



# SENATE BILL No. 514

May 9, 1995, Introduced by Senators O'BRIEN, GEAKE, YOUNG  
and SHUGARS and referred to the Committee on Finance.

A bill to amend sections 2, 4, and 10 of Act No. 94 of the  
Public Acts of 1937, entitled as amended

"Use tax act,"

section 2 as amended by Act No. 506 of the Public Acts of 1988,  
section 4 as amended by Act No. 424 of the Public Acts of 1994,  
and section 10 as amended by Act No. 263 of the Public Acts of  
1993, being sections 205.92, 205.94, and 205.100 of the Michigan  
Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 4, and 10 of Act No. 94 of the  
2 Public Acts of 1937, section 2 as amended by Act No. 506 of the  
3 Public Acts of 1988, section 4 as amended by Act No. 424 of the  
4 Public Acts of 1994, and section 10 as amended by Act No. 263 of  
5 the Public Acts of 1993, being sections 205.92, 205.94, and

1 205.100 of the Michigan Compiled Laws, are amended to read as  
2 follows:

3 Sec. 2. As used in this act:

4 (a) "Person" means an individual, firm, partnership, joint  
5 venture, association, social club, fraternal organization, munic-  
6 ipal or private corporation whether or not organized for profit,  
7 company, estate, trust, receiver, trustee, syndicate, the United  
8 States, this state, county, or any other group or combination  
9 acting as a unit, and the plural as well as the singular number,  
10 unless the intention to give a more limited meaning is disclosed  
11 by the context.

12 (b) "Use" means the exercise of a right or power over tangi-  
13 ble personal property incident to the ownership of that property  
14 including transfer of the property in a transaction where posses-  
15 sion is given.

16 (c) "Storage" means a keeping or retention OF SOMETHING in  
17 this state for any purpose after losing its interstate  
18 character.

19 (d) "Seller" means the person from whom a purchase is made  
20 and includes every person selling tangible personal property or  
21 services for storage, use, or other consumption in this state.  
22 If, in the opinion of the department, it is necessary for the  
23 efficient administration of this act to regard a salesperson,  
24 representative, peddler, or canvasser as the agent of a dealer,  
25 distributor, supervisor, or employer under whom the person oper-  
26 ates or from whom he or she obtains tangible personal property or  
27 services — sold by him or her for storage, use, or other

1 consumption in this state, irrespective of whether or not he or  
2 she is making the sales on his or her own behalf or on behalf of  
3 the dealer, distributor, supervisor, or employer, the department  
4 may so consider him or her, and may consider the dealer, distrib-  
5 utor, supervisor, or employer as the seller for the purpose of  
6 this act.

7 (e) "Purchase" means ~~acquired~~ THE ACQUISITION for a con-  
8 sideration, whether the acquisition ~~was~~ IS effected by a trans-  
9 fer of title, of possession, or of both, or a license to use or  
10 consume; whether the transfer ~~was~~ IS absolute or conditional,  
11 and by whatever means the transfer ~~was~~ IS effected; and whether  
12 consideration is a price or rental in money, or by way of  
13 exchange or barter.

14 (f) "Price" means the aggregate value in money of anything  
15 paid or delivered, or promised to be paid or delivered, by a con-  
16 sumer to a seller in the consummation and complete performance of  
17 the transaction by which tangible personal property or services  
18 ~~were~~ ARE purchased or rented for storage, use, or other con-  
19 sumption in this state, without a deduction for the cost of the  
20 property sold, cost of materials used, labor or service cost,  
21 interest or discount paid, or any other expense. The price of  
22 tangible personal property, for affixation to real estate, with-  
23 drawn by a construction contractor from inventory available for  
24 sale to others or made available by publication or price list as  
25 a finished product for sale to others is the finished goods  
26 inventory value of the property. For contracts entered into  
27 after March 31, 1989, if a construction contractor manufactures,

