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STATE OF MICHIGAN

DEPARTMENT OF TREASURY

TREASURY BUILDING

LANSING, MICHIGAN 48922

REVENUE ADMINISTRATIVE BULLETIN 1990-14

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PAYMENT OF SALES TAX BY MOBILE HOME DEALERS

(Replaces Revenue Administrative Bulletin 1989-1)

RAB-90-14. This Bulletin describes the procedure a mobile home dealer should follow for timely payment of sales tax by the due date of the sales, use and withholding tax return. The procedure described in this Bulletin (updating the procedure described in Revenue Administrative Bulletin 1989-1) is effective April 1, 1990.

Background

Michigan Sales and Use Tax Rules, 1979 AC, R 205.14, state:

"[t]he sales and use taxes are a personal obligation of the seller (taxpayer) and are due and payable on or before the fifteenth day of the month next succeeding the month in which the tax accrued."

A tax paid late due to delays in the transfer of title is subject to interest and penalty. (See the Michigan Revenue Act, MCL 205.1 et seq.)

In Michigan, mobile home dealers must apply for title to and pay sales tax on mobile home sales at a Secretary of State office. The dealers must present specific documentation to the Secretary of State when applying for a title; however, the dealers may not have access to all required documentation to obtain a title at the time of sale. For example, a dealer may not receive the manufacturer's statement of origin (MSO) from the floor plan lender. Typically, if title to a mobile home is encumbered by a lien, title may not be clear until 60 days after a sale. These delays present dealers with a problem of the timely payment of sales tax.

New Procedure

To allow the dealers to pay the tax timely and avoid penalty and interest, a mobile home dealer may pay the tax due on a mobile home at any Michigan Department of Treasury field office on or before the 15th of the month following the sale. The dealer should submit the original of form S-111 Dealer/Broker Application for Certificate of Mobile Home Title and Statement of Mobile Home Sale. Upon payment of the tax, the dealer form S-111 will be stamped with the district office stamp and initialed by the person receiving the payment. The amount of the payment received will be written next to the stamp. The dealer may then use the

stamped S-111 as proof of tax paid when applying for a title at the Secretary of State. This procedure replaces one previously described in Revenue Administrative Bulletin 1989-1 in which the Treasury field office issued a separate receipt to the mobile home dealer.

The above procedure should be used only in instances where a dealer is unable to pay the sales tax at the Secretary of State's office due to title delays. If all required documents are available to the dealer, sales tax must be paid at the Secretary of State's office as usual.

With the implementation of this procedure, a reasonable method of timely paying sales tax is available to all mobile home dealers. Therefore, beginning on January 1, 1989, late payments of sales tax by mobile home dealers may be subject to interest and penalties imposed by the Michigan Revenue Act.

The General Sales Tax Act, MCL 205.54, provides that retailers in Michigan paying sales tax by the due date or before are allowed a discount (.0075 of the amount due if paid by the 7th of the month, or .005 of the amount due if paid by the 15th of the month). In accordance with this new procedure, the amount of tax to be paid at the Treasury field office should be the actual amount due. To request the discount, dealers must submit form C-3095 Vehicle Dealer Supplemental Report.

If payments of sales tax are made to a Treasury field office, sales of mobile homes shall be included in the retailer's gross proceeds on the sales, use and withholding monthly/quarterly return worksheet. These sales may then be deducted from the gross proceeds as if the tax were paid to Secretary of State (line 6e).

See next page for list of Department of Treasury field offices.

DEPARTMENT OF TREASURY

FIELD OFFICES

Detroit

State of Michigan Plaza Building
1200 Fr. Kern (6th Street)
2nd Floor, North Tower
Detroit, MI 48226
(313) 256-2538

Escanaba

7 State Office Building
305 Ludington Street
Escanaba, MI 49829
(906) 786-6334

Flint

State Office Building, 7th Floor
125 E. Union Street
P.O. Box 3099
Flint, MI 48502
(313) 768-2782

Grand Rapids

State Office Building
Suite 3A
350 Ottawa Street, NW
Grand Rapids, MI 49503
(616) 456-5334

Kalamazoo

West Main Mall
Business and Professional Plaza
Suite A-200
Kalamazoo, MI 49009
(616) 382-2830

Lansing

Treasury Building
430 W. Allegan
Lansing, MI 48922
(517) 373-3190

Marquette

Medical-Dental Center, Room 19
1414 W. Fair
Marquette, MI 49855-2655
(906) 226-6717

Mt. Clemens

64 New Street
Mt. Clemens, MI 48043
(313) 469-1310

Pontiac

100 N. Saginaw, 2nd Floor
Pontiac, MI 48058
(313) 335-6102

Saginaw

State Office Building
411-I E. Genesee Street
Saginaw, MI 48605
(517) 771-1780

Sault Ste. Marie*

1126 E. Easterday Avenue
Sault Ste. Marie, MI 49783
(906) 632-2183

* Mondays only

Traverse City

701 S. Elmwood Avenue
P.O. Box 969
Traverse City, MI 49685
(616) 946-5630