

**SUBSTITUTE FOR
HOUSE BILL NO. 5357**

A bill to amend 1941 PA 122, entitled

"An act to establish the revenue collection duties of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to regulate the importation, stamping, and disposition of certain tobacco products; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to prescribe its powers and duties if an agreement to act as agent for a city to administer, collect, and enforce the city income tax act on behalf of a city is entered into with any city; to provide an appropriation; to abolish the state board of tax administration; to prescribe penalties and provide remedies; and to declare the effect of this act,"

(MCL 205.1 to 205.31) by adding section 21a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 21A. (1) IN THE COURSE OF AN AUDIT CONDUCTED UNDER THE**
2 **AUTHORITY OF SECTION 21, A TAXPAYER HAS THE RIGHT TO CLAIM CREDIT**

1 AMOUNTS AS AN OFFSET AGAINST DEBIT AMOUNTS DETERMINED IN THE AUDIT.
2 A TAXPAYER THAT IS THE SUBJECT OF A USE TAX AUDIT OF ITS PURCHASES
3 IS ENTITLED TO OFFSET THE USE TAX LIABILITY DETERMINED IN THAT
4 AUDIT BY THE AMOUNT OF SALES TAX PAID ANNUALLY UNDER THE GENERAL
5 SALES TAX ACT, 1933 PA 167, MCL 205.51 TO 205.78, BY IT TO A
6 MICHIGAN VENDOR, OR USE TAX PAID ANNUALLY BY IT TO A VENDOR LOCATED
7 OUTSIDE THIS STATE, ON AN AMOUNT OF UP TO \$5,000.00 IN PURCHASES.

8 (2) AS USED IN THIS SECTION, "USE TAX" MEANS THE TAX DESCRIBED
9 IN THE USE TAX ACT, 1937 PA 94, MCL 205.91 TO 205.111.