

DEARBORN ADMINISTRATIVE GUIDE

Section: Business and Financial Services
Subject: Sales and Use Tax
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When University tangible property is sold or rented to consumers in Michigan, a sales or use tax is to be recorded, collected and deposited in a University account. For example, a six percent tax must be paid by the purchaser or renter when a University film, publication or piece of equipment is sold or rented. Auxiliary activities such as the "Pool" must submit a "[Michigan Sales and Use Tax Report](#)" to Ann Arbor each month to record sales tax revenue. This amount will then be charged to the appropriate legacy account (923510) to offset the revenue.

Michigan Sales and Use Tax laws require returns to be filed on or before a statutory due date. Failure to report monthly Sales reports by the 8th of the month following the monthly reporting period will result in a \$5.00 or 5% penalty of the tax due per month, whichever is greater. In addition, interest at three quarters of one percent per month will be assessed.

More detailed information and forms may be obtained in the University [Standard Practice Guide, section 502.3](#).