

SENATE BILL No. 313

May 14, 1991, Introduced by Senator N. 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 personal 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 penalties; 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 AND THROUGH
2 THE CALENDAR YEAR 1990, or a fiscal year ending after June 30,
3 1973 AND THROUGH SEPTEMBER 30, 1991, from the total tax as com-
4 puted ~~in accordance with~~ UNDER section 2, the sum of \$175.00.
5 The total deduction from the tax by a husband and wife filing a
6 joint return THROUGH THE CALENDAR YEAR 1990, shall not exceed
7 \$350.00. BEGINNING WITH THE CALENDAR YEAR 1991, OR A FISCAL YEAR
8 ENDING AFTER SEPTEMBER 30, 1991, FROM THE TOTAL TAX AS COMPUTED
9 UNDER SECTION 2, THE SUM OF \$350.00. THE TOTAL DEDUCTION FROM
10 THE TAX BY A HUSBAND AND WIFE FILING A JOINT RETURN BEGINNING
11 WITH THE CALENDAR YEAR 1991, OR A FISCAL YEAR ENDING AFTER
12 SEPTEMBER 30, 1991, SHALL NOT EXCEED \$400.00. For a tax return
13 covering a period of less than 1 year, the deduction shall be
14 reduced proportionately. The deduction ~~shall~~ IS not ~~be~~
15 allowed in connection with the tax imposed under this act on
16 ~~moneys~~ MONEY on hand, ~~or~~ in transit, or on deposit in a bank
17 or shares of stock in building and loan or savings and loan
18 associations.

19 (B) ~~-(2)-~~ From real estate mortgages receivable and land
20 contracts receivable, mortgages payable and land contracts pay-
21 able on the same property covered by the mortgage or land con-
22 tract receivable.

23 (2) ~~-(b)-~~ The following ~~shall be~~ IS exempt from the tax
24 imposed by this act:

25 (A) ~~-(1)-~~ Mortgages and land contracts and the evidences of
26 indebtedness secured thereby upon which the specific tax imposed
27 by FORMER Act No. 91 of the Public Acts of 1911, ~~as amended,~~

1 ~~being sections 3640 to 3649 of the Compiled Laws of 1929,~~ has
 2 been paid before September 29, 1939. ~~— or a —~~

3 (B) A debt or obligation ~~which is~~ secured by a mortgage
 4 upon the real estate ~~as may be~~ owned and occupied by A library,
 5 AN armory, OR A benevolent, charitable, educational, ~~and~~ OR
 6 scientific ~~institutions~~ INSTITUTION, incorporated under the
 7 laws of this state, with the buildings and other property
 8 ~~thereon~~ ON THE REAL ESTATE, while occupied by ~~them~~ THE
 9 LIBRARY, ARMORY, OR BENEVOLENT, CHARITABLE, EDUCATIONAL, OR SCI-
 10 ENTIFIC INSTITUTION solely for the purposes for which they were
 11 incorporated. ~~— or —~~

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

17 (D) ~~(2)~~ Bonds, notes, debts, or written or printed obliga-
 18 tions upon which the specific tax imposed by FORMER Act No. 142
 19 of the Public Acts of 1913, ~~as amended, being sections 3654 to~~
 20 ~~3658 of the Compiled Laws of 1929,~~ was paid before September 29,
 21 1939.

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

24 (F) ~~(4)~~ Obligations of the United States, or guaranteed as
 25 to principal or interest by the United States, ~~which~~ THAT are
 26 exempt from taxation by reason of AN act of congress. The term

1 "United States" includes a possession, agency, or instrumentality
2 of the United States.

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

7 (H) ~~-(6)-~~ Intangible personal property belonging to benevo-
8 lent, charitable, religious, educational, ~~and~~ OR nonprofit sci-
9 entific institutions incorporated under the laws of this state.
10 This exemption ~~shall~~ DOES not apply to secret or fraternal
11 societies, ~~+~~ but the intangible personal property of charitable
12 homes of those societies ~~shall be~~ IS exempt.

13 (I) ~~-(7)-~~ Intangible personal property belonging to posts of
14 the Grand Army of the Republic, sons of veterans' unions, ~~and~~
15 ~~of~~ OR the women's relief corps connected ~~therewith, of all~~
16 WITH THEM, OR young men's Christian associations, young women's
17 Christian associations, women's Christian temperance union asso-
18 ciations, young people's Christian unions, ~~and~~ OR other similar
19 associations.

