



HOUSE BILL No. 4444

February 21, 1995, Introduced by Reps. Gustafson and Perricone and referred to the Committee on Tax Policy.

A bill to amend section 4g of Act No. 167 of the Public Acts of 1933, entitled as amended "General sales tax act," as amended by Act No. 49 of the Public Acts of 1994, being section 205.54g of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4g of Act No. 167 of the Public Acts of
2 1933, as amended by Act No. 49 of the Public Acts of 1994, being
3 section 205.54g of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 4g. (1) A person subject to tax under this act may
6 exclude from the amount of the gross proceeds used for the compu-
7 tation of the tax any of the following:

1 (a) Sales of prescription drugs for human use or food for
2 human consumption, except prepared food intended for immediate
3 consumption.

4 (b) The deposit on a returnable container for a beverage or
5 the deposit on a carton or case that is used for returnable
6 containers.

7 (c) Food or tangible personal property purchased with fed-
8 eral food stamps.

9 (d) Fruit or vegetable seeds and fruit or vegetable plants
10 if purchased at a place of business authorized to accept food
11 stamps by the food and nutrition service of the United States
12 department of agriculture or a place of business that has made a
13 complete and proper application for authorization to accept food
14 stamps but has been denied authorization and provides proof of
15 denial to the department of treasury.

16 (2) "Prescription drugs for human use" means insulin or a
17 drug dispensed by a licensed pharmacist pursuant to a written
18 prescription prescribed by a licensed physician or other health
19 professional as defined by section 21005 of the public health
20 code, Act No. 368 of the Public Acts of 1978, being
21 section 333.21005 of the Michigan Compiled Laws, for the use of a
22 designated person, or oxygen dispensed pursuant to a written pre-
23 scription or order issued by a licensed physician or other health
24 professional as defined in section 21005 of Act No. 368 of the
25 Public Acts of 1978.

26 (3) "Food for human consumption" means all food and drink
27 items, including bottled water, intended primarily for human

1 consumption except beverages with an alcoholic content of 1/2 of
2 1% or more by volume, tobacco and tobacco products, and prepared
3 food intended for immediate consumption. Food for human consump-
4 tion includes live animals purchased with the intent to be
5 slaughtered for human consumption.

6 (4) "Prepared food intended for immediate consumption" means
7 a retail sale of 1 or more of the following:

8 (a) Food or drink prepared and served for immediate consump-
9 tion at or near the premises or ordinarily sold on a takeout
10 basis for immediate consumption either on or off the premises.
11 For the purposes of this section premises includes the total
12 space and facilities in or on which a retailer conducts his or
13 her business, including, but not limited to, parking areas for
14 the convenience of in-car consumption, outdoor tables, benches,
15 chairs, and similar conveniences.

16 (b) Food or drink furnished, prepared, or served for immedi-
17 ate consumption at a table, chair, or counter or from a tray,
18 glass, dish, container, or other tableware.

19 (c) Food or drink arranged on a plate or platter, whether
20 intended for individual or multiple servings and whether sold by
21 the pound or by the serving; a sandwich, either hot or cold; or a
22 combination of taxable and nontaxable items when sold as a plate
23 or packaged as a meal, even though intended for more than 1
24 serving.

25 (d) Food that is cooked to the order of the purchaser, or
26 that is cooked and maintained at a temperature higher than the

1 surrounding air temperature before sale, or prepared food that is
2 sold by the piece rather than by weight or measure.

3 (e) Food or drink intended for immediate consumption sold
4 from a vending machine or by a vendor from a mobile facility,
5 except for milk, juices, NONALCOHOLIC BEVERAGES IN A SEALED
6 CONTAINER, fresh fruit, candy, nuts, chewing gum, cookies, crack-
7 ers, and chips.

8 (5) Prepared food intended for immediate consumption does
9 not include bakery products for off premise consumption, such as
10 doughnuts, pastry, bread, and cakes or meals eligible to be pur-
11 chased with federal food stamps.