

SENATE BILL No. 192

March 14, 1991, Introduced by Senator V. SMITH and
referred to the Committee on Finance.

A bill to amend section 3 of Act No. 301 of the Public Acts
of 1939, entitled as amended

"An act to provide for the imposition and the collection of a
specific tax upon the privilege of ownership of intangible per-
sonal property and on certain enterprises having possession of
intangible personal property of another; to define owners of
intangible personal property; to provide for the disposition of
the proceeds thereof; to prescribe the powers and duties of the
department of revenue with respect thereto; to prescribe penal-
ties; to make an appropriation to carry out the provisions of
this act; and to repeal all acts and parts of acts inconsistent
with the provisions of this act,"

being section 205.133 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 301 of the Public Acts of
2 1939, being section 205.133 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 3. (1) ~~—(a)—~~ In computing the tax imposed under this
5 act for a tax year, the following deductions may be made:

1 (A) ~~-(1)-~~ Beginning with the calendar year 1973, or a fiscal
 2 year ending after June 30, 1973, from the total tax as computed
 3 ~~in accordance with~~ UNDER section 2, the sum of \$175.00. The
 4 total deduction from the tax by a husband and wife filing a joint
 5 return shall not exceed \$350.00. For a tax return covering a
 6 period of less than 1 year, the deduction shall be reduced
 7 proportionately. The deduction ~~shall~~ IS not ~~be~~ allowed in
 8 connection with the tax imposed under this act on ~~moneys~~ MONEY
 9 on hand, ~~or~~ in transit, or on deposit in a bank or shares of
 10 stock in building and loan or savings and loan associations.

11 (B) ~~-(2)-~~ From real estate mortgages receivable and land
 12 contracts receivable, mortgages payable and land contracts pay-
 13 able on the same property covered by the mortgage or land con-
 14 tract receivable.

15 (2) ~~-(b)-~~ The following ~~shall be~~ ARE exempt from the tax
 16 imposed by this act:

17 (A) ~~-(1)-~~ Mortgages and land contracts and the evidences of
 18 indebtedness secured thereby upon which the specific tax imposed
 19 by FORMER Act No. 91 of the Public Acts of 1911 ~~, as amended,~~
 20 ~~being sections 3640 to 3649 of the Compiled Laws of 1929,~~ has
 21 been paid before September 29, 1939. ~~, or a~~

22 (B) A debt or obligation ~~which is~~ secured by a mortgage
 23 upon the real estate ~~as may be~~ owned and occupied by A library,
 24 AN armory, OR A benevolent, charitable, educational, ~~and~~ OR
 25 scientific ~~institutions~~ INSTITUTION, incorporated under the
 26 laws of this state, with the buildings and other property
 27 ~~thereon~~ ON THE REAL ESTATE, while occupied by ~~them~~ THE

1 LIBRARY, ARMORY, OR BENEVOLENT, CHARITABLE, EDUCATIONAL, OR
2 SCIENTIFIC INSTITUTION solely for the purposes for which they
3 were incorporated. ~~or~~

4 (C) A DEBT OR OBLIGATION secured by a mortgage upon a house
5 of public worship with the land on which ~~it~~ THE HOUSE OF PUBLIC
6 WORSHIP stands, the furniture ~~therein, or any~~ IN THE HOUSE OF
7 PUBLIC WORSHIP, OR A parsonage owned and occupied as a parsonage
8 by ~~any~~ A regularly organized religious society of this state.

9 (D) ~~(2)~~ Bonds, notes, debts, or written or printed obliga-
10 tions upon which the specific tax imposed by FORMER Act No. 142
11 of the Public Acts of 1913 ~~, as amended, being sections 3654 to~~
12 ~~3658 of the Compiled Laws of 1929,~~ was paid before September 29,
13 1939.

14 (E) ~~(3)~~ Bonds or other similar obligations of the state or
15 of a political subdivision of the state.

16 (F) ~~(4)~~ Obligations of the United States, or guaranteed as
17 to principal or interest by the United States, ~~which~~ THAT are
18 exempt from taxation by reason of AN act of congress. The term
19 "United States" includes a possession, agency, or instrumentality
20 of the United States.

21 (G) ~~(5)~~ Bonds, mortgages, ~~and~~ OR other certificates of
22 indebtedness made and issued by a municipality, organization, or
23 private individual for the purpose of erecting armories in this
24 state.

25 (H) ~~(6)~~ Intangible personal property belonging to benevo-
26 lent, charitable, religious, educational, ~~and~~ OR nonprofit
27 scientific institutions incorporated under the laws of this

1 state. This exemption ~~shall~~ DOES not apply to secret or
 2 fraternal societies, ~~—~~ but the intangible personal property of
 3 charitable homes of those societies ~~shall be~~ IS exempt.

