



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

February 12, 2016

Craig Johnson, Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
100 Majestic Drive, Suite 400  
Westby, Wisconsin 54667

Re: Michigan Statement of Non-compliance

Dear Mr. Johnson:

This letter is sent as required by Section 805.1.E of the Streamlined Sales and Use Tax Agreement (SSUTA). On December 18, 2015, the Streamlined Sales and Use Tax Governing Board found Michigan not in substantial compliance with the SSUTA. Under Section 313 of the SSUTA, a state is required to source "advertising and promotional direct mail" and "other direct mail" and define those terms in accordance with Section 313. At present, Michigan does not differentiate between types of direct mail, and does not define "advertising and promotional direct mail" and "other direct mail" in accordance with Section 313 of the SSUTA.

Bills were introduced in the Michigan Legislature on December 9, 2015 to amend Michigan's General Sales Tax and Use Tax Acts (HB 5132 and HB 5133, respectively) to define "advertising and promotional direct mail" and "other direct mail" and source them in accordance with Section 313 of the SSUTA. On February 3, 2016, the bills were reported out of the House Tax Policy Committee with recommendation, and are currently awaiting action by the House. It is anticipated that the bills will be passed by the Michigan Legislature and enacted into law within the next several months.

Sincerely,

A handwritten signature in cursive script that reads "Michael A. Eschelbach".

Michael A. Eschelbach  
Director, Bureau of Tax Policy

c: Nick A. Khouri, State Treasurer  
Greg Gursky, Deputy Treasurer