

HOUSE BILL No. 5788

April 30, 1992, Introduced by Rep. Bryant and referred to the Committee on Taxation.

A bill to amend section 4g of Act No. 167 of the Public Acts of 1933, entitled as amended
"General sales tax act,"
as amended by Act No. 87 of the Public Acts of 1991, being section 205.54g of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4g of Act No. 167 of the Public Acts of
2 1933, as amended by Act No. 87 of the Public Acts of 1991, being
3 section 205.54g of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 4g. (1) A person subject to tax under this act ~~need~~
6 ~~not include in~~ MAY EXCLUDE FROM the amount of the gross proceeds
7 used for the computation of the tax any of the following:

1 (a) Sales of prescription drugs for human use or food for
2 human consumption, except prepared food intended for immediate
3 consumption.

4 (b) The deposit on a returnable container for a beverage or
5 the deposit on a carton or case that is used for returnable
6 containers.

7 (c) Food or tangible personal property purchased with fed-
8 eral food stamps.

9 (d) Fruit or vegetable seeds and fruit or vegetable plants
10 if purchased at a place of business authorized to accept food
11 stamps by the food and nutrition service of the United States
12 department of agriculture or a place of business that has made a
13 complete and proper application for authorization to accept food
14 stamps but has been denied authorization and provides proof of
15 denial to the department of treasury.

16 (2) "Prescription drugs for human use" means insulin or
17 drugs dispensed by a licensed pharmacist to fill individual pre-
18 scriptions prescribed by a licensed physician or other licensed
19 practitioner of the healing arts solely for the use of a desig-
20 nated person.

21 (3) "Food for human consumption" means all food and drink
22 items, including bottled water, intended primarily for human con-
23 sumption except beverages with an alcoholic content of 1/2 of 1%
24 or more by volume, tobacco and tobacco products, and prepared
25 food intended for immediate consumption. Food for human consump-
26 tion includes live animals purchased with the intent to be
27 slaughtered for human consumption.

1 (4) "Prepared food intended for immediate consumption" means
2 a retail sale of 1 or more of the following:

3 (a) Food or drink prepared and served for immediate consump-
4 tion at or near the premises or ordinarily sold on a takeout
5 basis for immediate consumption either on or off the premises,
6 INCLUDING FOOD OR DRINK DELIVERED TO ANOTHER LOCATION FOR IMMEDI-
7 ATE CONSUMPTION. For the purposes of this section premises
8 includes the total space and facilities in or on which a retailer
9 conducts his or her business, including, but not limited to,
10 parking areas for the convenience of in-car consumption, outdoor
11 tables, benches, chairs, and similar conveniences.

12 (b) Food or drink furnished, prepared, or served for immedi-
13 ate consumption at a table, chair, or counter or from a tray,
14 glass, dish, container, or other tableware.

15 (c) Food or drink arranged on a plate or platter, whether
16 intended for individual or multiple servings and whether sold by
17 the pound or by the serving; a sandwich, either hot or cold; or a
18 combination of taxable and nontaxable items when sold as a plate
19 or packaged as a meal, even though intended for more than 1
20 serving.

21 (d) Food that is cooked to the order of the purchaser, or
22 that is cooked and maintained at a temperature higher than the
23 surrounding air temperature before sale, or prepared food that is
24 sold by the piece rather than by weight or measure.

25 (e) Food or drink intended for immediate consumption sold
26 from a vending machine or by a vendor from a mobile facility,
27 except for milk, juices, fresh fruit, candy, nuts, chewing gum,

1 cookies, crackers, and chips, when sold from a vending machine
2 selling these products.

3 (5) Prepared food intended for immediate consumption does
4 not include bakery products for off premise consumption, such as
5 doughnuts, pastry, bread, and cakes or meals eligible to be pur-
6 chased with federal food stamps.