1 fabricates, or assembles tangible personal property ~~prior to~~  
2 BEFORE affixing it to real estate, the price of the property  
3 ~~shall be~~ IS equal to the sum of the materials cost of the prop-  
4 erty and the cost of labor to manufacture, fabricate, or assemble  
5 the property but ~~shall~~ DOES not include the cost of labor to  
6 cut, bend, assemble, or attach property at the site of affixation  
7 to real estate. For the purposes of the preceding sentence, for  
8 property withdrawn by a construction contractor from inventory  
9 available for sale to others or made available by publication or  
10 price list as a finished product for sale to others, the materi-  
11 als cost of the property means the finished goods inventory value  
12 of the property. For purposes of this subdivision, "manufacture"  
13 means to convert or condition tangible personal property by  
14 changing the form, composition, quality, combination, or charac-  
15 ter of the property, ~~—~~ and "fabricate" means to modify or pre-  
16 pare tangible personal property for affixation or assembly.  
17 ~~Beginning January 1, 1984 and until July 3, 1984, if a purchase~~  
18 ~~is made of or a qualified purchase agreement is entered into for~~  
19 ~~the purchase of a motor vehicle or trailer coach with an exchange~~  
20 ~~of a used motor vehicle or a used trailer coach or if a purchase~~  
21 ~~is made of or a qualified purchase agreement is entered into for~~  
22 ~~the purchase of a titled watercraft with an exchange of a used~~  
23 ~~titled watercraft, the price shall be the difference between the~~  
24 ~~agreed upon value of the motor vehicle, trailer coach, or titled~~  
25 ~~watercraft used as part payment of the purchase price and the~~  
26 ~~full retail price of the motor vehicle, trailer coach, or titled~~  
27 ~~watercraft being purchased. A qualified purchase agreement means~~

1 ~~a purchase agreement presented to the secretary of state at the~~  
2 ~~time the vehicle is registered in this state for a transfer of~~  
3 ~~ownership that shall occur on or before February 1, 1985.~~  
4 ~~Beginning July 3, 1984, the~~ THE price of a motor vehicle,  
5 trailer coach, or titled watercraft ~~shall be~~ IS the full retail  
6 price of the motor vehicle, trailer coach, or titled watercraft  
7 being purchased. The tax collected by the seller from the con-  
8 sumer or lessee under this act shall not be considered as a part  
9 of the price, but shall be considered as a tax collection for the  
10 benefit of the state, and a person other than the state shall not  
11 derive a benefit from the collection or payment of this tax. A  
12 price does not include an assessment imposed pursuant to either  
13 the convention and tourism marketing act, Act No. 383 of the  
14 Public Acts of 1980, being sections 141.881 to 141.889 of the  
15 Michigan Compiled Laws, or the community convention ~~and~~ OR  
16 tourism marketing act, Act No. 395 of the Public Acts of 1980,  
17 being sections 141.871 to 141.880 of the Michigan Compiled Laws,  
18 ~~which~~ THAT was added to charges for rooms or lodging otherwise  
19 subject, pursuant to section 3a, to tax under this act. Price  
20 does not include specific charges for technical support or for  
21 adapting or modifying prewritten, standard, or canned computer  
22 software programs to a purchaser's needs or equipment if the  
23 charges are separately stated and identified. ~~Tax~~ THE TAX  
24 imposed pursuant to this act shall not be computed or collected  
25 on rental receipts ~~when~~ IF the tangible personal property  
26 rented or leased has previously been subjected to a Michigan  
27 sales or use tax when purchased by the lessor.

1 (g) "Consumer" means the person who has purchased tangible  
2 personal property or services for storage, use, or other consump-  
3 tion in this state and includes a person acquiring tangible per-  
4 sonal property ~~when~~ IF engaged in the business of constructing,  
5 altering, repairing, or improving the real estate of others.

6 (h) "Business" means all activities engaged in by a person  
7 or caused to be engaged in by a person with the object of gain,  
8 benefit, or advantage, either direct or indirect.

9 (i) "Department" means the revenue division of the depart-  
10 ment of treasury.

