

SENATE 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 **THE FIRST \$10,000.00 OF** tangible
2 personal property **IN A CALENDAR YEAR** for fund-raising purposes by a
3 school, church, hospital, parent cooperative preschool, or
4 nonprofit organization that has a ~~tax-exempt~~ **TAX-EXEMPT** status
5 under section 4q(1)(a) or (b) and that has aggregate sales at
6 retail in the calendar year of less than ~~\$5,000.00~~ **\$25,000.00** are
7 exempt from the tax under this act.

8 (2) A club, association, auxiliary, or other organization
9 affiliated with a school, church, hospital, parent cooperative

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

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

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

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

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

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

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

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

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

18 Enacting section 1. This amendatory act takes effect 90 days
19 after the date it is enacted into law.