

HOUSE BILL No. 4802

May 9, 1991, Introduced by Reps. Randall and Bender and referred to the Committee on Taxation.

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~~ THE tax shall be equal to 4%
9 of the price of the property, or services specified in section

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

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

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

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

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

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

9 (c) When a vehicle, ORV, mobile home, aircraft, snowmobile,
10 or watercraft that has once been subjected to the Michigan sales
11 or use tax is transferred in connection with the organization,
12 reorganization, dissolution, or partial liquidation of an incor-
13 porated or unincorporated business and the beneficial ownership
14 is not changed.

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