11 (j) "Tax" includes all taxes, interest, or penalties levied  
12 under this act.

13 (k) "Tangible personal property" includes ~~beginning~~  
14 ~~December 28, 1987,~~ computer software offered for general use by  
15 the public or software modified or adapted to the user's needs or  
16 equipment by the seller, only if the software is available from a  
17 seller of software on an as is basis or as an end product without  
18 modification or adaptation. Tangible personal property does not  
19 include computer software originally designed for the exclusive  
20 use and special needs of the purchaser. As used in this subdivi-  
21 sion, "computer software" means a set of statements or instruc-  
22 tions that when incorporated in a machine usable medium is  
23 capable of causing a machine or device having information pro-  
24 cessing capabilities to indicate, perform, or achieve a particu-  
25 lar function, task, or result.

26 (l) "TEXTILES" MEANS GOODS THAT ARE MADE OF OR INCORPORATE  
27 WOVEN OR NONWOVEN FABRIC, INCLUDING, BUT NOT LIMITED TO,

1 CLOTHING, SHOES, HATS, HANDKERCHIEFS, CURTAINS, TOWELS, SHEETS,  
2 PILLOWS, PILLOWCASES, TABLECLOTHS, NAPKINS, APRONS, LINENS, FLOOR  
3 MOPS, FLOOR MATS, AND THREAD. TEXTILES ALSO INCLUDE MATERIALS  
4 USED TO REPAIR OR CONSTRUCT TEXTILES, OR OTHER GOODS USED IN THE  
5 RENTAL, SALE, OR CLEANING OF TEXTILES.

6 Sec. 4. The tax levied does not apply to the following:

7 (a) Property sold in this state on which transaction a tax  
8 is paid under the general sales tax act, Act No. 167 of the  
9 Public Acts of 1933, ~~as amended,~~ being sections 205.51 to  
10 205.78 of the Michigan Compiled Laws, if the tax was due and paid  
11 on the retail sale to a consumer.

12 (b) Property, the storage, use, or other consumption of  
13 which, this state is prohibited from taxing under the constitu-  
14 tion or laws of the United States, or under the constitution of  
15 this state.

16 (c) Property purchased for resale, demonstration purposes,  
17 or lending or leasing to a public or parochial school offering a  
18 course in automobile driving except that a vehicle purchased by  
19 the school shall be certified for driving education and shall not  
20 be reassigned for personal use by the school's administrative  
21 personnel. For a dealer selling a new car or truck, exemption  
22 for demonstration purposes shall be determined by the number of  
23 new cars and trucks sold during the current calendar year or the  
24 immediately preceding year without regard to specific make or  
25 style according to the following schedule of 0 to 25, 2 units; 26  
26 to 100, 7 units; 101 to 500, 20 units; 501 or more, 25 units; but  
27 not to exceed 25 cars and trucks in 1 calendar year for

1 demonstration purposes. For tax years beginning after December  
2 31, 1987, property purchased for resale includes promotional mer-  
3 chandise transferred pursuant to a redemption offer to a person  
4 located outside this state.

5 (d) Property that is brought into this state by a nonresi-  
6 dent person for storage, use, or consumption while temporarily  
7 within this state, except if the property is used in this state  
8 in a nontransitory business activity for a period exceeding 15  
9 days.

10 (e) Property the sale or use of which was already subjected  
11 to a sales tax or use tax equal to, or in excess of, that imposed  
12 by this act under the law of any other state or a local govern-  
13 mental unit within a state if the tax was due and paid on the  
14 retail sale to the consumer and the state or local governmental  
15 unit within a state in which the tax was imposed accords like or  
16 complete exemption on property the sale or use of which was sub-  
17 jected to the sales or use tax of this state. If the sale or use  
18 of property was already subjected to a tax under the law of any  
19 other state or local governmental unit within a state in an  
20 amount less than the tax imposed by this act, this act ~~shall~~  
21 ~~apply~~ APPLIES, but at a rate measured by the difference between  
22 the rate provided in this act and the rate by which the previous  
23 tax was computed.

