

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF TREASURY

TREASURY BUILDING, LANSING, MICHIGAN 48922

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REVENUE ADMINISTRATIVE BULLETIN 2000 - 6

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WITHDRAWAL OF LETTER RULINGS

RAB-2000 - 6 This Revenue Administrative Bulletin identifies Letter Rulings that the Bureau of Revenue is withdrawing from publication. The Bulletin is intended to clarify the Department's treatment of Letter Rulings and to explain why they will be periodically withdrawn.

ISSUES

- I. What is the purpose of a Letter Ruling?
- II. Why are some Letter Rulings being withdrawn?
- III. What is the effective date for the withdrawal of these Letter Rulings?
- IV. What Letter Rulings are being withdrawn by this RAB?

CONCLUSIONS

- I. A Letter Ruling is published to provide the public with an example of how the Department would apply tax law to a particular set of facts. In addition, a Letter Ruling provides a fast and informal means of increasing public understanding of the Department's interpretation of tax law.

It is important to note that a Letter ruling is not binding on either the Department or taxpayers. The only exception is that, to the extent the language in a Letter Ruling is also used in the Department's written response to a specific taxpayer's request, the Letter Ruling is binding on both the taxpayer and the Department.

- II. The Department will periodically withdraw Letter Rulings from publication that are not good examples. A Letter Ruling ceases to be a good example when changes in the law cause the Letter Ruling to become obsolete, or when the Department determines that the Letter Ruling confuses rather than assists the public.
- III. The Letter Rulings listed in this RAB are withdrawn from publication on the effective date of this RAB. The date on which these letter rulings are withdrawn from publication generally do not reflect the date on which letter rulings ceased to be valid. The standard interpretative rules concerning retroactive or prospective application do not apply to a

Letter Ruling. This is because, as noted above, a Letter Ruling is not binding law, but only an example provided to assist taxpayers. Consequently, the withdrawal of a Letter Ruling does not change existing law.

IV. The following Letter Rulings are being withdrawn:

Withdrawn Sales & Use Tax Letter Rulings

[General Sales Tax Act, 1933 PA 167 and Use Tax Act, 1937 PA 94]

LR 70-2	Advertisement; Reimbursement of Taxpayer; Brackets
LR 70-4	Independent Logging Contractors
LR 70-6	Repairers and Servicers
LR 71-4	Newspapers, Magazines and Other Publications
LR 71-5	Printing Mailing Service
LR 71-7	Airplanes/Flight School
LR 72-7	Agricultural Production [Greenhouse Boiler]
LR 73-6	Schools [Bingo Equipment and Prizes]
LR 74-1	Retail Sale/Coins and Other Precious Metals
LR 74-2	Student Food
LR 74-4	Shipment by Interstate Commerce--Common Carrier
LR 74-6	Sales by Governmental Entities
LR 74-8	Bookbinders and Paper Cutters
LR 75-3	Manufacture and Installation of Industrial Conveyor Systems
LR 75-6	Purchases by Social Services for Welfare Clients
LR 75-9	Repairers and Servicers/Cable TV
LR 75-10	Exemption of Leased Rolling Stock
LR 76-3	Bicentennial Organizations
LR 76-4	Combined Returns
LR 76-6	Sales of Oxygen and Related Dispensing Units
LR 76-8	Sale of Explosive Materials for Extractive Operations
LR 76-15	Food for Human Consumption
LR 76-16	Taxability of Food Baskets
LR 77-3	Senior Citizen Apartment Complex
LR 77-6A	Sales and Use Tax Applicability for Materials Used for Cementing Pipe, Casing, and Production String in Oil and Gas Well Operations
LR 78-3	Schools [Seminars and Workshops for Non-Students]
LR 78-4	Reconditioners Versus Servicers/Repairers
LR 78-6	Sales of Drugs to Hospitals, Doctors and Clinics
LR 78-7	Automobile Purchased Out-of-State by Resident Military Personnel