20 (J) ~~-(8)-~~ Pensions, including ~~so-called "annuities"~~
21 ANNUITIES payable under old age, retirement, or pension provi-
22 sions of a public authority or private employer, irrespective of
23 the source of contributions ~~thereto. All intangible~~ TO THE
24 PENSIONS.

25 (K) INTANGIBLE personal property comprising all or a part of
26 the assets of stock bonus, pension, or profit sharing plans or

1 trusts ~~which~~ THAT qualify for exemption from federal income
2 taxes under the internal revenue code. ~~cash~~

3 (L) CASH surrender values and loan values of insurance
4 policies. ~~annuities~~

5 (M) ANNUITIES before the time when the periodic payments
6 ~~thereunder shall actually~~ OF THE ANNUITIES commence. ~~and~~
7 ~~royalties.~~

8 (N) ROYALTIES.

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

12 (P) ~~(10)~~ Intangible personal property belonging to rail-
13 road companies, union station and depot companies, telegraph com-
14 panies, telephone companies, sleeping car companies, express com-
15 panies, car loaning companies, stock car companies, refrigerator
16 car companies, fast freight LINE companies, ~~and all~~ OR other
17 companies paying the tax assessed and levied under Act No. 282 of
18 the Public Acts of 1905, as amended, being sections 207.1 to
19 207.21 of the Michigan Compiled Laws.

20 (Q) ~~(11)~~ Intangible personal property belonging to ~~banks,~~
21 ~~national~~ 1 OR MORE OF THE FOLLOWING ENTITIES DOING BUSINESS IN
22 THIS STATE UNDER WHATEVER AUTHORITY ORGANIZED:

23 (i) BANKS.

24 (ii) NATIONAL banking associations. ~~savings~~

25 (iii) SAVINGS and loan associations. ~~savings~~

26 (iv) SAVINGS and loan holding companies as defined in ~~12~~

27 ~~U.S.C. 1730a, which pursuant to that section controls a savings~~

1 ~~and loan association subsidiary located in this state, trust~~

2 SECTION 10(a)(1)(D) OF THE HOME OWNERS' LOAN ACT, 12

3 U.S.C. 1467a.

4 (v) TRUST companies. ~~—, and incorporated—~~

5 (vi) INCORPORATED bank holding companies as defined in

6 SECTION 2 OF THE BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240,

7 70 STAT. 133, 12 U.S.C. 1841, which pursuant to ~~that~~ section 2

8 OF THE BANK HOLDING COMPANY ACT OF 1956, control a bank, national

9 banking association, trust company, or industrial bank subsidiary

10 located in this state. ~~—, doing business in this state under~~

11 ~~whatever authority organized.—~~

12 (R) ~~—(12)—~~ Intangible personal property owned by or compris-

13 ing the assets of a person ~~or business enterprise~~ engaged in

14 business activity as defined by section 3 of THE SINGLE BUSINESS

15 TAX ACT, Act No. 228 of the Public Acts of 1975, as amended,

16 being section 208.3 of the Michigan Compiled Laws, if ~~—, were—~~

17 THE income received from ~~such~~ THAT intangible personal proper-

18 ty, ~~it~~ IF ANY, would be considered, even if deducted or

19 excluded, in determining the amount, even if zero or negative, of

20 business income as defined by section 3 of ~~that act~~ ACT NO. 228

21 OF THE PUBLIC ACTS OF 1975.

22 (S) ~~—(12a)—~~ Intangible personal property belonging to credit

23 unions doing business in this state ~~under whatever authority~~

24 ~~organized~~ PURSUANT TO ACT NO. 285 OF THE PUBLIC ACTS OF 1925,

25 BEING SECTIONS 490.1 TO 490.31 OF THE MICHIGAN COMPILED LAWS.

26 (T) ~~—(13)—~~ Intangible personal property ~~which~~ THAT

27 represents other property taxed under this act or other laws of

1 this state and is so closely identified ~~therewith~~ WITH THAT
2 PROPERTY that to impose an additional tax under this act would be
3 unconstitutional as double taxation.

4 (U) ~~(14)~~ Shares of stock in banks, trust companies, ~~and~~
5 OR national banking associations.