

Trading Partner Agreement

This form is issued under authority of P.A. 403 of 2000 and P.A. 327 of 1993, as amended. Filing is mandatory.

This Agreement is entered into on _____, by and between the Michigan Department of Treasury (the "Department") and _____ (the "Licensee") (individually and collectively, the "Party").

The Department and the Licensee wish to enter into an agreement ("Agreement") to provide a means by which the Licensee will file its Michigan Motor Fuel and/or Tobacco Tax Returns (individually and collectively, the "Report") by electronically transmitting data in substitution for conventional, paper-based, hard copy documents and to assure the following: (i) such reports are filed pursuant to the Michigan Motor Fuel and/or Tobacco Tax Acts and all applicable state laws and (ii) such reports comply with all of the Department's requirements and (iii) such reports are legally valid and enforceable. In order to achieve these goals, the Parties agree as follows:

- 1. Term:** This Agreement shall be effective on the date shown above and shall continue in effect until terminated by either Party as follows: (i) either Party may terminate this Agreement, with or without cause, by giving 30 days prior written notice to the other Party not less than 10 business days prior to the effective date of such notice or (ii) the Department may terminate this Agreement by notice given to the Licensee effective immediately if the Department suspends, revokes or cancels, permanently or temporarily, the Licensee's motor fuel and/or tobacco tax license or (iii) the Department may terminate this Agreement by notice given to the Licensee effective immediately if the Department determines, in its sole discretion, that a change in the law will affect, in any manner whatsoever, this Agreement.
- 2. Standards:** The Department, in its discretion, shall establish standards and instructions regarding the electronic transmission of the Report (the "Standards") to the Department that may be revised, changed, altered or updated from time to time, with or without notice. The Licensee shall electronically transmit its Report to the Department pursuant to the Standards. The Department will provide the Standards to the Licensee in a reasonable time frame to allow the Licensee's compliance with the Department's filing requirements.
- 3. Transmission:** The Licensee shall electronically transmit the Report to the Department no later than the twentieth day of the month following the end of the established reporting period. Any Report electronically transmitted shall be in the form and format defined by the Department in order to be considered a valid transmission.
- 4. System Operations and Security Procedures:** The Licensee, at its own expense, shall provide and maintain the equipment, software, services and testing necessary for the Licensee to transmit the electronic Report. The Department, at its own expense, shall provide and maintain the equipment, software, services and testing necessary for the Department to receive the electronic Report. Each Party shall use security procedures, which are reasonably sufficient to ensure that all transmissions of the Report are authorized and to protect its business records and data from improper access. In addition, the Licensee shall comply with all security procedures established and required by the Department.
- 5. Receipt of Transmission:** An electronically transmitted Report shall be deemed to have been filed with the Department when the Report, in the form and format authorized by the Department, is accessible to the Department or the Department's third party service provider and meets the requirements of the Department. If the Licensee attempts to file its Report and is unable to do so because the receipt computer is not available to receive a filing, the Department will not impose late filing penalties or interest provided that the Licensee contacts the Department immediately when an access problem is identified and promptly remits tax due.

- 6. Acknowledgement of Transmission:** Upon receiving a successfully transmitted Report from the Licensee, the Department or the Department's third party service provider will transmit an acknowledgement of receipt to the Licensee within 3 business days from receipt of the Licensee's Report. The acknowledgement will communicate only that the Department has received the Licensee's transmission. A Report must be determined to be "valid" if the Department is to accept its submission in lieu of paper filing. An acknowledgement does not imply any findings by the Department about the validity or correctness of the Report either in substance or form. A transmission that is received by the Department but is not in the Department's approved form and format will not constitute a valid Report.
- 7. Garbled Transmissions:** If any transmission is received in an unintelligible or garbled form or format and the Department cannot identify the Licensee, no acknowledgement will be transmitted. The absence of an acknowledgement shall be treated as notice to the Licensee that the Report was not received by the Department in the required form or format. The burden shall be on the Licensee to ensure that the Department receives a valid Report in the required form and format within the time required.
- 8. Record Retention:** The taxpayer will maintain records of the transactions covered by electronic filings for a period of not less than 4 years from the due date of the filing unless the Department authorizes in writing the destruction of the records within a lesser period.
- 9. Admissibility of Returns/Reports as Evidence:** A certified copy of any Report may be introduced in paper form as evidence in any judicial or administrative proceeding by either Party to the same extent and under the same conditions as any other business record. Neither Party shall contest the admissibility of any Report on the basis that it was not originated or maintained in paper form.
- 10. Payments:** Any Licensee filing a Report electronically under this Agreement shall make payment of taxes due by use of electronic funds transfer (EFT) regardless of the tax amount. The Licensee shall follow the procedures of the Department's EFT Program, which allows utilization of either automated clearinghouse (ACH) debit (a pay-by-phone program set up through the State's bank) or (ACH) credit (a transaction arranged by the Taxpayer with its bank).
- 11. Identifying Codes & Numbers:** To ensure proper identification of an electronically transmitted Report, the Parties will exchange the identifying qualifiers. Each Party shall communicate to the other any changes in the qualifiers prior to any transmission containing the new qualifiers.

Motor Fuel Only

The transmission using the Licensee identification number and password will act as Motor Fuel certification of sales that the 1.5% allowance was passed on to Wholesalers and 1/3 of the 1.5% allowance was passed on the Retailers pursuant to statute.

- 12. Signatures:** Licensee's identification number and password, when included as part of the Report filed pursuant to this Agreement, shall constitute the signature of the Licensee on the Report as if such Report were actually signed by the Licensee. Each Party shall adopt as its signature an electronic identification consisting of codes in each electronic transmission transmitted by such Party (the "Signature"). Each Party agrees that any Signature of a Party affixed to or contained in any transmitted electronic transmission shall be sufficient to verify the Party originated such electronic transmission. Neither Party shall disclose to any unauthorized person the Signature of the other Party. Each Party agrees to maintain adequate back-up files to recreate electronic transmissions as required. Back-up files shall be subject to the terms of this Agreement to the same extent as the original data. Electronic transmissions shall be retained for such periods as required by relevant Michigan statutes.
- 13. Testing:** An electronic transmission will not be authorized by either Party until subjected to reasonable testing to ensure compliance with the Department and its requirements. After the Department accepts the electronic transmission for production use, additional testing may be required when changes are made to the system environments, including but not limited to, installation of a new EDI translator or implementation of a new EDI version.

- 14. Waiver:** The waiver of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of this Agreement. Any waiver shall operate as a waiver only with respect to the specific matter involved and in no way shall extend to any further matter.
- 15. Entire Agreement:** This Agreement constitutes the final, entire and complete agreement of the Parties with respect to the subject matter hereof; and supercedes any prior agreement or understanding, whether written or oral, between or represented by the Parties relating to the subject matter.
- 16. Amendment:** This Agreement shall not be changed, modified or amended without the prior written consent of the Department.
- 17. Governing Law:** This Agreement shall be governed by, and interpreted in accordance with the laws of the State of Michigan.
- 18. Assignment:** The Licensee shall not assign or transfer any right or interest in and to this Agreement without the prior written consent of the Department. Any purported assignment without the prior written consent of the Department shall be void and of no force or effect.
- 19. Execution:** This Agreement is dated _____. In witness of this Agreement, the Licensee and the Department, by their duly-authorized representatives, have signed this Agreement.

Licensee:

Print name of Licensee or Authorized Agent	
Signature of Licensee or Authorized Agent	Date

Department:

Print name of Authorized Agent	
Signature of Authorized Agent	Date