

# HOUSE BILL No. 4302

February 15, 1991, Introduced by Reps. Pitoniak, Perry Bullard, Gubow, DeMars, Leland, Kilpatrick, Wallace, Weeks, Gire, Dobronski and Olshove and referred to the Committee on Transportation.

A bill to amend section 3 of Act No. 94 of the Public Acts of 1937, entitled as amended

"Use tax act,"

as amended by Act No. 86 of the Public Acts of 1990, being section 205.93 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 94 of the Public Acts of  
2 1937, as amended by Act No. 86 of the Public Acts of 1990, being  
3 section 205.93 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 3. (1) There is levied upon and there shall be col-  
6 lected from every person in this state a specific tax for the  
7 privilege of using, storing, or consuming tangible personal  
8 property in this state ~~, which tax shall be equal to~~ AT THE  
9 RATE OF 4% of the price of the property, or services specified in

1 section 3a. ~~—, and to the tax there~~ THERE shall be added TO THE  
2 TAX penalties and interest ~~where~~ IF applicable as provided in  
3 this act. For the purpose of the proper administration of this  
4 act and to prevent the evasion of the tax, it is presumed that  
5 tangible personal property purchased ~~shall be~~ IS subject to the  
6 tax if brought into the state within 90 days of the purchase date  
7 and is considered as acquired for storage, use, or other consump-  
8 tion in this state.

9 (2) The tax imposed by this section for the privilege of  
10 using, storing, or consuming a vehicle, ORV, mobile home, air-  
11 craft, snowmobile, or watercraft shall be collected before the  
12 transfer of the vehicle, ORV, mobile home, aircraft, snowmobile,  
13 or watercraft, except transfers to a licensed dealer or retailer  
14 for purposes of resale that arises by reason of a transaction  
15 made by a person who does not transfer vehicles, ORV's, mobile  
16 homes, aircraft, snowmobiles, or watercraft in the ordinary  
17 course of his or her business done in this state. The tax on a  
18 vehicle, ORV, snowmobile, and watercraft shall be collected by  
19 the secretary of state before the transfer of the vehicle, ORV,  
20 snowmobile, or watercraft registration. The tax on a mobile home  
21 shall be collected by the department of commerce ~~—~~ OR THE  
22 mobile home commission ~~—~~ or its agent before the transfer of  
23 the certificate of title. The tax on an aircraft shall be col-  
24 lected by the department of treasury. Notwithstanding any limi-  
25 tation contained in section 2, the price tax base of any vehicle,  
26 ORV, mobile home, aircraft, snowmobile, or watercraft subject to  
27 taxation under this act shall be not less than its retail dollar

1 value at the time of acquisition thereof as fixed pursuant to  
2 rules promulgated by the department.

3 (3) The following transfers or purchases are not subject to  
4 use tax:

5 (a) ~~When~~ IF the transferee or purchaser is the spouse,  
6 mother, father, brother, sister, or child of the transferor.

7 (b) ~~When~~ IF the transfer is a gift to a beneficiary in the  
8 administration of an estate.

9 (c) ~~When~~ IF a vehicle, ORV, mobile home, aircraft, snowmo-  
10 bile, or watercraft that has once been subjected to the Michigan  
11 sales or use tax is transferred in connection with the organi-  
12 zation, reorganization, dissolution, or partial liquidation of an  
13 incorporated or unincorporated business and the beneficial owner-  
14 ship is not changed.

15 (d) ~~When~~ IF an insurance company licensed to conduct busi-  
16 ness in this state acquires ownership of a late model distressed  
17 vehicle as defined in section 12a of the Michigan vehicle code,  
18 Act No. 300 of the Public Acts of 1949, being section 257.12a of  
19 the Michigan Compiled Laws, through payment of damages in  
20 response to a claim or ~~when~~ IF the person who owned the vehicle  
21 before the insurance company reacquires ownership from the com-  
22 pany as part of the settlement of a claim.

23 (4) The department may utilize the services, information, or  
24 records of any other department or agency of the state government  
25 in the performance of its duties under this act, and other  
26 departments or agencies of the state government are required to

1 furnish those services, information, or records upon the request  
2 of the department.

3       (5) FOR TRANSFERS OR PURCHASES UNDER SUBSECTION (3)(A), THE  
4 SECRETARY OF STATE SHALL REQUIRE AN AFFIDAVIT FROM THE TRANSFEREE  
5 ON A FORM PRESCRIBED BY THE DEPARTMENT DESCRIBING THE RELATION-  
6 SHIP BETWEEN THE TRANSFEROR AND THE TRANSFEREE. THE SECRETARY OF  
7 STATE SHALL FORWARD A COPY OF THE AFFIDAVIT TO THE DEPARTMENT.