

SUBSTITUTE FOR  
HOUSE BILL NO. 4115

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4o (MCL 205.54o), as amended by 2016 PA 503.

**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~~ **TAX-**  
4       **EXEMPT** status under section 4q(1)(a) or (b) and that has aggregate  
5       sales at retail in the calendar year of less than ~~\$5,000.00~~  
6       **\$25,000.00** are exempt from the tax under this act. **HOWEVER, THE**  
7       **EXEMPTION UNDER THIS SUBSECTION IS LIMITED TO THE FIRST \$10,000.00**  
8       **IN AGGREGATE SALES OF TANGIBLE PERSONAL PROPERTY IN A CALENDAR YEAR**  
9       **FOR EACH ORGANIZATION THAT HAS A TAX-EXEMPT STATUS UNDER SECTION**

1 **4Q(1) (A) OR (B) AND THAT HAS AGGREGATE SALES AT RETAIL IN THE**  
 2 **CALENDAR YEAR OF LESS THAN \$25,000.00.**

3 (2) A club, association, auxiliary, or other organization  
 4 affiliated with a school, church, hospital, parent cooperative  
 5 preschool, or nonprofit organization with a ~~tax-exempt~~ **TAX-EXEMPT**  
 6 status under section 4q(1) (a) or (b) is not considered a separate  
 7 person for purposes of this exemption. As used in this section,  
 8 "school" means each elementary, middle, junior, or high school site  
 9 within a local school district that represents a district  
 10 attendance area as established by the board of the local school  
 11 district.

12 (3) Except as otherwise limited under this subsection, the  
 13 sale of tangible personal property by a veterans' organization that  
 14 is exempt from federal income tax under section 501(c)(19) of the  
 15 internal revenue code, 26 USC 501, for the purpose of raising funds  
 16 for the benefit of an active duty service member or a veteran is  
 17 exempt from the tax under this act. The exemption under this  
 18 subsection is limited to \$25,000.00 in aggregate sales of tangible  
 19 personal property for each individual fund-raising event. A club,  
 20 association, auxiliary, or other organization affiliated with a  
 21 veterans' organization that is exempt from federal income tax under  
 22 section 501(c)(19) of the internal revenue code, 26 USC 501, is not  
 23 considered a separate person for purposes of this exemption. As  
 24 used in this subsection:

25 (a) "Active duty" means active duty pursuant to an executive  
 26 order of the ~~president~~ **PRESIDENT** of the United States, an act of  
 27 ~~congress~~, **CONGRESS**, or an order of the governor.

1 (b) "Armed ~~forces~~**FORCES** of the United States" means the Army,  
2 Air Force, Navy, Marine Corps, Coast Guard, or other military force  
3 designated by Congress as a part of the ~~armed forces~~**ARMED FORCES**  
4 of the United States.

5 (c) "Service member" means a member of the ~~armed forces~~**ARMED**  
6 **FORCES** of the United States, a reserve branch of the ~~armed forces~~  
7 **ARMED FORCES** of the United States, or the National Guard.

8 (d) "Veteran" means any of the following:

9 (i) A person who served on active duty in the ~~armed forces~~  
10 **ARMED FORCES** of the United States for a period of more than 180  
11 days and separated from the ~~armed forces~~**ARMED FORCES** of the United  
12 States in a manner other than a dishonorable discharge.

13 (ii) A person discharged or released from active duty because  
14 of a service-related disability.

15 (iii) A member of a reserve branch of the ~~armed forces~~**ARMED**  
16 **FORCES** of the United States at the time he or she was ordered to  
17 active duty pursuant to subtitle E of title 10 of the United States  
18 Code, 10 USC 10001 to 18506, who served on active duty during a  
19 period of war, or in a campaign or expedition for which a campaign  
20 badge is authorized, and was released from active duty in a manner  
21 other than a dishonorable discharge.