

Sales tax; exemptions; nonprofit sales tax exemption; increase and implement rounding formula.

SALES TAX: Exemptions; SALES TAX: Collections; BUSINESSES: Nonprofit corporations

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending sections 4o and 23 (MCL 205.54o and 205.73),
section 4o as added by 1994 PA 156 and section 23 as amended by
1993 PA 325.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4o. (1) A person subject to tax under this act with
2 aggregate sales at retail in the calendar year of less than
3 ~~-\$5,000.00-~~ \$7,500.00, and not operating for profit who is a
4 school, church, hospital, parent cooperative preschool, or non-
5 profit organization with a tax exempt status DESCRIBED under sec-
6 tion ~~4n(1)(a) or (b)~~ 4Q(1) may exclude from the proceeds used
7 for the computation of the tax the sales of tangible personal
8 property for fund-raising purposes.

(2) A club, association, auxiliary, or other organization affiliated with a school, church, hospital, parent cooperative preschool, or nonprofit organization with a tax exempt status DESCRIBED under section ~~4n(1)(a) or (b)~~ 4Q(1) is not considered a separate person for purposes of this exemption. As used in this section, "school" means each elementary, middle, junior, or high school site within a local school district that represents a district attendance area as established by the board of the local school district.

Sec. 23. (1) A person engaged in the business of selling tangible personal property at retail shall not advertise or hold out to the public in any manner, directly or indirectly, that the tax imposed under this act is not considered as an element in the price to the consumer. This act does not prohibit any taxpayer from reimbursing himself or herself by adding to the sale price any tax levied by this act.

(2) The following brackets shall be used THROUGH DECEMBER 31, 2003 by retailers in determining amounts to be added to sales prices for reimbursement purposes:

Amount of Sale	Tax
1 cent to 10 cents.....	0
11 cents to 24 cents.....	1 cent
25 cents to 41 cents.....	2 cents
42 cents to 58 cents.....	3 cents
59 cents to 74 cents.....	4 cents

1 75 cents to 91 cents..... 5 cents

2 92 cents to 99 cents..... 6 cents

3 For \$1.00 and each multiple of \$1.00, 6% of the sale price.

4 (3) BEGINNING JANUARY 1, 2004, IN DETERMINING AMOUNTS TO BE

5 ADDED TO SALES PRICES FOR REIMBURSEMENT PURPOSES, A PERSON SHALL

6 USE A ROUNDING ALGORITHM PRESCRIBED BY THE DEPARTMENT.

7 (4) ~~—(3)—~~ A person other than the state may not enrich him-

8 self or herself or gain any benefit from the collection or pay-

9 ment of the tax. The use of the above brackets does not relieve

10 the retailer from liability for payment of the full amount of the

11 tax levied by this act.