



HOUSE BILL No. 4659

April 27, 1993, Introduced by Reps. McNutt, London, Shugars and Randall 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 tax shall be~~ equal to 4% of the
9 price of the property ~~—~~ or services specified in section 3a.

1 ~~, and to the tax there shall be added penalties~~ PENALTIES and
2 interest ~~where~~ SHALL BE ADDED TO THE TAX WHEN applicable as
3 provided in this act. For the purpose of the proper administra-
4 tion of this act and to prevent the evasion of the tax, it is
5 presumed that tangible personal property purchased ~~shall be~~ IS
6 subject to the tax if brought into the state within 90 days of
7 the purchase date and is considered as acquired for storage, use,
8 or other consumption in this state.

9 (2) The tax imposed by this section for the privilege of
10 using, storing, or consuming a vehicle, ORV, mobile home, air-
11 craft, snowmobile, or watercraft shall be collected before the
12 transfer of the vehicle, ORV, mobile home, aircraft, snowmobile,
13 or watercraft, except transfers to a licensed dealer or retailer
14 for purposes of resale that arises by reason of a transaction
15 made by a person who does not transfer vehicles, ORV's, mobile
16 homes, aircraft, snowmobiles, or watercraft in the ordinary
17 course of his or her business done in this state. The tax on a
18 vehicle, ORV, snowmobile, and watercraft shall be collected by
19 the secretary of state before the transfer of the vehicle, ORV,
20 snowmobile, or watercraft registration. The tax on a mobile home
21 shall be collected by the department of commerce, mobile home
22 commission, or its agent before the transfer of the certificate
23 of title. The tax on an aircraft shall be collected by the
24 department of treasury. Notwithstanding any limitation contained
25 in section 2, the price tax base of any vehicle, ORV, mobile
26 home, aircraft, snowmobile, or watercraft subject to taxation
27 under this act shall be not less than its retail dollar value at

1 the time of acquisition ~~thereof~~ as fixed pursuant to rules
2 promulgated by the department.

3 (3) The following transfers or purchases are not subject to
4 use tax:

5 (a) When the transferee or purchaser is the spouse, mother,
6 father, brother, sister, ~~or~~ child, STEPPARENT, STEPCHILD, STEP-
7 BROTHER, STEPSISTER, MOTHER-IN-LAW, FATHER-IN-LAW,
8 BROTHER-IN-LAW, SISTER-IN-LAW, SON-IN-LAW, DAUGHTER-IN-LAW,
9 GRANDPARENT, GRANDCHILD, OR A LEGALLY APPOINTED GUARDIAN WITH A
10 CERTIFIED LETTER OF GUARDIANSHIP of the transferor.

11 (b) When the transfer is a gift to a beneficiary in the
12 administration of an estate.

13 (c) When a vehicle, ORV, mobile home, aircraft, snowmobile,
14 or watercraft that has once been subjected to the Michigan sales
15 or use tax is transferred in connection with the organization,
16 reorganization, dissolution, or partial liquidation of an incor-
17 porated or unincorporated business and the beneficial ownership
18 is not changed.

19 (d) When an insurance company licensed to conduct business
20 in this state acquires ownership of a late model distressed vehi-
21 cle as defined in section 12a of the Michigan vehicle code, Act
22 No. 300 of the Public Acts of 1949, being section 257.12a of the
23 Michigan Compiled Laws, through payment of damages in response to
24 a claim or when the person who owned the vehicle before the
25 insurance company reacquires ownership from the company as part
26 of the settlement of a claim.

1 (4) The department may utilize the services, information, or
2 records of any other department or agency of ~~the~~ state
3 government in the performance of its duties under this act, and
4 other departments or agencies of ~~the~~ state government are
5 required to furnish those services, information, or records upon
6 the request of the department.