4 (I) ~~—(7)—~~ Intangible personal property belonging to posts of
 5 the Grand Army of the Republic, sons of veterans' unions, ~~and~~
 6 ~~of~~ OR the women's relief corps connected ~~therewith, of all~~
 7 WITH THEM, OR young men's Christian associations, young women's
 8 Christian associations, women's Christian temperance union asso-
 9 ciations, young people's Christian unions, and other similar
 10 associations.

11 (J) ~~—(8)—~~ Pensions, including ~~so-called "annuities"~~
 12 ANNUITIES payable under old age, retirement, or pension provi-
 13 sions of a public authority or private employer, irrespective of
 14 the source of contributions ~~thereto. All intangible~~ TO THE
 15 PENSIONS.

16 (K) INTANGIBLE personal property comprising all or a part of
 17 the assets of stock bonus, pension, or profit sharing plans or
 18 trusts ~~which~~ THAT qualify for exemption from federal income
 19 taxes under the internal revenue code. ~~—, cash—~~

20 (1) CASH surrender values and loan values of insurance
 21 policies. ~~—, annuities—~~

22 (M) ANNUITIES before the time when the periodic payments
 23 ~~thereunder shall actually~~ OF THE ANNUITIES commence. ~~—, and~~
 24 royalties.—

25 (N) ROYALTIES.

1 (O) ~~-(9)-~~ Intangible personal property belonging to domestic
2 ~~and~~ OR foreign insurance companies ~~and~~ OR annuity companies
3 lawfully doing business in this state.

4 (P) ~~-(10)-~~ Intangible personal property belonging to rail-
5 road companies, union station and depot companies, telegraph com-
6 panies, telephone companies, sleeping car companies, express com-
7 panies, car loaning companies, stock car companies, refrigerator
8 car companies, fast freight LINE companies, ~~and all~~ OR other
9 companies paying the tax assessed and levied under Act No. 282 of
10 the Public Acts of 1905, as amended, being sections 207.1 to
11 207.21 of the Michigan Compiled Laws. THIS SUBDIVISION SHALL
12 APPLY THROUGH DECEMBER 31, 1992.

13 (Q) ~~-(11)-~~ Intangible personal property belonging to banks,
14 national banking associations, savings and loan associations,
15 savings and loan holding companies as defined in ~~12 U.S.C.~~
16 ~~1730a, which pursuant to that section controls a savings and loan~~
17 ~~association subsidiary located in this state,~~
18 SECTION 10(a)(1)(D) OF THE HOME OWNERS' LOAN ACT,
19 12 U.S.C. 1467a, trust companies, and incorporated bank holding
20 companies as defined in SECTION 2 OF THE BANK HOLDING COMPANY ACT
21 OF 1956, CHAPTER 240, 70 STAT. 133, 12 U.S.C. 1841, which pursu-
22 ant to ~~that~~ section 2 OF THE BANK HOLDING COMPANY ACT OF 1956
23 control a bank, national banking association, trust company, or
24 industrial bank subsidiary located in this state. ~~, doing busi-~~
25 ~~ness in this state under whatever authority organized.~~ THIS SUB-
26 DIVISION SHALL APPLY THROUGH DECEMBER 31, 1992.

1 (R) ~~-(12)-~~ Intangible personal property owned by or
 2 comprising the assets of a person ~~or business enterprise~~
 3 engaged in business activity as defined by section 3 of THE
 4 SINGLE BUSINESS TAX ACT, Act No. 228 of the Public Acts of 1975,
 5 as amended, being section 208.3 of the Michigan Compiled Laws, if
 6 ~~, were~~ THE income received from ~~such~~ THAT intangible personal
 7 property, ~~it~~ IF ANY, would be considered, even if deducted or
 8 excluded, in determining the amount, even if zero or negative, of
 9 business income as defined by section 3 of ~~that act~~ ACT NO. 228
 10 OF THE PUBLIC ACTS OF 1975. THIS SUBDIVISION SHALL APPLY THROUGH
 11 DECEMBER 31, 1992.

12 (S) ~~-(12a)-~~ Intangible personal property belonging to credit
 13 unions doing business in this state under whatever authority
 14 organized. THIS SUBDIVISION SHALL APPLY THROUGH DECEMBER 31,
 15 1992.

16 (T) ~~-(13)-~~ Intangible personal property ~~which~~ THAT repre-
 17 sents other property taxed under this act or other laws of this
 18 state and is so closely identified ~~therewith~~ WITH THAT PROPERTY
 19 that to impose an additional tax under this act would be uncon-
 20 stitutional as double taxation.

21 (U) ~~-(14)-~~ Shares of stock in banks, trust companies, ~~and~~
 22 OR national banking associations.