February 6, 2020

NOTICE OF FILING

ADMINISTRATIVE RULES

To: Secretary of the Senate
   Clerk of the House of Representatives
   Joint Committee on Administrative Rules
   Michigan Office of Administrative Hearings and Rules (Administrative Rules #19-052-TY)
   Legislative Service Bureau (Secretary of State Filing #20-02-02)
   Department of Treasury

In accordance with the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6, this is to advise you that the Michigan Office of Administrative Hearings and Rules filed Administrative Rule #2019-052-TY (Secretary of State Filing #20-02-02) on this date at 2:52 P.M. for the Department of Treasury entitled, "Taxation of Adult-Use (Recreational) Marihuana Rules."

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

Sincerely,

Jocelyn Benson
Secretary of State

Melissa Malerman /CK

Melissa Malerman, Departmental Supervisor
Office of the Great Seal

Enclosure

LEGISLATIVE
SERVICE
BUREAU
Since 1941

Legal Division

Kevin H. Studebaker, Director

CERTIFICATE OF APPROVAL

On behalf of the Legislative Service Bureau, and as required by section 45 of the

Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.245, I have examined the

attached proposed rules of the Department of Treasury, dated August 5, 2019, adding R 205.150

and R 205.151 to the Department's rules entitled "Taxation of Adult-Use (Recreational)

Marihuana Rules." I approve the rules as to form, classification, and arrangement.

Dated: November 13, 2019

LEGISLATIVE SERVICE BUREAU

By _____
Elizabeth R. Edberg,
Legal Counsel

DEPARTMENT OF TREASURY

STATE TREASURER

TAXATION OF ADULT-USE (RECREATIONAL) MARIHUANA RULES

Filed with the secretary of state on

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(By authority conferred on the department of treasury by section 3 of 1941 PA 122, MCL 205.3, and by section 13 of the Michigan regulation and taxation of marihuana act, 2018 IL 1, MCL 333.27963)

R 205.150 and R 205.151 are added to the Michigan Administrative Code as follows:

TAXATION OF ADULT-USE (RECREATIONAL) MARIHUANA RULES

R 205.150 "Sales price" definition.
Rule 150. As used in these rules, "sales price" means the total amount of consideration, including cash, credit, property, services, or any other valuable consideration given in exchange for marihuana.

R 205.151 "Bundled transactions".
Rule 151. (1) If property or services other than marihuana are bundled and sold in a single transaction in violation of section 13(2) of the Michigan regulation and taxation of marihuana act, 2018 IL 1, MCL 333.27963(2), the entire sales price of the transaction, including the property or services that do not constitute marihuana, is subject to the tax imposed by section 13(1) of the Michigan regulation and taxation of marihuana act, 2018 IL 1, MCL 333.27963(1).
(2) As used in this rule, "bundled transaction" means the retail sale of marihuana together with 1 or more other products or services that includes both of the following:
(a) The products or services are distinct and identifiable.
(b) The marihuana and the products or services, or both, are sold for 1 non-itemized price.
(3) A retail sale for which an invoice is given that separately itemizes marihuana from non-marihuana property or services does not constitute a "bundled transaction."

FILED WITH SECRETARY OF STATE

ON ___2/6/20___ AT ___2:52 P.M.___