

SENATE BILL NO. 935

May 21, 2020, Introduced by Senators DALEY and VANDERWALL and referred to the Committee on Finance.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 6 (MCL 205.96), as amended by 2014 PA 426, and
by adding section 6d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) Every person storing, using, or consuming tangible
2 personal property or services, the storage, use, or consumption of
3 which is subject to the tax imposed by this act when the tax was
4 not paid to a seller, and every seller collecting the tax from the
5 purchaser, ~~unless~~**except as** otherwise ~~prescribed~~**provided** by the

1 ~~department-law or as otherwise required~~ under ~~the provisions of~~
2 subsection (2) or (3), on or before the twentieth day of each
3 calendar month shall file with the department a return for the
4 preceding calendar month, in a form prescribed by the department,
5 showing the price of each purchase of tangible personal property or
6 services during the preceding month, and other information the
7 department considers necessary for the proper administration of
8 this act. ~~At~~**Except as otherwise provided in section 6d, at** the
9 same time, each person shall pay to the department the amount of
10 tax imposed by this act with respect to the purchases covered by
11 the return.

12 (2) ~~Each~~**Except as otherwise provided in section 6d, each**
13 seller that had a total tax liability after subtracting the tax
14 payments made to the secretary of state under this act or the
15 general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or after
16 subtracting the tax credits available under section 6a of the
17 general sales tax act, 1933 PA 167, MCL 205.56a, in the immediately
18 preceding calendar year of \$720,000.00 or more shall remit to the
19 department, by an electronic funds transfer method approved by the
20 department on or before the twentieth day of the month, an amount
21 equal to the following:

22 (a) Beginning January 1, 1999 through December 31, 2013, 50%
23 of the taxpayer's liability under this act for the same month in
24 the immediately preceding calendar year, or 50% of the actual
25 liability for the month being reported, whichever is less, plus a
26 reconciliation payment equal to the difference between the tax
27 liability determined for the immediately preceding month minus the
28 amount of tax previously paid for that month. Additionally, the
29 seller shall remit to the department, by an electronic funds

1 transfer method approved by the department on or before the last
2 day of the month, an amount equal to 50% of the taxpayer's
3 liability under this act for the same month in the immediately
4 preceding calendar year, or 50% of the actual liability for the
5 month being reported, whichever is less.

6 (b) Beginning January 1, 2014, 75% of the taxpayer's liability
7 under this act in the immediately preceding month or 75% of the
8 taxpayer's liability for the same month in the immediately
9 preceding calendar year, whichever is less, plus a reconciliation
10 payment equal to the difference between the tax liability
11 determined for the immediately preceding month minus the amount of
12 tax previously paid for that month. Payment remitted to the
13 department by electronic funds transfer may include as a single
14 payment any amount due under section 6 of the general sales tax
15 act, 1933 PA 167, MCL 205.56.

16 (3) ~~If~~ **Subject to section 6d, if** considered necessary to
17 ~~insure~~ **ensure** payment of the tax or to provide a more efficient
18 administration, the department may require and prescribe the filing
19 of returns and payment of the tax for other than monthly periods.

20 (4) The tax imposed under this act shall accrue to this state
21 on the last day of each calendar month.

22 (5) If a due date falls on a Saturday, Sunday, state holiday,
23 or legal banking holiday, the taxes are due on the next succeeding
24 business day.

25 **Sec. 6d. (1) A qualified taxpayer may defer payment of**
26 **qualified taxes until December 31, 2020.**

27 **(2) Penalties and interest must not be added to qualified**
28 **taxes remitted before January 1, 2021. For purposes of determining**
29 **penalties and interest on qualified taxes remitted after December**

1 31, 2020, the due date of the qualified taxes is December 31, 2020.

2 (3) As used in this section:

3 (a) "COVID-19 executive order" means an executive order issued
4 by the governor in response to the coronavirus (COVID-19) public
5 health emergency.

6 (b) "Qualified taxes" means the taxes due under this act from
7 a qualified taxpayer for March, April, May, June, July, and August
8 2020.

9 (c) "Qualified taxpayer" means a taxpayer whose business has
10 been negatively impacted as the result of a COVID-19 executive
11 order. A taxpayer's business is considered negatively impacted by a
12 COVID-19 executive order if 1 or more of the following apply:

13 (i) As a result of a COVID-19 executive order, the taxpayer's
14 place of business is closed or restricted to ingress, egress, use,
15 and occupancy by members of the public.

16 (ii) The taxpayer's business involves assemblages of people
17 that are prohibited by a COVID-19 executive order.