

NOTICE OF NEW SALES AND USE TAX REQUIREMENTS FOR OUT-OF-STATE SELLERS

For transactions occurring on and after October 1, 2015, an out-of-state seller may be required to remit sales or use tax on sales into Michigan if the seller has nexus under amendments to the General Sales Tax Act (MCL 205.52b) and Use Tax Act (MCL 205.95a). The new law creates a presumption that a seller is engaged in the business of making sales at retail in Michigan if the seller, or another person on the seller's behalf, engages in or performs certain activities set forth in the new statutory sections in Michigan. In addition, a seller will be presumed to be making sales in Michigan if the seller enters into an agreement with one or more Michigan residents under which the resident, for a commission or other consideration, refers potential purchasers (e.g., by a link on an internet website or an in-person oral presentation), to the seller. This is sometimes referred to as "click-through" nexus. If you are a seller that will have nexus with Michigan on or after October 1, 2015, and you are not already registered with the Department of Treasury and remitting sales or use tax, you will need to register. For information regarding Michigan's tax registration and remittance requirements, please visit our website at www.michigan.gov/taxes/0,4676,7-238-43529---,00.html. To read the new laws, please refer to 2014 PA 553 and 554 at www.legislature.mi.gov. Please check back for future updates and additional guidance.