

SUBSTITUTE FOR  
HOUSE BILL NO. 4507

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending section 5 (MCL 205.95).

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

1       Sec. 5. (a) ~~Every~~ EXCEPT AS OTHERWISE PROVIDED IN THIS  
2 SUBSECTION, EVERY person ~~when~~ engaged in the business of sell-  
3 ing tangible personal property for storage, use, or other con-  
4 sumption in this state ~~,~~ shall register with the department and  
5 give the name and address of each agent operating in this state,  
6 the location of ~~any and~~ all distribution or sales houses or  
7 offices ~~,~~ or other places of business in this state, and ~~such~~  
8 ANY other information ~~as~~ THAT the department ~~may require~~  
9 REQUIRES with respect to matters pertinent to the enforcement of  
10 this act. ~~, but it shall not be necessary for a~~ A seller  
11 holding a SALES TAX license obtained pursuant to the ~~provisions~~

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1 of ~~Act No. 167 of the Public Acts of 1933, as amended~~ GENERAL  
2 SALES TAX ACT, 1933 PA 167, MCL 205.51 TO 205.78, to register  
3 with the department as provided in this act. Every such seller  
4 shall collect the tax imposed by this act from the consumer.

5 (b) The corporation, ~~and securities commission~~ SECURITIES,  
6 AND LAND DEVELOPMENT BUREAU OF THE DEPARTMENT OF CONSUMER AND  
7 INDUSTRY SERVICES shall not issue to any foreign corporation  
8 engaged in the business of selling tangible personal property a  
9 certificate of authority to do business in this state or approve  
10 and file the proposed articles of incorporation submitted to it  
11 by any domestic corporation authorizing or permitting such corpo-  
12 ration to conduct any business of selling of tangible personal  
13 property unless ~~such corporations shall submit~~ THE CORPORATION  
14 SUBMITS with ~~an~~ THE application for ~~said~~ THE certificate of  
15 authority or proposed articles of incorporation, an application  
16 for registration of ~~said~~ THE corporation under the provisions  
17 of this act ~~—~~ or an application for A SALES TAX license under  
18 the provisions of ~~Act No. 167 of the Public Acts of 1933, as~~  
19 ~~amended~~ THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.51 TO  
20 205.78, which application shall be transmitted to the department  
21 by ~~said~~ THE corporation, ~~and~~ securities, ~~commission~~ AND  
22 LAND DEVELOPMENT BUREAU OF THE DEPARTMENT OF CONSUMER AND INDUS-  
23 TRY SERVICES.

24 (C) The corporation, ~~and securities commission~~ SECURITIES,  
25 AND LAND DEVELOPMENT BUREAU OF THE DEPARTMENT OF CONSUMER AND  
26 INDUSTRY SERVICES shall withhold the issuance of any certificate  
27 of dissolution or withdrawal in the case of any corporation

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1 organized under the laws of this state or organized under the  
2 laws of another state and admitted to do business in this state  
3 until the receipt of a notice from the department to the effect  
4 that all taxes levied under this act against ~~any such~~ THAT cor-  
5 poration have been paid, or until it ~~shall be~~ IS notified by  
6 the department that the applicant ~~is not indebted for any taxes~~  
7 ~~levied hereunder~~ DOES NOT OWE TAXES LEVIED UNDER THIS ACT.

8 (D) A LESSOR MAY ELECT TO PAY USE TAX ON RECEIPTS FROM THE  
9 RENTAL OR LEASE OF THE TANGIBLE PERSONAL PROPERTY IN LIEU OF PAY-  
10 MENT OF SALES OR USE TAX ON THE FULL COST OF THE PROPERTY AT THE  
11 TIME IT IS ACQUIRED. FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
12 1999, IN ORDER TO MAKE A VALID ELECTION UNDER THIS SUBSECTION, A  
13 LESSOR OF TANGIBLE PERSONAL PROPERTY THAT IS NOT AN AIRCRAFT AND  
14 THAT MAKES THE ELECTION TO PAY SALES OR USE TAX ON RECEIPTS FROM  
15 THE LEASE OR RENTAL OF TANGIBLE PERSONAL PROPERTY SHALL OBTAIN A  
16 USE TAX REGISTRATION BEFORE ACQUIRING THE TANGIBLE PERSONAL  
17 PROPERTY. FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1999 AND  
18 BEFORE JANUARY 1, 2002, IN ORDER TO MAKE A VALID ELECTION UNDER  
19 THIS SUBSECTION, A LESSOR OF TANGIBLE PERSONAL PROPERTY THAT IS  
20 AN AIRCRAFT SHALL OBTAIN A USE TAX REGISTRATION WITHIN 90 DAYS  
21 AFTER THE LESSOR FIRST BRINGS THE AIRCRAFT INTO THIS STATE. FOR  
22 TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2001, IN ORDER TO MAKE A  
23 VALID ELECTION UNDER THIS SUBSECTION, A LESSOR OF TANGIBLE PER-  
24 SONAL PROPERTY THAT IS AN AIRCRAFT SHALL OBTAIN A USE TAX REGIS-  
25 TRATION BY THE EARLIER OF THE DATE SET FOR THE FIRST PAYMENT OF  
26 USE TAX UNDER THE LEASE OR RENTAL AGREEMENT OR 90 DAYS AFTER THE  
27 LESSOR FIRST BRINGS THE AIRCRAFT INTO THIS STATE. WITHIN 30 DAYS

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1 AFTER A TAXPAYER OBTAINS A USE TAX REGISTRATION, THE DEPARTMENT  
2 SHALL PROVIDE THE TAXPAYER WITH A WRITTEN NOTICE ADVISING THE  
3 TAXPAYER OF THE RIGHT TO MAKE AN ELECTION UNDER THIS SUBSECTION  
4 AND THE REQUIREMENTS TO MAKE A VALID ELECTION UNDER THIS  
5 SUBSECTION.