LR 78-11	Food for Human Consumption
LR 78-13	Medical Equipment and Appliances Physicians
LR 79-5	Nursing Homes
LR 79-6	Advertisement; Reimbursement of Taxpayer: Brackets
LR 79-9	Church [Meals]
LR 79-10	Contractors for Churches
LR 79-13	Nonprofit Sales to a Contractor for Use in Affixation to Realty of Nonprofit Entity
LR 81-3	Nonprofit Exemption is not Assignable
LR 81-6	Newspapers, Magazines and Other Publications
LR 81-7	Local Hotel or Motel Assessment Fees
LR 81-10	Vessels and Watercraft
LR 83-5	Material Handling Services for Electrical Power Production
LR 83-9	Sales of Dental Hygiene Products
LR 84-5	Telephone and Telegraph
LR 84-6	Sales to Automotive Body Shops
LR 84-7	Automobiles Purchased in Europe
LR 85-10	Taxability of Oil Well Servicing Rig
LR 85-14	Formula for Equipment Used in Interstate Commerce
LR 85-18	Agricultural Production [Irrigation Systems]
LR 85-19	Repair of Electric Motors for Industrial Processors
LR 86-11	Telephone Transmission Service
LR 86-17	Sales of Graphic Artwork and Printing
LR 86-24	Retail Sale Warranties
LR 87-3	Definition of Nexus
LR 87-4	Outpatient Clinics
LR 87-5	Contractor for Hospital
LR 87-6	Automotive Service Company
LR 87-9	Manufacturer/Contractor
LR 87-10	Purchases and Sales by Convenience Stores Company
LR 87-12	Sales Tax Applicable to Fund-Raisers
LR 87-14	Sales of Pacemakers, Implantable and External Neurological Devices Implantable Heart Valves and Drug Administration Devices
LR 87-18	Water and Air Pollution.
LR 87-28	Exemption Certificates.
LR 87-30	Conversion of Industrial Processing Equipment to Taxable Use.
LR 87-33	Purchase of fuel and Energy by Industrial Processors.
LR 87-40	Schools [Sales by School Clubs].
LR 87-41	Schools and Booster Clubs.
LR 87-48	Bakery Products.

- LR 87-50 Foam Insulation Manufacturer-Contractor.
LR 87-55 Insurance Company Payments for Damaged or Stolen Automobiles;
Subsequent Sale of Replacement and Recovered Stolen Vehicles
LR 87-58 Contractors/Waste Water Treatment Plant Constructed for a City
LR 87-59 Medical Equipment and Appliances
LR 87-61 Scraper Blades
LR 87-62 Sale and Lease back of Ore Carrier Vessel
LR 87-64 Advertising Agency
- LR 88-5 Qualified Exemption--Nonprofit Entity
LR 88-6 Prepaid or Pre-Need Funeral Arrangements
LR 88-12 Canned vs. Customized Software
LR 88-15 Federally Documented Watercraft
LR 88-19 Intrastate Telecommunication Charges
LR 88-31 Interstate Telecommunications
LR 88-41 Charter Air Service
LR 88-51 Lease Buyout of Vehicle
LR 88-52 Post Production Material Handling
LR 88-55 Construction of church Building
- LR 89-7 Engineering and Design for Industrial Processing
LR 89-14 Churches--Retail Sales
LR 89-20 Building Contractors--Federal Credit Unions
LR 89-22 Sales Tax Refund on Vehicles Returned to the Manufacturer as a Result of
the Lemon Law
LR 89-42 Advertising Agencies
LR 89-43 Sales of Oxygen and Related Dispensing Units
LR 89-54 Resale Certificates
LR 89-65 Industrial Processing--Returnable Milk Cases
LR 89-67 Stud Farms
LR 89-68 Book Sales--Book Fairs
LR 89-69 Environmental Protection Fee--Fee Base
LR 89-70 Industrial Processor--Reconditioner
- LR 90-14 Tax Liability of Interstate Commerce Carriers
LR 90-17 Direct Marketing/Advertising Agencies
LR 90-19 Taxability of Insulin and Diabetic Supplies
LR 90-25 Use Tax base for Manufacturer/Lessor/Consumer
LR 90-26 Livestock Sales Not Exempt as Food for Human Consumption
LR 90-28 Grain Drying Equipment

Withdrawn Single Business Tax Letter Rulings

[Single Business Tax Act, 1975 PA 228]

- LR 76-17 Short Period Accounting Method
LR 76-18 Rental Investments
LR 76-19 Net Operating Capital Losses

- LR 76-22 Estates--Rental Income--Business Activity.
- LR 76-25 Installment Sales
- LR 76-28 Alarm Systems
- LR 76-29 Minimum Tax--Transportation Services
- LR 76-34 Billings and Collections by Parent Do Not Create Nexus for Subsidiaries
- LR 76-39 Income Tax Credit for Single Business Tax Paid by Partnerships and S Corporations
- LR 76-40 Transportation Service, Minimum Tax, Fiscal Year Taxpayer

