

**SUBSTITUTE FOR  
HOUSE BILL NO. 5444**

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

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4r. (1) All of the following are exempt from the tax  
2 under this act:

3       (a) The product of the out-of-state usage percentage and the  
4 gross proceeds otherwise taxable under this act from the sale of a  
5 qualified truck or a trailer designed to be drawn behind a  
6 qualified truck, purchased after December 31, 1996 and before May  
7 1, 1999 by an interstate motor carrier and used in interstate  
8 commerce.

9       (b) A sale of rolling stock purchased by an interstate motor  
10 carrier or for rental or lease to an interstate motor carrier and

1 used in interstate commerce.

2 (2) As used in this section:

3 (a) "Interstate motor carrier" means a person engaged in the  
4 business of carrying persons or property, other than themselves,  
5 their employees, or their own property, for hire across state  
6 lines, whose fleet mileage was driven at least 10% outside of this  
7 state in the immediately preceding tax year.

8 (b) "Out-of-state usage percentage" is a fraction, the  
9 numerator of which is the number of miles driven outside of this  
10 state in the immediately preceding tax year by qualified trucks  
11 used by the interstate motor carrier and the denominator of which  
12 is the total miles driven in the immediately preceding tax year by  
13 qualified trucks used by the interstate motor carrier. Miles driven  
14 by qualified trucks used solely in intrastate commerce shall not be  
15 included in calculating the out-of-state usage percentage.

16 (c) "Qualified truck" means a commercial motor vehicle power  
17 unit that has 2 axles and a gross vehicle weight rating in excess  
18 of 10,000 pounds or a commercial motor vehicle power unit that has  
19 3 or more axles.

20 (d) "Rolling stock" means a qualified truck, a trailer  
21 designed to be drawn behind a qualified truck, and parts **OR OTHER**  
22 **TANGIBLE PERSONAL PROPERTY** affixed to **OR TO BE AFFIXED TO AND**  
23 **DIRECTLY USED IN THE OPERATION OF** either a qualified truck or a  
24 trailer designed to be drawn behind a qualified truck.

25 Enacting section 1. This amendatory act is curative and  
26 intended to clarify the original intent of 1999 PA 116.