

STATE OF MICHIGAN  
DEPARTMENT OF TREASURYRICK SNYDER  
GOVERNORR. KEVIN CLINTON  
STATE TREASURER

July 31, 2014

Mr. Craig Johnson, Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
100 Majestic Drive, Suite 400  
Westby, WI 54667

Re: Michigan's 2014 Compliance Certification

Dear Mr. Johnson:

As a full member of the Streamlined Sales and Use Tax Agreement, Michigan must comply with Section 803 of the Agreement, which requires each member state to annually recertify its compliance with the Agreement to the Governing Board by August 1 of each year. The annual recertification shall include any changes in the member state's statutes, rules, regulations, or other authorities that could affect its compliance with the Agreement, and shall be signed by the chief executive of the state's tax agency.

This letter is submitted as required by Section 803 of the Agreement, certifying that Michigan is in substantial compliance with the terms of the Agreement, except with respect to the taxation of direct mail. We have provided draft legislation to rectify the issue. In the past year, there have been no changes made by the Michigan Legislature, and no holdings by Michigan courts or changes in Michigan's administrative rules that would further affect Michigan's compliance with the Agreement. I note that Section 205.54g of our General Sales Tax Act was amended effective March 14, 2014 to provide a sales tax exemption for over-the-counter drugs sold by prescription. MCL 205.54g. However, and more to the point, the definition of "prescription drug" was not changed in our Use Tax Act. MCL 205.94d(1)(a).

The enclosed Certificate of Compliance presents a complete and detailed picture of Michigan's compliance. Additionally, a copy of Michigan's current Taxability Matrix is attached.

Copies of this letter and a link to the current Taxability Matrix as it appears on the Streamlined Sales Tax Governing Board, Inc.'s website have been posted on Michigan's web site. We will be happy to respond to any questions that member states or representatives of the business community may have. Please direct questions to Streamlined Governing Board delegate Michael Eschelbach.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Kevin Clinton".

R. Kevin Clinton  
State Treasurer

Enclosures

c: Governor Rick Snyder  
Michael Eschelbach, Streamlined Governing Board delegate