

SUBSTITUTE FOR
SENATE BILL NO. 887

A bill to amend 1937 PA 94, entitled
"Use tax act,"
(MCL 205.91 to 205.111) by adding section 4ee.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4EE. THE TAX LEVIED UNDER THIS ACT DOES NOT APPLY TO
2 TANGIBLE PERSONAL PROPERTY ACQUIRED BY A PERSON ENGAGED IN THE
3 BUSINESS OF CONSTRUCTING, ALTERING, REPAIRING, OR IMPROVING REAL
4 ESTATE FOR OTHERS TO THE EXTENT THAT THE PROPERTY WAS PURCHASED BY
5 ANOTHER PERSON THAT IS NOT EXEMPT FROM THE TAX LEVIED UNDER THIS
6 ACT OR THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.51 TO
7 205.78, AND THAT PROPERTY WAS PROVIDED TO THAT CONTRACTOR FOR THE
8 SOLE PURPOSE OF AFFIXING THAT TANGIBLE PERSONAL PROPERTY TO AND
9 MAKING IT A STRUCTURAL PART OF REAL ESTATE ON BEHALF OF THE

1 **PURCHASER.**

2 Enacting section 1. It is the intent of the legislature that
3 this amendatory act clarifies that existing law as originally
4 intended provides that the tax levied under this act does not apply
5 to tangible personal property acquired by a person engaged in the
6 business of installing tangible personal property if that tangible
7 personal property is purchased by another for installation on
8 behalf of that other person.