

SENATE BILL NO. 697

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

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4f (MCL 205.94f), as amended by 2004 PA 172.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4f. (1) In computing the amount of tax payments required
2 for any month of a seller not subject to section 6(2) who collects
3 the tax from the purchaser under the provisions of this act, the
4 seller who collects the tax from a purchaser may deduct the amount
5 provided by subdivision (a) or (b), whichever is greater:

6 (a) If the tax that accrued to the state from the purchase of

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

12 (b) The tax collected at a rate of 4% on ~~\$150.00~~ **\$500.00** of
13 taxable purchase price for the preceding monthly period or a
14 prorated portion of ~~\$150.00~~ **\$500.00** of the taxable purchase price
15 for the preceding month if the seller engaged in business for less
16 than a month.

17 (2) Beginning January 1, 1999, in computing the amount of tax
18 levied under this act for any month, a seller who collects the tax
19 from the purchaser under this act and who is subject to section
20 6(2) may deduct from the amount of the tax paid 0.50% of the tax
21 due at a rate of 4%.

22 (3) A deduction is not allowed under this section for payments
23 of taxes made to the department after the day the person is
24 required to pay the tax imposed by this act ~~pursuant to~~ **under**
25 section 6.

26 (4) If, ~~pursuant to~~ **under** section 6(3), the department
27 prescribes the filing of returns and the payment of the tax for
28 periods in excess of 1 month, a seller who collects the tax from
29 the purchaser is entitled to a deduction from the tax collections

1 remitted to the department for the extended payment period that is
2 equivalent to the deduction allowed under subsection (1) or (2) for
3 monthly periods.

4 (5) The department may prescribe the filing of estimated
5 returns and annual periodic reconciliations as necessary to carry
6 out the purposes of this section.

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