 4%.

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

23 (4) If, ~~pursuant to~~ **under** section 6(4), the department
24 prescribes the filing of returns and the payment of the tax for
25 periods in excess of 1 month, a taxpayer is entitled to a deduction
26 from the tax collections remitted to the department for the
27 extended payment period that is equivalent to the deduction allowed
28 under subsection (1) or (2) for monthly periods.

29 (5) The department may prescribe the filing of estimated

1 returns and annual periodic reconciliations as necessary to carry
2 out the purposes of this section.

3 (6) A seller registered under the streamlined sales and use
4 tax agreement may claim a deduction under this section if provided
5 for in the streamlined sales and use tax administration act, **2004**
6 **PA 174, MCL 205.801 to 205.833.**