

# SENATE BILL No. 979

January 24, 2006, Introduced by Senators ALLEN, STAMAS, GOSCHKA, VAN WOERKOM, CROUSEY, HARDIMAN, BIRKHOLZ, GILBERT, GARCIA and EMERSON and referred to the Committee on Finance.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4o (MCL 205.54o), as amended by 2004 PA 173.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4o. (1) The sale of tangible personal property for fund-  
2       raising purposes by a school, church, hospital, parent cooperative  
3       preschool, or nonprofit organization that has a tax exempt status  
4       under section 4q(1)(a) or (b) and that has aggregate sales at  
5       retail in the calendar year of less than ~~\$5,000.00~~ \$25,000.00 are  
6       exempt from the tax under this act, **SUBJECT TO SUBSECTION (3)**.

7       (2) A club, association, auxiliary, or other organization  
8       affiliated with a school, church, hospital, parent cooperative  
9       preschool, or nonprofit organization with a tax exempt status under

1 section 4q(1)(a) or (b) is not considered a separate person for  
2 purposes of this exemption. As used in this section, "school" means  
3 each elementary, middle, junior, or high school site within a local  
4 school district that represents a district attendance area as  
5 established by the board of the local school district.

6 (3) BEGINNING JANUARY 1, 2007 AND EACH YEAR AFTER 2007, THE  
7 MAXIMUM ALLOWABLE AGGREGATE SALES UNDER SUBSECTION (1) SHALL BE  
8 INCREASED TO THE AMOUNT OF GROSS RECEIPTS ALLOWABLE UNDER SECTION  
9 508(C)(1)(B) OF THE INTERNAL REVENUE CODE, 26 USC 508, FOR A  
10 NONPROFIT ORGANIZATION EXEMPT UNDER SECTION 501(C)(3) OF THE  
11 INTERNAL REVENUE CODE, 26 USC 501, IF THAT AMOUNT IS GREATER THAN  
12 THE AMOUNT ALLOWABLE IN THE IMMEDIATELY PRECEDING YEAR.