



HOUSE BILL No. 5982

July 2, 1996, Introduced by Reps. Walberg and Nye and referred to the Committee on Tax Policy.

A bill to amend Act No. 94 of the Public Acts of 1937, entitled as amended

"Use tax act,"

as amended, being sections 205.91 to 205.111 of the Michigan Compiled Laws, by adding section 4m.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 94 of the Public Acts of 1937, as
2 amended, being sections 205.91 to 205.111 of the Michigan
3 Compiled Laws, is amended by adding section 4m to read as
4 follows:

5 SEC. 4M. (1) AN AIRCRAFT WITH A MAXIMUM CERTIFIED TAKEOFF
6 WEIGHT OF LESS THAN 12,500 POUNDS NOT SUBJECT TO TAXATION UNDER
7 THE GENERAL SALES TAX ACT, ACT NO. 167 OF THE PUBLIC ACTS OF
8 1933, BEING SECTIONS 205.51 TO 205.78 OF THE MICHIGAN COMPILED
9 LAWS, BECAUSE THAT AIRCRAFT WAS PURCHASED FOR RESALE BY A FIXED

1 BASE OPERATOR AND IS USED IN A MANNER INCONSISTENT WITH BEING
2 HELD FOR RESALE IS SUBJECT TO THE TAX LEVIED UNDER THIS ACT BASED
3 ON EITHER OF THE FOLLOWING AT THE ELECTION OF THE FIXED BASE
4 OPERATOR:

5 (A) THE PRICE OF THE AIRCRAFT.

6 (B) THE RENTAL RECEIPTS FOR THE AIRCRAFT. RENTAL RECEIPTS
7 DO NOT INCLUDE AN AMOUNT THAT IS ATTRIBUTED TO THE SERVICES OF A
8 PILOT OR INSTRUCTOR. RENTAL RECEIPTS SHALL NOT BE LESS THAN AN
9 AMOUNT CALCULATED BY MULTIPLYING THE HOURS THE AIRCRAFT WAS
10 RENTED BY A REASONABLE RENTAL RATE CONSISTENT WITH THE PREVAILING
11 RENTAL RATE OFFERED BY FIXED BASE OPERATORS.

12 (2) A FIXED BASE OPERATOR'S ELECTION OF THE BASIS ON WHICH
13 THE TAX WILL BE LEVIED UNDER THIS ACT ON AN AIRCRAFT UNDER
14 SUBSECTION (1) IS IRREVOCABLE DURING THE PERIOD THAT THE FIXED
15 BASE OPERATOR OWNS THAT AIRCRAFT.

16 (3) AS USED IN THIS SECTION, "FIXED BASE OPERATOR" MEANS A
17 PERSON LICENSED AS A DEALER UNDER SECTION 82 OF THE AERONAUTICS
18 CODE OF THE STATE OF MICHIGAN, ACT NO. 327 OF THE PUBLIC ACTS OF
19 1945, BEING SECTION 259.82 OF THE MICHIGAN COMPILED LAWS, WHO IS
20 ENGAGED IN COMMERCIAL ACTIVITY OR OPERATIONS AS DEFINED IN
21 SECTION 14A OF ACT NO. 327 OF THE PUBLIC ACTS OF 1945, BEING
22 SECTION 259.14A OF THE MICHIGAN COMPILED LAWS.