



HOUSE BILL No. 5132

September 26, 1995, Introduced by Reps. Hammerstrom, Profit, Gnodtke, Baade, Anthony, Dobb, Jersevic, Green, Pitoniak, Crissman, Hill, Perricone, Bodem, Law, Kaza, Weeks, Rhead, Willard, Dalman, Gire, DeMars, Bush, Voorhees, Horton, Byl, Goschka, DeLange and Galloway and referred to the Committee on Tax Policy.

A bill to amend section 40 of Act No. 167 of the Public Acts of 1933, entitled as amended

"General sales tax act,"

as added by Act No. 156 of the Public Acts of 1994, being section 205.540 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 40 of Act No. 167 of the Public Acts of
2 1933, as added by Act No. 156 of the Public Acts of 1994, being
3 section 205.540 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 40. (1) A person subject to tax under this act ~~with~~
6 ~~aggregate sales at retail in the calendar year of less than~~
7 ~~\$5,000.00 and~~ not operating for profit who is a school, church,
8 hospital, parent cooperative preschool, CHARITABLE SERVICE
9 ORGANIZATION, COMMUNITY SPONSORED YOUTH SPORTS PROGRAM, or

1 nonprofit organization ~~with a tax exempt status under section~~
2 ~~4n(1)(a) or (b)~~ may exclude from the proceeds used for the com-
3 putation of the tax the sales of tangible personal property
4 PRICED AT LESS THAN \$50.00 PER ITEM for fund-raising purposes.

5 (2) A club, association, auxiliary, or other organization
6 affiliated with a school, church, hospital, parent cooperative
7 preschool, CHARITABLE SERVICE ORGANIZATION, COMMUNITY SPONSORED
8 YOUTH SPORTS PROGRAM, or nonprofit organization ~~with a tax~~
9 ~~exempt status under section 4n(1)(a) or (b)~~ is not considered a
10 separate person for purposes of this exemption. As used in this
11 section, "school" means each elementary, middle, junior, or high
12 school site within a local school district that represents a dis-
13 trict attendance area as established by the board of the local
14 school district.

15 Section 2. This amendatory act is retroactive and shall
16 take effect as of September 1, 1995.