



Senate Fiscal Agency  
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House Bill 5322 (Substitute H-1 as passed by the House)  
House Bill 5323 (Substitute H-1 as passed by the House)  
Sponsor: Representative Matt Hall (H.B. 5322)  
Representative Tenisha Yancey (H.B. 5323)  
House Committee: Tax Policy  
Senate Committee: Finance

Date Completed: 12-8-21

### **CONTENT**

**House Bill 5322 (H-1) and House Bill 5323 (H-1) would amend the General Sales Tax Act and the Use Tax Act, respectively, to specify that, if a seller were licensed by the Michigan Liquor Control Commission (MLCC) as a wholesaler or certified by the MLCC as an authorized distribution agent, obtaining the purchaser's MLCC licensee number would satisfy a requirement to obtain a purchaser's identifying information for the purposes of exemptions under those Acts.**

Under each Act, if an exemption from the sales or use tax, as applicable, is claimed, the seller must obtain identifying information of the purchaser and the reason for claiming the exemption at the time of the purchase or at a later date. The seller must obtain the same information for a claimed exemption regardless of the medium in which the transaction occurred. Under the bills, if a seller were one of the following, obtaining the purchaser's license number issued by the MLCC would satisfy the above requirements:

- A wholesaler licensed by the MLCC for purposes of sales of liquor to another MLCC licensee.
- The MLCC or a person licensed by the MLCC as an authorized distribution agent for purposes of sale and distribution of liquor to a person licensed by the MLCC.

If the information required above were maintained, an exemption certificate or other documentation or information would not be required for a sales or use tax exemption for the above entities.

MCL 205.62 & 205.68 (H.B. 5322)  
205.104a & 205.104b (H.B. 5323)

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.