24 (f) Property sold to a person engaged in a business enter-  
25 prise and using and consuming the property in the tilling, plant-  
26 ing, caring for, or harvesting of the things of the soil or in  
27 the breeding, raising, or caring for livestock, poultry, or



1 horticultural products, including transfers of livestock,  
2 poultry, or horticultural products for further growth. At the  
3 time of the transfer of that tangible personal property, the  
4 transferee shall sign a statement, in a form approved by the  
5 department, stating that the property is to be used or consumed  
6 in connection with the production of horticultural or agricul-  
7 tural products as a business enterprise. The statement shall be  
8 accepted by the courts as prima facie evidence of the exemption.  
9 This exemption includes agricultural land tile, which means fired  
10 clay or perforated plastic tubing used as part of a subsurface  
11 drainage system for land used in the production of agricultural  
12 products as a business enterprise and includes a portable grain  
13 bin, which means a structure that is used or is to be used to  
14 shelter grain and that is designed to be disassembled without  
15 significant damage to its component parts. This exemption does  
16 not include transfers of food, fuel, clothing, or similar tangi-  
17 ble personal property for personal living or human consumption.  
18 This exemption does not include tangible personal property per-  
19 manently affixed and becoming a structural part of real estate.

20 (g) Property sold to the following:

21 (i) An industrial processor for use or consumption in indus-  
22 trial processing. Property used or consumed in industrial pro-  
23 cessing does not include tangible personal property permanently  
24 affixed and becoming a structural part of real estate; office  
25 furniture, office supplies, and administrative office equipment;  
26 or vehicles licensed and titled for use on public highways other  
27 than a specially designed vehicle, together with parts, used to

1 mix and agitate materials added at a plant or jobsite in the  
2 concrete manufacturing process. Industrial processing does not  
3 include receipt and storage of raw materials purchased or  
4 extracted by the user or consumer, or the preparation of food and  
5 beverages by a retailer for retail sale. As used in this subdi-  
6 vision, "industrial processor" means a person who transforms,  
7 alters, or modifies tangible personal property by changing the  
8 form, composition, or character of the property for ultimate sale  
9 at retail or sale to another industrial processor to be further  
10 processed for ultimate sale at retail. EFFECTIVE JANUARY 1,  
11 1993, INDUSTRIAL PROCESSOR INCLUDES, BUT IS NOT LIMITED TO, A  
12 PERSON WHO LAUNDERS OR CLEANS TEXTILES FOR REUSE, SALE, OR RENTAL  
13 UNDER A SERVICE OR RENTAL AGREEMENT WITH A TERM OF AT LEAST 5  
14 DAYS. Sales to a person performing a service who does not act as  
15 an industrial processor while performing the service may not be  
16 excluded under this subdivision, except as provided in subpara-  
17 graph (ii).

18 (ii) A person, whether or not the person is an industrial  
19 processor, ~~when~~ IF the property is a computer used in operating  
20 industrial processing equipment; equipment used in a computer  
21 assisted manufacturing system; equipment used in a computer  
22 assisted design or engineering system integral to an industrial  
23 process; or a subunit or electronic assembly comprising a compo-  
24 nent in a computer integrated industrial processing system.

25 (h) Property or services sold to the United States, an unin-  
26 corporated agency or instrumentality of the United States, an  
27 incorporated agency or instrumentality of the United States

1 wholly owned by the United States or by a corporation wholly  
2 owned by the United States, the American red cross and its chap-  
3 ters or branches, this state, a department or institution of this  
4 state, or a political subdivision of this state.

