

General Information for Native American Sales Subject to Tax Sharing

Issued under authority of P.A. 616 of 2002.

The information attached is intended only for Tribal, Tribal Member and Tribal Entity retailers having sales subject to tax sharing under the terms of an implemented Tax Agreement with the State.

Sales subject to sharing are those made by a Tribe, Tribal Member or Tribal Entity retailer operating within their Tribal and Trust Lands that are also sourced to their Tribal and Trust Lands under the terms of the Tax Agreement. In general, these provisions source sales to the place of delivery.

A Tribe, Tribal Member, or Tribal Entity operating a business from a **single location** in Tribal and Trust Lands, that **only makes sales sourced to Tribal and Trust Lands** (e.g. it delivers the items sold to the customer in Tribal and Trust Lands), should report these sales on Tribal Forms 4017 and 4018. All taxable sales reported on these forms are subject to tax sharing. Sales from a Tribe, Tribal Member, or Tribal Entity operating a **business from a location outside of Tribal and Trust Lands would not be subject to tax sharing** and should be filed according to Michigan's General Sales and Use Tax Acts (P.A. 167 of 1933, as amended, and P.A. 94 of 1937, as amended.) Remit these taxes using the *Sales, Use, and Withholding Taxes Monthly/Quarterly Return* (Form 5080) and the *Sales, Use and Withholding Annual Return* (Form 5081).

Tribal, Tribal Member, or Tribal Entity **retailers making both shared and non-shared sales are to separately report and remit these sales** on the appropriate forms. Sales subject to tax sharing are to be separated and reported on Tribal Forms 4017 and 4018. Sales not subject to sharing should be separated and remitted on the Form 5080 according to the Michigan General Sales and Use Tax Acts referenced above. This is necessary to properly allocate any exempt sales and to facilitate proper application of the funds received by the State.

Tribal, Tribal Member and Tribal Entity retailers that

have sales subject to tax sharing, under the terms of an implemented Tax Agreement with the State, should submit this information using the *State/Tribal Agreement Use Tax Quarterly Return* (Form 4017). This return, and any payment required, will be due on a quarterly basis on or before the 20th of the month following the end of the quarter. Instructions and worksheets have been provided to assist in calculating the tax due as requested on the return. For accurate posting of returns, complete all account information requested (Account Number, Return Period, Signature, etc). Detach the return from the worksheet and remit the return portion only. The worksheet should be retained for your records and can be used in completing the Annual Return.

Accounts with sales subject to tax sharing, under the terms of an implemented Tax Agreement with the State, must also file a *State/Tribal Agreement Use Tax Annual Return* (Form 4018). This Annual Return balances the tax due for the year with the quarterly payments made during the year. A complete and signed Annual Return is due February 28 of the following year.

Mail your return and payments to the address listed on the returns. If you have any questions, visit www.michigan.gov/taxes (click on Business Taxes, then Native American) or call the Office of Tribal Affairs at 517-241-2185.