



HOUSE BILL No. 5753

September 14, 1994 Introduced by Reps Profit Bullard Dobb and Alley and referred to the Committee on Taxation

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, or a fiscal~~
 2 ~~year ending after June 30, 1973,~~ THE SUM OF \$175 00 from the
 3 total tax as computed ~~in accordance with~~ UNDER section 2 ~~,~~
 4 ~~the sum of \$175 00~~ The total deduction from the tax by a hus-
 5 band and wife filing a joint return shall not exceed \$350 00
 6 For a tax return covering a period of less than 1 year, the
 7 deduction shall be reduced proportionately The deduction
 8 ~~shall~~ IS not ~~be~~ allowed in connection with the tax imposed
 9 under this act on ~~moneys~~ MONEY on hand, ~~or~~ in transit, or on
 10 deposit in a bank or shares of stock in building and loan or sav-
 11 ings and loan associations

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

16 (2) ~~(b) The~~ ALL OF THE following ~~shall be~~ ARE exempt
 17 from the tax imposed by this act

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

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

1 ~~thereon~~ ON THE REAL ESTATE while occupied by ~~them~~ THE
 2 LIBRARY, ARMORY, OR BENEVOLENT, CHARITABLE, EDUCATIONAL, OR SCI-
 3 ENTIFIC INSTITUTION solely for the purposes for which they were
 4 incorporated ~~or~~

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

10 (D) ~~(2)~~ Bonds, notes, debts or written or printed obliga-
 11 tions upon which the specific tax imposed by FORMER Act No 142
 12 of the Public Acts of 1913, ~~as amended, being sections 3654 to~~
 13 ~~3658 of the Compiled Laws of 1929,~~ was paid before September 29
 14 1939

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

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

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

26 (H) ~~(6)~~ Intangible personal property belonging to
 27 benevolent, charitable, religious, educational, ~~and~~ OR

1 nonprofit scientific institutions incorporated under the laws of
 2 this state This exemption ~~shall~~ DOES not apply to secret or
 3 fraternal societies — but the intangible personal property of
 4 charitable homes of those societies ~~shall be~~ IS exempt

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

12 (J) ~~(8)~~ Pensions including ~~so called "annuities"~~ BUT
 13 NOT LIMITED TO, ANNUITIES payable under old age, retirement or
 14 pension provisions of a public authority or private employer
 15 irrespective of the source of contributions ~~thereto~~ TO THE
 16 PENSIONS ~~All intangible~~

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

21 (L) CASH surrender values and loan values of insurance
 22 policies ~~—annuities—~~

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

26 (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

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

15 (1) BANKS

16 (11) NATIONAL banking associations ~~, savings~~

17 (111) SAVINGS and loan associations ~~, savings~~

18 (1v) SAVINGS and loan holding companies as defined in ~~12~~
 19 ~~U S C 1730a, which pursuant to that section controls a savings~~
 20 ~~and loan association subsidiary located in this state, trust~~
 21 SECTION 10(a)(1)(D) OF THE HOME OWNERS LOAN ACT CHAPTER 64, 103
 22 STAT 318 12 U S C 1467a

23 (v) TRUST companies ~~, and incorporated bank~~

24 (vi) BANK holding companies as defined in SECTION 2 OF THE
 25 BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240, 70 STAT 133, 12
 26 U S C 1841, ~~which pursuant to that section~~ THAT ARE
 27 INCORPORATED AND control a bank national banking association,

1 trust company, or industrial bank subsidiary located in this
 2 state ~~, doing business in this state under whatever authority~~
 3 ~~organized~~

4 (R) ~~(+2)~~ Intangible personal property owned by or compris-
 5 ing the assets of a person ~~or business enterprise~~ engaged in
 6 business activity as defined by section 3 of THE SINGLE BUSINESS
 7 TAX ACT, Act No 228 of the Public Acts of 1975, as amended
 8 being section 208 3 of the Michigan Compiled Laws, if ~~, were~~
 9 ANY income received from ~~such~~ THAT intangible personal property
 10 ~~, it~~ would be considered, even if deducted or excluded, in
 11 determining the amount even if zero or negative, of business
 12 income as defined by section 3 of ~~that act~~ ACT NO 228 OF THE
 13 PUBLIC ACTS OF 1975

14 (S) ~~(+2a)~~ Intangible personal property belonging to credit
 15 unions doing business in this state ~~under whatever authority~~
 16 ~~organized~~ PURSUANT TO ACT NO 285 OF THE PUBLIC ACTS OF 1925,
 17 BEING SECTIONS 490 1 TO 490 31 OF THE MICHIGAN COMPILED LAWS

18 (T) ~~(+3)~~ Intangible personal property ~~which~~ THAT repre-
 19 sents other property taxed under this act or other laws of this
 20 state and is so closely identified ~~therewith~~ WITH THAT PROPERTY
 21 that to impose an additional tax under this act would be uncon-
 22 stitutional as double taxation

23 (U) ~~(+4)~~ Shares of stock in banks, trust companies, and
 24 national banking associations

25 (3) THE TAX COMPUTED UNDER SECTION 2 LESS DEDUCTIONS TAKEN
 26 UNDER SUBSECTION (1) SHALL BE REDUCED BY THE FOLLOWING
 27 PERCENTAGES

- 1 (A) FOR CALENDAR YEAR 1995, OR A FISCAL YEAR ENDING IN
2 CALENDAR YEAR 1995, 20%
- 3 (B) FOR CALENDAR YEAR 1996, OR A FISCAL YEAR ENDING IN CAL-
4 ENDAR YEAR 1996, 40%
- 5 (C) FOR CALENDAR YEAR 1997, OR A FISCAL YEAR ENDING IN CAL-
6 ENDAR YEAR 1997, 60%
- 7 (D) FOR CALENDAR YEAR 1998, OR A FISCAL YEAR ENDING IN CAL-
8 ENDAR YEAR 1998 80%
- 9 (E) FOR A CALENDAR YEAR AFTER 1998 OR A FISCAL YEAR ENDING
10 AFTER CALENDAR YEAR 1998, 100%

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