

## Sales/Use/Indirect:

### Michigan: Treasury Comments on New Law Expanding Industrial Processing Exemptions as it Relates to Aggregate

*Notice Regarding Expansion of Industrial Processing Exemptions*, Mich. Dept. of Treas. (5/11/23). The Michigan Department of Treasury (Treasury) explains that the industrial processing exemptions under Mich. Comp. Laws 205.54t and Mich. Comp. Laws 205.94o were recently amended and expanded by the passage of Public Acts 27 and 30 of 2023 [see H.B. 4054; S.B. 97, signed by gov. 5/8/23, and *State Tax Matters*, Issue 2023-19, for more details on these recent law changes] to address sales and use taxes relating to property used to process aggregate for construction and related real property projects located in Michigan. In addition to summarizing the new provisions in this “tax relief” legislation, Treasury explains that it must cancel all impacted outstanding (unpaid) sales and use tax balances on “Notices of Intent to Assess” and “Final Assessments” issued by Treasury before the legislation’s May 8, 2023 effective date. While Treasury states that it will be proactive in locating and cancelling such assessments, “taxpayers with outstanding balances eligible for this relief are strongly encouraged to contact Treasury” about them.

**URL:** <https://www.michigan.gov/treasury/reference/taxpayer-notices/notice-regarding-industrial-process-exemption-for-aggregates>

**URL:** [https://www.legislature.mi.gov/\(S\(2k0f3w0e3ud4et25wdoskgun\)\)/mileg.aspx?page=getObject&objectName=2023-HB-4054](https://www.legislature.mi.gov/(S(2k0f3w0e3ud4et25wdoskgun))/mileg.aspx?page=getObject&objectName=2023-HB-4054)

**URL:** [https://www.legislature.mi.gov/\(S\(evrq4b25jjgrrzuw44cugqte\)\)/mileg.aspx?page=getObject&objectName=2023-SB-0097](https://www.legislature.mi.gov/(S(evrq4b25jjgrrzuw44cugqte))/mileg.aspx?page=getObject&objectName=2023-SB-0097)

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230512\\_11.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230512_11.html)

Furthermore, Treasury notes that the new law’s relief provisions are limited to the cancellation of outstanding balances; accordingly, the legislation does *not* establish a right to a refund for sales tax or use tax on property used for processing aggregate that a taxpayer has already remitted to Treasury prior to the legislation’s May 8, 2023 effective date. Consequently, purchasers will *not* be able to seek refunds based on this legislation from retailers or Treasury for periods prior to the legislation’s May 8, 2023 effective date. Please contact us with any questions.

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