

USE TAX ACT (EXCERPT)
Act 94 of 1937

205.93e Persons providing services subject to tax; collection; refund; liability for failure to collect tax; remittance; certain collections or penalties by department of treasury prohibited.

Sec. 3e.

Beginning December 1, 2007, all of the following apply:

(a) A person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d shall not collect the tax from any person that receives a service subject to the tax under this act pursuant to section 3d. Prior to the effective date of the amendatory act that added this section, if a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d collects the tax from a person that receives a service subject to the tax under this act pursuant to section 3d, the tax shall be returned to the person that received the service or remitted to the department and the person that received the service may file an application for a refund of the tax. The application shall be in a form prescribed by the department.

(b) A person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d is not liable for any failure to collect the tax levied under this act on services subject to the tax under section 3d.

However, if a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d collects the tax from a person that receives a service subject to the tax under this act pursuant to section 3d prior to the effective date of the amendatory act that added this section, the tax shall be remitted as provided in subdivision (a). If a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d fails to remit any tax collected from a person that receives a service subject to the tax under this act pursuant to section 3d prior to the effective date of the amendatory act that added this section, the person that collected the tax is subject to the penalties provided in section 16 unless the tax collected was returned to the person that received the service.

(c) The department of treasury shall not do any of the following:

(i) Collect the tax levied under this act from a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d. However, if a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d collects the tax from a person that receives a service subject to the tax under this act pursuant to section 3d prior to the effective date of the amendatory act that added this section and does not return or remit that tax as provided in subdivision (a), the department shall collect that tax. A person that receives a service subject to the tax under this act pursuant to section 3d and who paid that tax may apply for a refund of that tax as provided in subdivision (a).

(ii) Except as otherwise provided in subdivision (b), penalize a person that provides 1 or more of the services subject to the tax under this act pursuant to section 3d for failure to collect, return, or remit the tax levied under this act on services subject to the tax under section 3d.

History: Add. 2007, Act 148, Imd. Eff. Dec. 10, 2007