

# HOUSE BILL No. 6266

November 13, 1990, Introduced by Rep. Profit and referred to the Committee on Taxation.

A bill to impose a state excise tax on persons engaged in the business of providing entertainment; to provide for the levy, assessment, and collection of the tax; to provide for the disposition of the collections from the tax; and to prescribe the powers and duties of certain state officers.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "entertainment tax act".

3       Sec. 2. As used in this act:

4       (a) "Charitable organization" means a benevolent, education-  
5 al, philanthropic, humane, patriotic, religious, or eleemosynary  
6 organization of persons organized for any lawful purpose not  
7 involving pecuniary profit or gain for its officers or members.

8       (b) "Commissioner" means the state commissioner of revenue.

1 (c) "Operator" means a person who provides entertainment  
2 events and activities.

3 (d) "Person" means a natural person, partnership, fiduciary,  
4 association, corporation, or other legal entity.

5 (e) "Transaction" means attending, participating in, view-  
6 ing, using, borrowing, or otherwise taking advantage of an enter-  
7 tainment event or activity for consideration but does not include  
8 an entertainment event or activity that is for the benefit of a  
9 charitable organization or for the benefit of a public or private  
10 school or school district.

11 Sec. 3. There is levied upon and shall be collected from a  
12 person engaged in the business of providing entertainment events  
13 or activities an excise tax at the rate of 1% of the amount of  
14 the charge for the transaction.

15 Sec. 4. A tax levied under this act shall be in addition to  
16 any other taxes, charges, or fees imposed by law on the  
17 operator.

18 Sec. 5. (1) The tax under this act shall be collected at  
19 the same time and in the same manner as the use tax pursuant to  
20 the use tax act, Act No. 94 of the Public Acts of 1937, being  
21 sections 205.91 to 205.111 of the Michigan Compiled Laws.

22 (2) The tax shall be administered by the revenue division of  
23 the department of treasury pursuant to Act No. 122 of the Public  
24 Acts of 1941, being sections 205.1 to 205.31 of the Michigan  
25 Compiled Laws.

26 Sec. 6. The collections from the tax imposed under section  
27 3 shall be deposited in the state treasury to the credit of the

1 state school aid fund established by section 11 of article IX of  
2 the state constitution of 1963.

3       Sec. 7. Nothing in this act prohibits a taxpayer from reim-  
4 bursing himself or herself by adding the amount of the tax levied  
5 under this act to the price of a transaction.

6       Sec. 8. The tax imposed under this act shall take effect on  
7 January 1, 1991.