5053 (Rev. 01-19)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

Letter of Inquiry Concerning Michigan Taxes

July 18, 2024

Discovery 387
Reference #: WTRC10050

Why You Are Receiving This Letter

The Discovery and Tax Enforcement Division received registration information from the Michigan Secretary of State (SOS) that identifies you as an owner of the documented watercraft [redacted] Under Michigan's Streamlined Sales and Use Tax Revenue Equalization Act (MCL 205.179), the tax on the transfer of a watercraft is 6% of the **retail dollar value** of the watercraft at the time of acquisition as determined by the Department. The retail value of the watercraft can be found by using the BUC Boat Price Guide or the National Automotive Dealers Association Boat Appraisal Guide. A credit against the tax is allowed for an amount equal to any Use Tax paid by the taxpayer under MCL 205.93 on the purchase price for the same watercraft.

How to Respond

If you **agree** with the retail value, checks should be made payable to "State of Michigan" for the total amount of the proposed tax due.

If you **disagree** and the condition of the watercraft does not reflect the retail value listed, an adjustment can be made. In order to adjust the value of the watercraft, submit a copy of any one of the following items:

- A written appraisal of the item from a registered dealer or repair shop, stating the retail value of the watercraft at the time of transfer.
- Receipts or estimates from a registered dealer or repair shop. Receipts or estimates must contain a list of the cost of repairs and specifically identify the watercraft and the watercraft's Hull Identification Number (HIN). Note: Estimates can be accepted without the work being completed.
- A detailed bill of sale signed by the seller that states the purchase price and describes the condition of the watercraft, substantiating a market value less than the retail value.

The Department will deny a request for adjustment without proper documentation. Statements such as "as is" or "because the buyer was a good friend" are not acceptable in place of details about the watercraft's condition.

All responses are due no later than **August 19, 2024.** Include the Reference #WTRC10050 on all correspondence and payment. Documentation can be sent by mail, fax, or emailed to **vanderslikw1@michigan.gov**. If you have any questions, please contact **William Vanderslik** of the Discovery and Tax Enforcement Division at **517-636-0034**.

If No Response Is Received

If the appropriate payment or requested documentation is not received, this will result in the issuance of a *Bill for Taxes Due* (Form 168, Intent to Assess) for the proposed tax, penalty and interest due.