5 (i) Property or services sold to a school, hospital, or home  
6 for the care and maintenance of children or aged persons, oper-  
7 ated by an entity of government, a regularly organized church,  
8 religious, or fraternal organization, a veterans' organization,  
9 or a corporation incorporated under the laws of this state, if  
10 not operated for profit, and if the income or benefit from the  
11 operation does not inure, in whole or in part, to an individual  
12 or private shareholder, directly or indirectly, and if the activ-  
13 ities of the entity or agency are carried on exclusively for the  
14 benefit of the public at large and are not limited to the advan-  
15 tage, interests, and benefits of its members or a restricted  
16 group. The tax levied ~~shall~~ DOES not apply to property or  
17 services sold to a parent cooperative preschool. As used in this  
18 subdivision, "parent cooperative preschool" means a nonprofit,  
19 nondiscriminatory educational institution, maintained as a commu-  
20 nity service and administered by parents of children currently  
21 enrolled in the preschool that provides an educational and devel-  
22 opmental program for children younger than compulsory school age,  
23 that provides an educational program for parents, including  
24 active participation with children in preschool activities, that  
25 is directed by qualified preschool personnel, and that is  
26 licensed by the department of social services pursuant to Act

1 No. 116 of the Public Acts of 1973, ~~as amended,~~ being sections  
2 722.111 to 722.128 of the Michigan Compiled Laws.

3 (j) Property or services sold to a regularly organized  
4 church or house of religious worship except:

5 (i) Sales in which the property is used in activities that  
6 are mainly commercial enterprises.

7 (ii) Sales of vehicles licensed for use on the public high-  
8 ways other than a passenger van or bus with a manufacturer's  
9 rated seating capacity of 10 or more that is used primarily for  
10 the transportation of persons for religious purposes.

11 (k) A vessel designed for commercial use of registered ton-  
12 nage of 500 tons or more, if produced upon special order of the  
13 purchaser, and bunker and galley fuel, provisions, supplies,  
14 maintenance, and repairs for the exclusive use of a vessel of 500  
15 tons or more engaged in interstate commerce.

16 (l) Property purchased by a person engaged in the business  
17 of constructing, altering, repairing, or improving real estate  
18 for others to the extent the property is affixed to and made a  
19 structural part of the real estate of a nonprofit hospital or a  
20 nonprofit housing entity qualified as exempt pursuant to section  
21 15a of the state housing development authority act of 1966, Act  
22 No. 346 of the Public Acts of 1966, ~~as amended,~~ being section  
23 125.1415a of the Michigan Compiled Laws. A nonprofit hospital or  
24 nonprofit housing includes only the property of a nonprofit hos-  
25 pital or the homes or dwelling places constructed by a nonprofit  
26 housing entity, the income or property of which does not directly

1 or indirectly inure to the benefit of an individual, private  
2 stockholder, or other private person.

3 (m) Property purchased for use in this state where actual  
4 personal possession is obtained outside this state, the purchase  
5 price or actual value of which does not exceed \$10.00 during 1  
6 calendar month.

7 (n) A newspaper or periodical classified under federal  
8 postal laws and regulations effective September 1, 1985 as second  
9 class mail matter or as a controlled circulation publication or  
10 qualified to accept legal notices for publication in this state,  
11 as defined by law, or any other newspaper or periodical of gen-  
12 eral circulation, established at least 2 years, and published at  
13 least once a week, and a copyrighted motion picture film.

14 Tangible personal property used or consumed, and not becoming a  
15 component part of a copyrighted motion picture film, newspaper or  
16 periodical, except that portion or percentage of tangible per-  
17 sonal property used or consumed in producing an advertising sup-  
18 plement that becomes a component part of a newspaper or periodi-  
19 cal is subject to tax. For purposes of this subdivision, tangi-  
20 ble personal property that becomes a component part of a newspa-  
21 per or periodical and consequently not subject to tax, includes  
22 an advertising supplement inserted into and circulated with a  
23 newspaper or periodical that is otherwise exempt from tax under  
24 this subdivision, if the advertising supplement is delivered  
25 directly to the newspaper or periodical by a person other than  
26 the advertiser, or the advertising supplement is printed by the  
27 newspaper or periodical.