- LR 77-11 Credit for Single Business Tax -- "Net Business Income" Defined
- LR 77-14 Net Operating Losses

- LR 78-14 Controlled Groups--Statutory Exemption
- LR 78-17 Royalties--Sand and Gravel

- LR 88-106 Apportionment--Sales Factor

- LR 89-11 Tax Exempt Status of Income from United States Obligation
- LR 89-34 Floor Plan Interest
- LR 89-40 Non-Exempt Farm Cooperative Organizations
- LR 89-55 Oil and Gas Royalties
- LR 89-57 Exempt Farm Cooperative Corporations

Withdrawn Individual Income Tax Letter Rulings

[Income Tax Act, 1967 PA 281]

- LR 87-75 Subtraction for Pension Benefits Received from Service with the United States Public Health Service

- LR 88-37 Taxability of Income Earned by a Minor Claimed as a Dependent by Another Person

- LR 89-6 Homestead Property Tax Credit--Leased Farmland
- LR 89-45 Computation of Lien Upon Release of Farmland Development Agreement or Easement When Owner Dies or Is Totally and Permanently Disabled
- LR 89-51 Supplemental Medicare Premiums are Deductible
- LR 89-56 Computation of Lien Imposed Upon a Natural Termination of One of the Farmland Developments Rights Agreements Owed by a Taxpayer
- LR 89-62 Computation of Lien Imposed Upon Partial Release From a Farmland Development Rights Agreement

Withdrawn Motor Fuel and Motor Carrier Tax Letter Rulings

[Motor Fuel Tax Act, 1927 PA 150 and Motor Carrier Tax Act, 1980 PA 119]

- LR 65-1 Liability for Tax When Discrepancies Exist Between Terminal Out Flow and Delivery

- LR 73-1 Use of Gasoline in Buses Owned by Non-Profit Organizations

- LR 76-1 Taxable Status of Diesel Fuel Used in Vehicles Maintaining or Repairing Highways
- LR 77-1 Taxable Status of Fuel Used by Indians and Indian Reservations
- LR 78-1 Use of Affidavit to Replace Original Invoice Requirement to Obtain Refunds of the Gasoline Tax
- LR 82-1 When Tax Liability is Incurred
- LR 83-1 Taxable Status of Diesel Fuel Used by Foreign Buses
- LR 83-2 Eligibility and Time Span for Obtaining Refund
- LR 83-3 Taxability of Highway/Non-Highway Liquefied Petroleum Gasoline
- LR 84-1 Refunds to Private For-Profit Operators Providing County-Wide Public Transportation
- LR 84-3 Obtaining of Credit for Tax Paid Purchases by Government Agencies
- LR 85-1 Taxable Status of Fuel Used by Buses
- LR 85-3 Qualification for Aviation Refund
- LR 85-4 Commingled Gasoline Storage and Reporting Procedures
- LR 87-1 Use of Automatically Produced Invoices to Support Refund Claim
- LR 87-2 Taxable Status of Aviation Fuel Used by Government Agencies
- LR 88-45 Taxability of Non-Highway Use of Diesel Motor Fuel
- LR 88-56 Identification on Licensed Wholesale Distributor's Trucks Transporting Gasoline in Michigan
- LR 90-12 Exempt Gasoline for Auto Manufacturers
- LR 91-1 Reporting Computer-Generated Mileage Figures on the Motor Carrier Diesel Fuel Tax Report
- LR 94-3 Michigan Motor Carrier Fuel Tax Requirements for Canadian Farm Plated Commercial Motor Vehicles

Withdrawn Severance Tax Letter Rulings

[Severance Tax Act, 1929 PA 48]

- LR 81-12 Taxability of Production/Government Institution--Producer/Royalty Owner
- LR 87-80 Tax Rate on Condensate from Stripper and Marginal Properties
- LR 88-60 Land Fill Methane Gas: Taxable Under the Michigan Severance Tax

- Act
LR 88-61 Liability for Severance Tax, Transportation Pipeline
LR 89-29 Land Fill Methane Gas: Non-Taxable Under the Michigan Severance
Tax Act
LR 89-44 Marketing Cost Deduction for Return on Investment

Withdrawn Estate Tax Letter Ruling

[Michigan Estate Tax Act, 1993 PA 54]

- LR 95-2 Time for Payment of Michigan Estate Tax