

HOUSE BILL No. 5066

August 1, 1991, 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) "Fund" means the job training fund created in
2 section 7.

3 (d) "Operator" means a person who provides entertainment
4 events and activities.

5 (e) "Person" means an individual, partnership, corporation,
6 association, governmental entity, or other legal entity.

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

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

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

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

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

1 Sec. 6. The collections from the tax imposed under section
2 3 shall be deposited in the state treasury to the credit of the
3 job training fund created in section 7.

4 Sec. 7. (1) The job training fund is created within the
5 state treasury.

6 (2) The state treasurer may receive money or other assets
7 from any source for deposit into the fund. The state treasurer
8 shall direct the investment of the fund. The state treasurer
9 shall credit to the fund interest and earnings from fund
10 investments.

11 (3) Money in the fund appropriated from the general fund
12 shall remain in the fund at the close of the fiscal year and
13 shall not lapse to the general fund.

14 (4) The department of labor shall expend money from the
15 fund, upon appropriation, only for job and employment training in
16 the field of manufacturing at the postsecondary level for
17 Michigan residents.

18 Sec. 8. Nothing in this act prohibits a taxpayer from reim-
19 bursing himself or herself by adding the amount of the tax levied
20 under this act to the price of a transaction.

21 Sec. 9. The tax imposed under this act shall take effect on
22 January 1, 1992.