

Tax Department Administrative Rule 2006-3

Approved: May 4, 2006

CONSIGNMENT SALES.

TDAR-06-3. This rule offers guidelines for sellers regarding the application of the Retail Sales Tax to consignment sales.

DISCUSSION

The Tax and Revenue Administration Ordinance imposes a retail sales tax, at the rate of 6% of gross receipts, for the privilege of engaging in the business of making sales at retail within Tribal and trust lands.

APPLICATION TO CONSIGNMENT SALES

Sales of tangible personal property consigned, delivered, or entrusted to a seller for the purpose of sales are taxable on the total retail sale price without deduction for any expense such as storage, rental, commission, repairs, etc. It is immaterial whether such goods are different from those sold in the regular business of the seller.

Where a seller selling tangible personal property belonging to another has the right to withhold or claim a portion of the sale price as his compensation, he shall include the total amount received from the sale of such goods in his tax return.

FOR ADDITIONAL INFORMATION:

Questions can be addressed by calling (231) 398-6874, or writing:
Little River Band of Ottawa Indians
Tax Department
375 River Street
Manistee, MI 49660
Email: bczarnecki@lrboi.com

All pertinent facts must accompany any request for a ruling.