

Hilco Industrial, LLC
Michigan Sales Tax Rules Summary

Wellington Industries
33955 I-94 S Service Dr, Belleville, MI 48111 USA

Asset Type: Late Model IPG Laser Welding Cell; ABB, Motoman & Fanuc Robotic Welding Cells; Spot Welders

Tax Rate: 6%

Consigned Goods - A rule provides that sales of tangible personal property consigned, delivered, or entrusted to a retailer for the purpose of sale are taxable on the total retail sale price without deduction for any expenses such as storage, rental, commission, or repairs. ([R205.70, Mich. Admin. Code](#)) It is immaterial whether the goods are different from those sold in the regular business of the seller.

Sales for resale are **exempt** (Sec. 205.94(c), M.C.L.) - Retailers purchasing for resale should provide a signed exemption certificate (see link below) stating that the purchase is for resale. Their sales tax license number must be included on the exemption claim. The seller should not accept the sales tax license number alone as a claim for exemption. https://www.michigan.gov/documents/taxes/3372_216612_7.pdf (Form 3372 - Exemption Certificate)

Manufacturers - A MI industrial processing exemption is allowed for property which is "used or consumed in transforming, altering, or modifying tangible personal property by changing the form, composition, or character of the property for ultimate sale at retail or for sale to another processor for further processing and ultimate sale at retail. The industrial processing exemption does not include property which is or becomes affixed to real estate, office supplies, administrative office equipment, or vehicles licensed for public highway use, except when the vehicle is used to mix and agitate materials added at the plant or job site in the concrete manufacturing process. Industrial processing also does not include the receipt or storage of raw materials extracted by the user or consumer or the preparation of food or beverages by a retailer for retail sale." See the following link for details and guidelines on the exemption:
http://www.michigan.gov/documents/rab-2000-4_108793_7.pdf (RAB 00-4, Industrial Processing (Manufacturing) Exemption)

Printers are considered industrial processor as their activities are part of transforming, altering or modifying the form, composition, or character of property that will ultimately be sold at retail.

Interstate and Foreign Sales - When tangible personal property is located within Michigan at the time of the sale and is delivered within Michigan, it is taxable. (R205.91, Mich. Admin. Code)

Tax does not apply to export sales when the exporter is required to deliver the goods to the purchaser at a foreign destination or place the goods in the hands of a common carrier consigned to the buyer at a foreign destination. In this case it is immaterial whether title to the goods passes upon delivery to the carrier or upon arrival of the goods at their destination. (R205.81, Mich. Admin. Code)

A rule requires that when a sale is made in interstate commerce, it is necessary for the seller to retain documentary evidence of shipment outside the state to substantiate a deduction on the tax return. (R205.91, Mich. Admin. Code)

Acceptable documents include:

- a waybill or bill of lading made out to the seller's order and calling for delivery outside the state,
- an insurance or registry receipt issued by the United States Postal Service, or
- a trip sheet signed by the seller's delivery agent and showing the signature and address of the person outside the state who received the goods.

Sales slips or other sales and shipping forms regularly used by the seller for interstate transactions must be filed separately from intrastate forms in an accessible manner to facilitate an audit by the state. (R205.91, Mich. Admin. Code)

Exemption Certificates - In addition to Form 3372 (link above), MI accepts the MTC Uniform Sales and Use Tax Certificate – Multijurisdiction, available at: http://www.mtc.gov/getattachment/Resources/Uniform-Sales-Use-Tax-Exemption-Certificate/Uniform-Sales-and-Use-Certificate-3_13_2019.pdf.aspx?lang=en-US