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HOUSE BILL No. 5899

November 10 1994 Introduced by Reps Bodem Jersevic, Gnodike DeLange Gernaat Lowe Porreca Dalman Schroer, McBryde Jamian Vorva Hammerstrom Rhead Willard Shugars, Jaye, Dobronski, McManus Johnson, Gilmer, Alley Middaugh Pitoniak, McNutt Dobb Voorhees Rocca and Galloway 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 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 shall not exceed \$350 00 BEGINNING WITH CALENDAR YEAR 1994, OR
 6 A FISCAL YEAR ENDING AFTER JUNE 30, 1994, IN ADDITION TO A DEDUC-
 7 TION OTHERWISE PROVIDED UNDER THIS SUBDIVISION, AN INDIVIDUAL WHO
 8 IS 65 YEARS OF AGE OR OLDER MAY DEDUCT, FROM THE TOTAL TAX AS
 9 COMPUTED UNDER SECTION 2 \$175 00 IF FILING AN INDIVIDUAL RETURN
 10 OR FOR A HUSBAND AND WIFE, IF 1 OR BOTH OF THEM ARE 65 YEARS OF
 11 AGE OR OLDER AND FILING A JOINT RETURN \$350 00 For a tax return
 12 covering a period of less than 1 year the deduction shall be
 13 reduced proportionately The deduction ~~shall~~ IS not ~~be~~
 14 allowed in connection with the tax imposed under this act on
 15 ~~moneys~~ MONEY on hand, ~~or~~ in transit or on deposit in a bank
 16 or shares of stock in building and loan or savings and loan
 17 associations

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

22 (2) ~~(b)~~ The following ~~shall be~~ IS exempt from the tax
 23 imposed by this act,

24 (A) ~~(1)~~ Mortgages and land contracts and the evidences of
 25 indebtedness secured thereby upon which the specific tax imposed
 26 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 IT WAS 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 19)

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 ~~+2~~

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 bank~~

5 (v1) BANK holding companies as defined in SECTION 2 OF THE

6 BANK HOLDING COMPANY ACT OF 1956 CHAPTER 240 70 STAT 133 12

7 U S C 1841 which pursuant to ~~that~~ section 2 OF THE BANK HOLD-

8 ING COMPANY ACT OF 1956 control a bank national banking associ-

9 ation trust company or industrial bank subsidiary located in

10 this state ~~, doing business in this state under whatever~~

11 ~~authority organized~~

12 (R) ~~(+2)~~ 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) ~~(+2a)~~ 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) ~~(+3)~~ 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) ~~(+4)~~ Shares of stock in banks trust companies ~~and~~
5 OR national banking associations