

HOUSE BILL No. 4997

June 26, 1991, Introduced by Rep. Ostling 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~~ IF provided in this act. For the purpose
3 of the proper administration of this act and to prevent the eva-
4 sion of the tax, it is presumed that tangible personal property
5 purchased ~~shall be~~ IS subject to the tax if brought into the
6 state within 90 days of the purchase date and is considered as
7 acquired for 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~~ THE TRANSFER to a licensed
13 dealer or retailer for purposes of resale that arises by reason
14 of a transaction made by a person who does not transfer vehicles,
15 ORV's, mobile homes, aircraft, snowmobiles, or watercraft in the
16 ordinary course of his or her business done in this state. The
17 tax on a vehicle, ORV, snowmobile, and watercraft shall be col-
18 lected by the secretary of state before the transfer of the vehi-
19 cle, ORV, snowmobile, or watercraft registration. The tax on a
20 mobile home shall be collected by the department of commerce,
21 mobile home commission, or its agent before the transfer of the
22 certificate of title. The tax on an aircraft shall be collected
23 by the department of treasury. Notwithstanding any limitation
24 contained in section 2, the price tax base of any vehicle, ORV,
25 mobile home, aircraft, snowmobile, or watercraft subject to taxa-
26 tion 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 (E) IF A VEHICLE IS TRANSFERRED FROM A TRUST TO AN INDIVID-
24 UAL OR FROM AN INDIVIDUAL TO A TRUST AND THE BENEFICIAL OWNERSHIP
25 IS NOT CHANGED.

26 (4) The department may utilize the services, information, or
27 records of any other department or agency of the state government

1 in the performance of its duties under this act, and other
2 departments or agencies of the state government are required to
3 furnish those services, information, or records upon the request
4 of the department.