

HOUSE BILL No. 4507

March 22, 2001, Introduced by Reps. DeVuyst, Patterson, Howell, Bishop, Sheltroun, Sanborn, Richardville, Birkholz and Richner and referred to the Committee on Tax Policy.

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:

HOUSE BILL No. 4507

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~~

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

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,
14 WATERCRAFT, OR SNOWMOBILE AND THAT MAKES THE ELECTION TO PAY
15 SALES OR USE TAX ON RECEIPTS FROM THE LEASE OR RENTAL OF TANGIBLE
16 PERSONAL PROPERTY SHALL OBTAIN A USE TAX REGISTRATION BEFORE
17 ACQUIRING THE TANGIBLE PERSONAL PROPERTY. FOR TAX YEARS THAT
18 BEGIN AFTER DECEMBER 31, 1999 AND BEFORE JANUARY 1, 2002, IN
19 ORDER TO MAKE A VALID ELECTION UNDER THIS SUBSECTION, A LESSOR OF
20 TANGIBLE PERSONAL PROPERTY THAT IS AN AIRCRAFT, WATERCRAFT, OR
21 SNOWMOBILE SHALL OBTAIN A USE TAX REGISTRATION WITHIN 90 DAYS
22 AFTER THE LESSOR FIRST BRINGS THE AIRCRAFT, WATERCRAFT, OR SNOW-
23 MOBILE INTO THIS STATE. FOR TAX YEARS THAT BEGIN AFTER DECEMBER
24 31, 2001, IN ORDER TO MAKE A VALID ELECTION UNDER THIS SUBSEC-
25 TION, A LESSOR OF TANGIBLE PERSONAL PROPERTY THAT IS AN AIRCRAFT,
26 WATERCRAFT, OR SNOWMOBILE SHALL OBTAIN A USE TAX REGISTRATION BY
27 THE EARLIER OF THE DATE SET FOR THE FIRST PAYMENT OF USE TAX

1 UNDER THE LEASE OR RENTAL AGREEMENT OR 90 DAYS AFTER THE LESSOR
2 FIRST BRINGS THE AIRCRAFT, WATERCRAFT, OR SNOWMOBILE INTO THIS
3 STATE. WITHIN 30 DAYS AFTER A TAXPAYER OBTAINS A USE TAX REGIS-
4 TRATION, THE DEPARTMENT SHALL PROVIDE THE TAXPAYER WITH A WRITTEN
5 NOTICE ADVISING THE TAXPAYER OF THE RIGHT TO MAKE AN ELECTION
6 UNDER THIS SUBSECTION AND THE REQUIREMENTS TO MAKE A VALID ELEC-
7 TION UNDER THIS SUBSECTION.