1 (o) Property purchased by persons licensed to operate a  
2 commercial radio or television station if the property is used in  
3 the origination or integration of the various sources of program  
4 material for commercial radio or television transmission. This  
5 subdivision does not include a vehicle licensed and titled for  
6 use on public highways or property used in the transmitting to or  
7 receiving from an artificial satellite.

8 (p) A person who is a resident of this state who purchases  
9 an automobile in another state while in the military service of  
10 the United States and who pays a sales tax in the state where the  
11 automobile is purchased.

12 (q) A vehicle for which a special registration is secured in  
13 accordance with section 226(12) of the Michigan vehicle code, Act  
14 No. 300 of the Public Acts of 1949, ~~as amended,~~ being section  
15 257.226 of the Michigan Compiled Laws.

16 (r) A hearing aid, contact lenses if prescribed for a spe-  
17 cific disease which precludes the use of eyeglasses, or any other  
18 apparatus, device, or equipment used to replace or substitute for  
19 any part of the human body, or used to assist the disabled person  
20 to lead a reasonably normal life when the tangible personal prop-  
21 erty is purchased on a written prescription or order issued by a  
22 health professional as defined by section 4 of former Act No. 264  
23 of the Public Acts of 1974, or section 21005 of the public health  
24 code, Act No. 368 of the Public Acts of 1978, being section  
25 333.21005 of the Michigan Compiled Laws, or eyeglasses prescribed  
26 or dispensed to correct the person's vision by an  
27 ophthalmologist, optometrist, or optician.

1 (s) Water when delivered through water mains or in bulk  
2 tanks in quantities of not less than 500 gallons.

3 (t) The purchase of machinery and equipment for use or con-  
4 sumption in the rendition of a service, the use or consumption of  
5 which is taxable under section 3a(a) except that this exception  
6 is limited to the tangible personal property located on the  
7 premises of the subscriber and the necessary exchange equipment.

8 (u) A vehicle not for resale used by a nonprofit corporation  
9 organized exclusively to provide a community with ambulance or  
10 fire department services.

11 (v) Tangible personal property purchased and installed as a  
12 component part of a water pollution control facility for which a  
13 tax exemption certificate is issued pursuant to Act No. 222 of  
14 the Public Acts of 1966, ~~as amended,~~ being sections 323.351 to  
15 323.358 of the Michigan Compiled Laws, or an air pollution con-  
16 trol facility for which a tax exemption certificate is issued  
17 pursuant to Act No. 250 of the Public Acts of 1965, ~~as amended,~~  
18 being sections 336.1 to 336.8 of the Michigan Compiled Laws.

19 (w) Tangible real or personal property donated by a manufac-  
20 turer, wholesaler, or retailer to an organization or entity  
21 exempt pursuant to subdivision (i) or (j) or section 4a(a) or (b)  
22 of ~~the general sales tax act,~~ Act No. 167 of the Public Acts of  
23 1933, ~~as amended,~~ being section 205.54a of the Michigan  
24 Compiled Laws.

25 (x) The storage, use, or consumption by a domestic air car-  
26 rier of an aircraft purchased after December 31, 1992 for use  
27 solely in the transport of air cargo that has a maximum

1 certificated takeoff weight of at least 12,500 pounds. For  
2 purposes of this subdivision, the term "domestic air carrier" is  
3 limited to entities engaged in the commercial transport for hire  
4 of cargo or entities engaged in the commercial transport of pas-  
5 sengers as a business activity.

6 (y) The storage, use, or consumption by a domestic air car-  
7 rier of an aircraft purchased after June 30, 1994 that is used  
8 solely in the regularly scheduled transport of passengers. For  
9 purposes of this subdivision, the term "domestic air carrier" is  
10 limited to entities engaged in the commercial transport for hire  
11 of cargo or entities engaged in the commercial transport of pas-  
12 sengers as a business activity.

