

For those of you that do not pay Michigan use tax, even though your liability is zero, we strongly recommend that you register for the tax. This may prove to be a very wise decision in the event you are ever audited. Taxpayers who are audited for use tax and are registered have a relatively short statute of limitations of four years. This means Treasury may only audit you going four years back. Registering also allows taxpayers to avoid the imposition of the 25% failure to file penalty. For those that are not registered, Treasury is permitted to audit you going as far back as ten years! The additional six years could have serious tax, penalty, and interest consequences to your business.

Please contact us if you would like help in complying with Treasury's guidelines or if you have any questions regarding Michigan's use tax.