

HOUSE BILL No. 4953

May 19, 2009, Introduced by Reps. Angerer, Proos, Spade, Kurtz, Tyler, Lori, Schuitmaker, Valentine and Knollenberg and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4d (MCL 205.54d), as amended by 2008 PA 556.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4d. The following are exempt from the tax under this act:

2 (a) The sale of tangible personal property to a person who is
3 a lessor licensed under the use tax act, 1937 PA 94, MCL 205.91 to
4 205.111, and whose rental receipts are taxed or specifically exempt
5 under the use tax act.

6 (b) The sale of a vehicle acquired for lending or leasing to a
7 public or parochial school for use in a course in driver education.

8 (c) The sale of a vehicle purchased by a public or parochial
9 school if that vehicle is certified for driver education and is not
10 reassigned for personal use by the school's administrative
11 personnel.

1 (d) The sale of water through water mains, the sale of water
2 delivered in bulk tanks in quantities of not less than 500 gallons,
3 or the sale of bottled water.

4 (e) The sale of tangible personal property to a person for
5 demonstration purposes. For a dealer selling a new car or truck,
6 the exemption for demonstration purposes shall be determined by the
7 number of new cars and trucks sold during the current calendar year
8 or the immediately preceding year without regard to specific make
9 or style in accordance with the following schedule of 0 to 25, 2
10 units; 26 to 100, 7 units; 101 to 500, 20 units; 501 or more, 25
11 units; but not to exceed 25 cars and trucks in a calendar year for
12 demonstration purposes.

13 (f) Specific charges for technical support or for adapting or
14 modifying prewritten computer software programs to a purchaser's
15 needs or equipment if those charges are separately stated and
16 identified.

17 (g) The sale of computer software originally designed for the
18 exclusive use and special needs of the purchaser.

19 (h) The sale of a commercial advertising element if the
20 commercial advertising element is used to create or develop a
21 print, radio, television, or other advertisement, the commercial
22 advertising element is discarded or returned to the provider after
23 the advertising message is completed, and the commercial
24 advertising element is custom developed by the provider for the
25 purchaser. As used in this subdivision, "commercial advertising
26 element" means a negative or positive photographic image, an
27 audiotape or videotape master, a layout, a manuscript, writing of

1 copy, a design, artwork, an illustration, retouching, and
2 mechanical or keyline instructions. This exemption does not include
3 black and white or full color process separation elements, an
4 audiotape reproduction, or a videotape reproduction.

5 (i) A sale made outside of the ordinary course of the seller's
6 business.

7 (j) An isolated transaction by a person not licensed or
8 required to be licensed under this act, in which tangible personal
9 property is offered for sale, sold, or transferred and delivered by
10 the owner.

11 (k) The sale of oxygen for human use dispensed pursuant to a
12 prescription.

13 (l) The sale of insulin for human use.

14 (m) Before January 1, 2014, the sale of tangible personal
15 property for use in construction or renovation of a qualified
16 convention facility under the regional convention facility
17 authority act, 2008 PA 554, MCL 141.1351 TO 141.1379.

18 **(N) THE SALE OF DIESEL FUEL FOR USE IN A QUALIFIED COMMERCIAL**
19 **MOTOR VEHICLE TO A PERSON WHO IS AN INTERSTATE MOTOR CARRIER. AS**
20 **USED IN THIS SUBDIVISION:**

21 (i) "DIESEL FUEL" MEANS THAT TERM AS DEFINED IN SECTION 2 OF
22 THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1002.

23 (ii) "INTERSTATE MOTOR CARRIER" MEANS A PERSON WHO OPERATES OR
24 CAUSES TO BE OPERATED A QUALIFIED COMMERCIAL MOTOR VEHICLE ON A
25 PUBLIC ROAD OR HIGHWAY IN THIS STATE AND AT LEAST 1 OTHER STATE OR
26 CANADIAN PROVINCE.

27 (iii) "QUALIFIED COMMERCIAL MOTOR VEHICLE" MEANS THAT TERM AS

1 DEFINED IN SECTION 1 OF THE MOTOR CARRIER FUEL TAX ACT, 1980 PA
2 119, MCL 207.211.