

# SENATE BILL NO. 936

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

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 6 (MCL 205.56), as amended by 2014 PA 425, and by adding section 6d.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 6. (1) Each taxpayer, ~~unless~~**except as** otherwise provided  
2    by law or as **otherwise** required ~~pursuant to~~**under** subsection (2),  
3    (4), or (5), on or before the twentieth day of each month shall  
4    make out a return for the preceding month on a form prescribed by  
5    the department showing the entire amount of all sales and gross

1 proceeds of ~~his or her~~ **the taxpayer's** business, the allowable  
2 deductions, and the amount of tax for which ~~he or she~~ **the taxpayer**  
3 is liable. ~~The~~ **Except as otherwise provided in section 6d, the**  
4 taxpayer shall also transmit the return, together with a remittance  
5 for the amount of the tax, to the department on or before the  
6 twentieth day of that month.

7 (2) ~~Each~~ **Except as otherwise provided in section 6d, each**  
8 taxpayer that had a total tax liability after subtracting the tax  
9 payments made to the secretary of state under this act or the use  
10 tax act, 1937 PA 94, MCL 205.91 to 205.111, or after subtracting  
11 the tax credits available under section 6a, in the immediately  
12 preceding calendar year of \$720,000.00 or more shall remit to the  
13 department, by an electronic funds transfer method approved by the  
14 department on or before the twentieth day of the month, an amount  
15 equal to the following:

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

29 (b) Beginning January 1, 2014, 75% of the taxpayer's liability

1 under this act in the immediately preceding month or 75% of the  
 2 taxpayer's liability for the same month in the immediately  
 3 preceding calendar year, whichever is less, plus a reconciliation  
 4 payment equal to the difference between the tax liability  
 5 determined for the immediately preceding month minus the amount of  
 6 tax previously paid for that month. Payment remitted to the  
 7 department by electronic funds transfer may include as a single  
 8 payment any amount due under section 6 of the use tax act, 1937 PA  
 9 94, MCL 205.96.

10 (3) The tax imposed under this act shall accrue to this state  
 11 on the last day of the month in which the sale is incurred.

12 (4) ~~The~~ **Subject to section 6d, the** department, if necessary to  
 13 ~~insure~~ **ensure** payment of the tax or to provide a more efficient  
 14 administration, may require the filing of returns and payment of  
 15 the tax for other than monthly periods.

16 (5) A taxpayer who is a materialperson may at the option of  
 17 the taxpayer include the amount of all taxable sales and gross  
 18 proceeds from materials furnished to an owner, contractor,  
 19 subcontractor, repairperson, or consumer on a credit sale basis for  
 20 the purpose of making an improvement to real property in ~~his or her~~  
 21 **the taxpayer's** return in the first quarterly return due following  
 22 the date in which the materialperson made the credit sale to the  
 23 owner, contractor, subcontractor, repairperson, or consumer.  
 24 Notwithstanding subsections (1) ~~through to~~ (3), a materialperson  
 25 may at the option of the taxpayer file quarterly returns for a  
 26 credit sale only as determined by the department. As used in this  
 27 subsection: ~~,"credit~~

28 (a) **"Credit sale"** means an extension of credit for the sale of  
 29 taxable goods by a seller other than a credit card sale. ~~,"and~~

1 ~~"materialperson"~~

2           **(b) "Materialperson"** means a person ~~who~~**that** provides  
 3 materials for the improvement of real property, ~~who~~**that** has  
 4 registered with and has demonstrated to the department that ~~he~~~~or~~  
 5 ~~she~~**the person** is primarily engaged in the sale of lumber and  
 6 building material related products, precast concrete products, or  
 7 conduit or fitting products used in the collection, conveyance, or  
 8 distribution of water or sewage to owners, contractors,  
 9 subcontractors, repairpersons, or consumers, and ~~who~~**that** is  
 10 authorized to file a construction lien upon real property and  
 11 improvements under the construction lien act, 1980 PA 497, MCL  
 12 570.1101 to 570.1305.

13           (6) If a due date falls on a Saturday, Sunday, state holiday,  
 14 or legal banking holiday, the taxes are due on the next succeeding  
 15 business day.

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

18           **(2) Penalties and interest must not be added to qualified**  
 19 **taxes remitted before January 1, 2021. For purposes of determining**  
 20 **penalties and interest on qualified taxes remitted after December**  
 21 **31, 2020, the due date of the qualified taxes is December 31, 2020.**

22           **(3) As used in this section:**

23           **(a) "COVID-19 executive order" means an executive order issued**  
 24 **by the governor in response to the coronavirus (COVID-19) public**  
 25 **health emergency.**

26           **(b) "Qualified taxes" means the taxes due under this act from**  
 27 **a qualified taxpayer for March, April, May, June, July, and August**  
 28 **2020.**

29           **(c) "Qualified taxpayer" means a taxpayer whose business has**

1 been negatively impacted as the result of a COVID-19 executive  
2 order. A taxpayer's business is considered negatively impacted by a  
3 COVID-19 executive order if 1 or more of the following apply:

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

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