

HOUSE BILL No. 5204

September 21, 2005, Introduced by Reps. Huizenga, Virgil Smith, Stahl, Sheen, Ball, Bieda, Miller, Zelenko, Meisner, Gleason, Stewart, Stakoe, Schuitmaker, Proos, Gosselin, Amos, Vander Veen, Taub, Brandenburg, Rocca, Tobocman, Condino, Marleau and Kolb and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
(MCL 205.51 to 205.78) by adding section 4cc.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4CC. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),
2 A PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY MAY CLAIM A
3 CREDIT EQUAL TO THE AMOUNT OF TAX THAT THE PERSON PAID TO REIMBURSE
4 A TAXPAYER AS PROVIDED IN SECTION 23 FOR SALES TAX PAID ON A SALE
5 AT RETAIL TO THAT PERSON IF ALL OF THE FOLLOWING APPLY:

6 (A) THE MOTION PICTURE PRODUCTION COMPANY HAS SPENT
7 \$250,000.00 OR MORE IN THIS STATE FOR PURPOSES RELATED TO THE
8 FILMING OR PRODUCTION OF A SINGLE MOTION PICTURE.

9 (B) THE TANGIBLE PERSONAL PROPERTY PURCHASED BY THE MOTION
10 PICTURE PRODUCTION COMPANY IS USED EXCLUSIVELY AS AN INTEGRAL PART

1 OF THE PRODUCTION ACTIVITIES IN THIS STATE.

2 (2) A PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY IS NOT
3 ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (1) IF THE MOTION PICTURE
4 OR PRODUCTION ACTIVITIES ON WHICH THE CREDIT IS BASED DEPICT
5 OBSCENE MATTER OR AN OBSCENE PERFORMANCE.

6 (3) AS USED IN THIS SECTION:

7 (A) "MOTION PICTURE" MEANS A FEATURE-LENGTH FILM DISTRIBUTED
8 IN 2 OR MORE STATES THAT IS A PRODUCTION FOR WHICH RECORDS ARE NOT
9 REQUIRED TO BE MAINTAINED WITH RESPECT TO ANY PERFORMER IN THE
10 PRODUCTION UNDER 18 USC 2257, OR TELEVISION SERIES MADE IN THIS
11 STATE, IN WHOLE OR IN PART, FOR THEATRICAL OR TELEVISION VIEWING OR
12 AS A TELEVISION PILOT. MOTION PICTURE DOES NOT INCLUDE THE
13 PRODUCTION OF TELEVISION COVERAGE OF NEWS OR SPORTING EVENTS.

14 (B) "MOTION PICTURE PRODUCTION COMPANY" MEANS A COMPANY IN THE
15 BUSINESS OF PRODUCING MOTION PICTURES. HOWEVER, MOTION PICTURE
16 PRODUCTION COMPANY DOES NOT INCLUDE A COMPANY OWNED, AFFILIATED, OR
17 CONTROLLED, IN WHOLE OR IN PART, BY A COMPANY OR INDIVIDUAL THAT IS
18 IN DEFAULT ON A LOAN MADE BY THE STATE OR A LOAN GUARANTEED BY THE
19 STATE.

20 (C) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER OR
21 A PERFORMANCE THAT MEETS ALL OF THE FOLLOWING CONDITIONS:

22 (i) THE AVERAGE PERSON, APPLYING CONTEMPORARY COMMUNITY
23 STANDARDS, FINDS THAT THE DOMINANT THEME OF THE MATTER OR
24 PERFORMANCE, TAKEN AS A WHOLE, APPEALS TO THE PRURIENT INTEREST IN
25 SEX.

26 (ii) THE MATTER OF PERFORMANCE DEPICTS OR DESCRIBES, IN A
27 PATENTLY OFFENSIVE WAY, SEXUAL CONDUCT.

1 (iii) THE MATTER OR PERFORMANCE, TAKEN AS A WHOLE, LACKS SERIOUS
2 LITERARY, ARTISTIC, POLITICAL, OR SCIENTIFIC VALUE.

3 (4) THIS SECTION APPLIES ONLY TO A MOTION PICTURE PRODUCTION
4 COMPANY THAT BEGINS PRODUCTION OF A MOTION PICTURE AFTER THE
5 EFFECTIVE DATE OF THIS SECTION. THIS SECTION DOES NOT APPLY TO THE
6 SALE OF TANGIBLE PERSONAL PROPERTY AFTER DECEMBER 31, 2006.

7 Enacting section 1. This amendatory act does not take effect
8 unless all of the following bills of the 93rd Legislature are
9 enacted into law:

10 (a) Senate Bill No.____ or House Bill No. 5206(request no.
11 00228'05 *).

12 (b) Senate Bill No.____ or House Bill No. 5205(request no.
13 00230'05 *).

14 (c) Senate Bill No.____ or House Bill No. 5207(request no.
15 00231'05 *).