

# HOUSE BILL No. 5554

December 12, 2007, Introduced by Reps. Bieda and Condino 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).

**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.

1           (3) A CERTIFIED SERVICE PROVIDER OR A SELLER THAT USES A  
2 CERTIFIED AUTOMATED SYSTEM SHALL BE RELIEVED FROM LIABILITY FOR  
3 SALES TAX AND USE TAX IF IT RELIED ON THE DEPARTMENT'S  
4 DETERMINATION THAT THE SOFTWARE PROGRAM SUBMITTED TO THE BOARD FOR  
5 CERTIFICATION AS A CERTIFIED AUTOMATED SYSTEM UNDER THE AGREEMENT  
6 ACCURATELY REFLECTED THE TAXABILITY OF THE PRODUCT CATEGORIES  
7 INCLUDED IN THE SOFTWARE PROGRAM. THE RELIEF FROM LIABILITY UNDER  
8 THIS SECTION DOES NOT APPLY IF A CERTIFIED SERVICE PROVIDER OR A  
9 SELLER THAT USES A CERTIFIED AUTOMATED SYSTEM HAS INCORRECTLY  
10 CLASSIFIED AN ITEM OR TRANSACTION INTO A PRODUCT CATEGORY OF THE  
11 CERTIFIED AUTOMATED SYSTEM.

12           (4) AS PROVIDED IN SECTION 12(9) OF THE GENERAL SALES TAX ACT,  
13 1933 PA 167, MCL 205.62, A CERTIFIED SERVICE PROVIDER SHALL BE  
14 CONSIDERED A SELLER AND SHALL BE ELIGIBLE FOR RELIEF FROM LIABILITY  
15 FOR SALES TAX AS PROVIDED IN SECTION 12 OF THE GENERAL SALES TAX  
16 ACT, 1933 PA 167, MCL 205.62.