

Sales/Use/Indirect:

Michigan: New Bulletin Addresses Taxation of Computer Software and Digital Goods

Revenue Administrative Bulletin No. 2023-10, Mich. Dept. of Treas. (7/31/23). The Michigan Department of Treasury (Department) issued a new revenue administrative bulletin (RAB 2023-10), which replaces RAB 1999-5 and is retroactive to all open tax periods under state statute of limitations provisions and describes the taxation of computer software and digital products and the applicable sourcing rules under Michigan's General Sales Tax Act and Use Tax Act. RAB 2023-10 reflects legislation enacted after the issuance of RAB 1999-5, including:

URL: <https://www.michigan.gov/taxes/rep-legal/rab/2023-revenue-administrative-bulletins/revenue-administrative-bulletin-2023-10>

1. Public Acts 172 and 173 of 2004, which (among other things) defined “tangible personal property” for sales and use tax purposes to include “prewritten computer software,” and
2. Public Acts 438 and 439 of 2008, which (among other things) repealed the sales and use tax provisions allowing a consumer to apportion tax for software through a multiple-points-of-use (MPU) exemption certificate.

According to the Department, RAB 2023-10 also incorporates legal principles from binding precedential caselaw decided after the issuance of RAB 1999-5. Please contact us with any questions.

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