

STREAMLINED SALES AND USE TAX ADMINISTRATION ACT (EXCERPT)
Act 174 of 2004

205.825 Certified service provider as seller's agent.

Sec. 25.

(1) A certified service provider is the agent of a seller, with whom the certified service provider has contracted for the collection and remittance of sales and use taxes. As the seller's agent, the certified service provider is liable for sales and use tax due to this state on all sales transactions it processes for the seller unless the seller made a material misrepresentation or committed fraud.

(2) A seller that uses a certified automated system is responsible and is liable to this state for reporting and remitting tax.

(3) A certified service provider or a seller that uses a certified automated system is not liable for sales tax and use tax if it relied on the department's determination that the software program submitted to the board for certification as a certified automated system under the agreement accurately reflected the taxability of the product categories included in the software program. Relief from liability under this section does not apply if a certified service provider or a seller that uses a certified automated system has incorrectly classified an item or transaction into a product category of the certified automated system.

(4) A certified service provider is considered a seller and is eligible for relief from liability for sales tax as provided in section 12(9) of the general sales tax act, 1933 PA 167, MCL 205.62.

(5) If the department determines that an item or transaction is incorrectly classified as to its taxability by a certified service provider or by a seller that uses a certified automated system, the department shall notify that certified service provider or seller of the incorrect classification. The certified service provider or seller shall revise the classification within 10 days after receipt of notice from the department. If the classification is not changed within 10 days of notice from the department, the certified service provider or seller that uses a certified automated system is liable for the failure to collect the correct amount of sales or use tax due and owing to this state.

History: 2004, Act 174, Eff. July 1, 2004 ;-- Am. 2008, Act 437, Imd. Eff. Jan. 9, 2009 ;-- Am. 2009, Act 138, Imd. Eff. Nov. 4, 2009