

Act No. 7  
Public Acts of 2006  
Approved by the Governor  
February 3, 2006  
Filed with the Secretary of State  
February 3, 2006  
EFFECTIVE DATE: October 1, 2006

**STATE OF MICHIGAN  
93RD LEGISLATURE  
REGULAR SESSION OF 2006**

**Introduced by Reps. Meyer, Wenke, Jones, Huizenga, Pastor, Palmer, Vander Veen, Hummel, Kahn,  
Baxter and Robertson**

# **ENROLLED HOUSE BILL No. 5357**

AN ACT 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 21b.

*The People of the State of Michigan enact:*

Sec. 21b. (1) In the course of an audit conducted under the authority of section 21, a taxpayer has the right to claim credit amounts as an offset against debit amounts determined in the audit. A taxpayer that is the subject of a use tax audit of its purchases is entitled to offset the use tax liability determined in that audit by the amount of sales tax paid annually under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, by it to a Michigan vendor, or use tax paid annually by it to a vendor located outside this state, on an amount of up to \$5,000.00 in purchases.

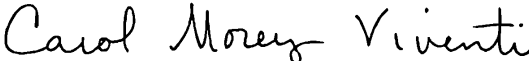
(2) As used in this section, "use tax" means the tax described in the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

Enacting section 1. This amendatory act takes effect October 1, 2006.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor