



HOUSE BILL No. 5505

January 16, 1996, Introduced by Reps. Profit and Bullard and referred to the Committee on Tax Policy.

A bill to amend Act No. 167 of the Public Acts of 1933, entitled as amended "General sales tax act," as amended, being sections 205.51 to 205.78 of the Michigan Compiled Laws, by adding section 4p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 167 of the Public Acts of 1933, as
2 amended, being sections 205.51 to 205.78 of the Michigan Compiled
3 Laws, is amended by adding section 4p to read as follows:

4 SEC. 4P. (1) A PERSON SUBJECT TO TAX UNDER THIS ACT MAY
5 EXCLUDE FROM GROSS PROCEEDS USED FOR THE COMPUTATION OF THE TAX
6 SALES OF PARTS AND MATERIALS, EXCLUDING SHOP EQUIPMENT OR FUEL,
7 AFFIXED TO OR TO BE AFFIXED IN THIS STATE TO AN AIRCRAFT OWNED OR
8 USED BY A DOMESTIC AIR CARRIER THAT IS ANY OF THE FOLLOWING:

1 (A) AN AIRCRAFT PURCHASED AFTER DECEMBER 31, 1992 FOR USE
2 SOLELY IN THE TRANSPORT OF AIR CARGO THAT HAS A MAXIMUM
3 CERTIFICATED TAKEOFF WEIGHT OF AT LEAST 12,500 POUNDS.

4 (B) AN AIRCRAFT PURCHASED AFTER JUNE 30, 1994 THAT IS USED
5 SOLELY IN THE REGULARLY SCHEDULED TRANSPORT OF PASSENGERS.

6 (C) AN AIRCRAFT OTHER THAN AN AIRCRAFT DESCRIBED IN SUBDIVI-
7 SION (B), PURCHASED AFTER DECEMBER 31, 1994 THAT HAS A MAXIMUM
8 CERTIFICATED TAKEOFF WEIGHT OF AT LEAST 12,500 POUNDS AND THAT IS
9 DESIGNED TO HAVE A MAXIMUM PASSENGER SEATING CONFIGURATION OF
10 MORE THAN 30 SEATS AND USED SOLELY IN THE TRANSPORT OF
11 PASSENGERS.

12 (2) FOR PURPOSES OF THIS SECTION, "DOMESTIC AIR CARRIER" IS
13 LIMITED TO ENTITIES ENGAGED IN THE COMMERCIAL TRANSPORT FOR HIRE
14 OF CARGO OR ENTITIES ENGAGED IN THE COMMERCIAL TRANSPORT OF PAS-
15 SENGERS AS A BUSINESS ACTIVITY.