



HOUSE BILL No. 4069

January 11, 1995, Introduced by Reps. McNutt, Oxender, Dalman, Horton, Bullard, Hill, Lowe, Gernaat, Perricone, Cropsey and Goschka and referred to the Committee on Tax Policy.

A bill to amend section 3 of Act No. 94 of the Public Acts of 1937, entitled as amended

"Use tax act,"

as amended by Act No. 326 of the Public Acts of 1993, being section 205.93 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 94 of the Public Acts of
2 1937, as amended by Act No. 326 of the Public Acts of 1993, being
3 section 205.93 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 3. (1) There is levied upon and there shall be col-
6 lected from every person in this state a specific tax for the
7 privilege of using, storing, or consuming tangible personal
8 property in this state at a rate equal to 6% of the price of the
9 property or services specified in section 3a. ~~There shall be~~

1 ~~added to the tax penalties~~ PENALTIES and interest SHALL BE ADDED
2 TO THE TAX if applicable as provided in this act. For the pur-
3 pose of the proper administration of this act and to prevent the
4 evasion of the tax, it is presumed that tangible personal prop-
5 erty purchased is subject to the tax if brought into the state
6 within 90 days of the purchase date and is considered as acquired
7 for storage, use, or other consumption in this state.

8 (2) The tax imposed by this section for the privilege of
9 using, storing, or consuming a vehicle, ORV, mobile home, air-
10 craft, snowmobile, or watercraft shall be collected before the
11 transfer of the vehicle, ORV, mobile home, aircraft, snowmobile,
12 or watercraft, except a transfer to a licensed dealer or retailer
13 for purposes of resale that arises by reason of a transaction
14 made by a person who does not transfer vehicles, ORV's, mobile
15 homes, aircraft, snowmobiles, or watercraft in the ordinary
16 course of his or her business done in this state. The tax on a
17 vehicle, ORV, snowmobile, and watercraft shall be collected by
18 the secretary of state before the transfer of the vehicle, ORV,
19 snowmobile, or watercraft registration. The tax on a mobile home
20 shall be collected by the department of commerce, mobile home
21 commission, or its agent before the transfer of the certificate
22 of title. The tax on an aircraft shall be collected by the
23 department of treasury. Notwithstanding any limitation contained
24 in section 2, the price tax base of any vehicle, ORV, mobile
25 home, aircraft, snowmobile, or watercraft subject to taxation
26 under this act shall be not less than its retail dollar value at

1 the time of acquisition as fixed pursuant to rules promulgated by
2 the department.

3 (3) The following transfers or purchases are not subject to
4 use tax:

5 (a) When the transferee or purchaser is the spouse, mother,
6 father, brother, sister, ~~or~~ child, STEPPARENT, STEPCHILD, STEP-
7 BROTHER, STEPSISTER, GRANDPARENT, GRANDCHILD, LEGAL WARD, OR A
8 LEGALLY APPOINTED GUARDIAN WITH A CERTIFIED LETTER OF
9 GUARDIANSHIP, of the transferor.

10 (b) When the transfer is a gift to a beneficiary in the
11 administration of an estate.

12 (c) When a vehicle, ORV, mobile home, aircraft, snowmobile,
13 or watercraft that has once been subjected to the Michigan sales
14 or use tax is transferred in connection with the organization,
15 reorganization, dissolution, or partial liquidation of an incor-
16 porated or unincorporated business and the beneficial ownership
17 is not changed.

18 (d) When an insurance company licensed to conduct business
19 in this state acquires ownership of a late model distressed vehi-
20 cle as defined in section 12a of the Michigan vehicle code, Act
21 No. 300 of the Public Acts of 1949, being section 257.12a of the
22 Michigan Compiled Laws, through payment of damages in response to
23 a claim or when the person who owned the vehicle before the
24 insurance company reacquires ownership from the company as part
25 of the settlement of a claim.

26 (4) The department may utilize the services, information, or
27 records of any other department or agency of ~~the~~ state

1 government in the performance of its duties under this act, and
2 other departments or agencies of ~~the~~ state government are
3 required to furnish those services, information, or records upon
4 the request of the department.

5 Section 2. This amendatory act shall take effect May 1,
6 1995.