

**HANNAHVILLE INDIAN COMMUNITY
TITLE VI, CHAPTER 4
SALES TAX CODE**

6.4.100 Title

This code shall be known as the “Hannahville Indian Community Sales Tax Code”.

6.4.101 Policy

The Hannahville Indian Community has engaged in commercial activity and has permitted the operation of commercial enterprises on tribal lands as a source of employment and revenue. Taxation of commercial activity on tribal lands has always been an important source of revenue to the tribal government as those revenues are used to support programs and services to tribal members and non-members who live on or visit the reservation.

6.4.102 Definitions

- (1) “Persons” means any individual, firm, partnership, joint venture, corporation, limited liability Company, association or other entity recognized t di business in the United States of America, state of Michigan, or the Hannahville Indian Community.
- (2) “Sale at Retail” means any sale in the ordinary course of business which tangible personal property is transferred for consideration, is for final consumption or use by the transferee, and not for resale.
- (3) “Gross Proceeds” means the amount of money, credit, subsidies, property or other consideration received by the person for a sale at retail.
- (4) “Business” includes an activity engaged in by a person with the object of gain, benefit or advantage.
- (5) “Tax” means a sales tax levied under this Code.
- (6) “Tribal Government” means the Hannahville Indian Community.
- (7) “Vendor” means a person who makes sales on the reservation who does not have a permanent place of business on the reservation.

6.4.103 Sales Tax and Rate

There is hereby levied upon and shall be collected from any person engaged in the business of making sales at retail, as defined in § 6.4.102 of this Code, a tax for the privilege of engaging in business equal to 6% of the gross proceeds of such business. The tribal government retains the right to assess penalties and interest in the event such tax is not paid in a timely basis. The Tribal Council may set a monthly, quarterly or annual remittance date for the tax.

6.4.104 License

- (1) All taxpayers subject this Code shall obtain a sales tax license prior to conducting business on tribal lands. The tribal license to conduct business on tribal lands titled “Business License and Permit” shall also serve as the registration for a sales tax license under this Code.
- (2) The Tribal Council in the event applicable taxes are not remitted may revoke the tribal sales tax license subject to the provisions in § 6.4.109 of this Code. The tax imposed by this Code shall be in addition to any other fees imposed by the Tribal Council.

6.4.105 Sales to the Tribe, Tribal Members, and any Other Exempt Entities.

- (1) The tribal sales tax shall not apply to any other person or vendor who make sales to the Tribal government, tribal members living on the reservation, tribal members exempt under other federal law, and tribally owned commercial enterprises.
- (2) The tribal sales tax shall not be affixed to sales to schools, hospitals, non-profit corporations, churches, industrial processing, agriculture production, food, prescription drugs and other similar organizations and activities normally exempt under Michigan Sales Tax Act at MCL § 205.51 et seq.

6.4.106 Property Affixed to Real Estate.

The tribal sales tax shall not be assessed against any contractor for constructing, repairing, altering or improving real estate or a structure affixed to real estate if the contractor has contracted to work for the Tribal government, tribal member, or tribal entity located on reservation or trust lands.

6.4.107 Bad Debts, Deduction.

In determining the amount of sales tax owed to the tribal government, the taxpayer may deduct the amount of bad debts from his or her gross proceeds. Bad debts are those debts related to a sale at retail that are not collectable or become worthless. Bad debts do not include interest or sales tax on the purchase price, uncollected amounts on sales where the property remains with the taxpayer until the full price is paid, expenses in attempted recovery of amounts owed, accounts receivables that have been sold to a third party, and repossessed property.

6.4.108 Administration of Tax, Promulgation of Rules.

This Code shall be enforced by the Tribal Council through the Tribal Treasurer who shall oversee the administration and collection of all taxable sales. The Tribal Council retains the authority to promulgate rules, through a majority resolution, consistent with this Code.

6.4.109 Injunctions and Assessments; Records, Quitting Business.

The Tribal Council may seek an injunction prohibiting a taxpayer from doing business, through the Tribal Court of the Hannahville Indian Community, if the tax payer does not remit the applicable tax. The Tribal Council shall seek an assessment for taxes due through the Tribal Court in the event the applicable tax is not remitted. All taxpayers must keep proper records of inventory, sales, bad debts, etc. so that the proper tax may be determined. If a taxpayer goes out of business any applicable tax must be paid prior to selling any part of the business.

6.4.110 Sales Tax Revenue

All revenues are to be placed into the general fund of the Hannahville Indian Community to be expended as the Tribal Council determines appropriate.

6.4.111 Tax Agreements

The Tribal sales tax may be subject to provisions of tax agreements with other sovereign governments. All such tax agreements shall take precedence over this Code where terms are inconsistent.