13 (z) The storage, use, or consumption by a domestic air car-  
14 rier of an aircraft, other than an aircraft described under  
15 subdivision (y), purchased after December 31, 1994, that has a  
16 maximum certificated takeoff weight of at least 12,500 pounds and  
17 that is designed to have a maximum passenger seating configura-  
18 tion of more than 30 seats and used solely in the transport of  
19 passengers. For purposes of this subdivision, the term "domestic  
20 air carrier" is limited to entities engaged in the commercial  
21 transport for hire of cargo or entities engaged in the commercial  
22 transport of passengers as a business activity.

23 (aa) Property or services sold to a health, welfare, educa-  
24 tional, cultural arts, charitable, or benevolent organization not  
25 operated for profit that has been issued before June 13, 1994 an  
26 exemption ruling letter to purchase items exempt from tax signed  
27 by the administrator of the sales, use, and withholding taxes



1 division of the department. The department shall reissue an  
2 exemption letter to each of those organizations after June 13,  
3 1994 that shall remain in effect unless the organization fails to  
4 meet the requirements that originally entitled it to this exemp-  
5 tion; or to an organization not operated for profit and exempt  
6 from federal income tax under section 501(c)(3) or 501(c)(4) of  
7 the internal revenue code OF 1986, 26 U.S.C. 501. The exemption  
8 does not apply to sales of tangible personal property and sales  
9 of vehicles licensed for use on public highways, that are not  
10 used primarily to carry out the purposes of the organization as  
11 stated in the bylaws or articles of incorporation of the exempt  
12 organization.

13       Sec. 10. (1) The tax imposed by this act shall be adminis-  
14 tered by the revenue commissioner under Act No. 122 of the Public  
15 Acts of 1941, ~~as amended,~~ being sections 205.1 to 205.31 of the  
16 Michigan Compiled Laws, and this act. In case of conflict  
17 between Act No. 122 of the Public Acts of 1941, as amended, and  
18 this act, the provisions of this act apply.

19       (2) Rules shall be promulgated ~~under~~ TO IMPLEMENT this act  
20 pursuant to the administrative procedures act of 1969, Act  
21 No. 306 of the Public Acts of 1969, ~~as amended,~~ being sections  
22 24.201 to 24.328 of the Michigan Compiled Laws.

23       (3) Claims for refund pursuant to the 1988 amendatory act  
24 amending section 2 shall be filed not later than March 31, 1989.  
25 The approved refunds shall be paid without interest. The depart-  
26 ment shall not pay refunds totaling more than \$1,000,000.00 in  
27 any 1 fiscal year, unless the single business tax act, Act

1 No. 228 of the Public Acts of 1975, being sections 208.1 to  
2 208.145 of the Michigan Compiled Laws, is amended to impose a  
3 1-year surcharge on the business activity of contract construc-  
4 tion to recover the cost of the refunds.

5 (4) A claim for a refund pursuant to the final decision of  
6 the Michigan court of appeals in the case of GTE Sprint  
7 Communications Corp. v Michigan Department of Treasury, 179 Mich  
8 App 276, 1989, LV DEN 436 Mich 874, 1990, shall be filed not  
9 later than January 1, 1994 by a person that paid the tax under  
10 this act for interstate access telephone services for the period  
11 beginning August 1, 1988 through January 1, 1991. The approved  
12 refund shall be paid without interest. The department shall pay  
13 the refund in 12 equal installments commencing in the month that  
14 the person begins applying the refunds to the billings of its  
15 current Michigan interstate subscribers in a manner consistent  
16 with the requirements of the federal communications commission.

17 (5) A CLAIM FOR A REFUND UNDER THE 1995 AMENDATORY ACT  
18 AMENDING SECTION 4 TO INCLUDE A PERSON WHO LAUNDERS OR CLEANS  
19 TEXTILES FOR REUSE, SALE, OR RENTAL UNDER A SERVICE AGREEMENT  
20 WITH A TERM OF AT LEAST 5 DAYS WITHIN THE EXEMPTION FOR AN INDUS-  
21 TRIAL PROCESSOR SHALL BE FILED NOT LATER THAN 90 DAYS AFTER THE  
22 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.