

**SUBSTITUTE FOR
HOUSE BILL NO. 5213**

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending sections 2, 4, and 10 (MCL 205.92, 205.94, and
205.100), section 2 as amended by 1995 PA 208, section 4 as
amended by 1997 PA 194, and section 10 as amended by 1993 PA
263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:
2 (a) "Person" means an individual, firm, partnership, joint
3 venture, association, social club, fraternal organization, munic-
4 ipal or private corporation whether or not organized for profit,
5 company, estate, trust, receiver, trustee, syndicate, the United
6 States, this state, county, or any other group or combination
7 acting as a unit, and the plural as well as the singular number,

1 unless the intention to give a more limited meaning is disclosed
2 by the context.

3 (b) "Use" means the exercise of a right or power over tangi-
4 ble personal property incident to the ownership of that property
5 including transfer of the property in a transaction where posses-
6 sion is given.

7 (c) "Storage" means a keeping or retention of property in
8 this state for any purpose after the property loses its inter-
9 state character.

10 (d) "Seller" means the person from whom a purchase is made
11 and includes every person selling tangible personal property or
12 services for storage, use, or other consumption in this state.
13 If, in the opinion of the department, it is necessary for the
14 efficient administration of this act to regard a salesperson,
15 representative, peddler, or canvasser as the agent of a dealer,
16 distributor, supervisor, or employer under whom the person oper-
17 ates or from whom he or she obtains tangible personal property or
18 services sold by him or her for storage, use, or other consump-
19 tion in this state, irrespective of whether or not he or she is
20 making the sales on his or her own behalf or on behalf of the
21 dealer, distributor, supervisor, or employer, the department may
22 so consider him or her, and may consider the dealer, distributor,
23 supervisor, or employer as the seller for the purpose of this
24 act.

25 (e) "Purchase" means to acquire for a consideration, whether
26 the acquisition is effected by a transfer of title, of
27 possession, or of both, or a license to use or consume; whether

1 the transfer is absolute or conditional, and by whatever means
2 the transfer is effected; and whether consideration is a price or
3 rental in money, or by way of exchange or barter.

4 (f) "Price" means the aggregate value in money of anything
5 paid or delivered, or promised to be paid or delivered, by a con-
6 sumer to a seller in the consummation and complete performance of
7 the transaction by which tangible personal property or services
8 are purchased or rented for storage, use, or other consumption in
9 this state, without a deduction for the cost of the property
10 sold, cost of materials used, labor or service cost, interest or
11 discount paid, or any other expense. The price of tangible per-
12 sonal property, for affixation to real estate, withdrawn by a
13 construction contractor from inventory available for sale to
14 others or made available by publication or price list as a fin-
15 ished product for sale to others is the finished goods inventory
16 value of the property. If a construction contractor manufac-
17 tures, fabricates, or assembles tangible personal property before
18 affixing it to real estate, the price of the property is equal to
19 the sum of the materials cost of the property and the cost of
20 labor to manufacture, fabricate, or assemble the property but
21 does not include the cost of labor to cut, bend, assemble, or
22 attach property at the site of affixation to real estate. For
23 the purposes of the preceding sentence, for property withdrawn by
24 a construction contractor from inventory available for sale to
25 others or made available by publication or price list as a fin-
26 ished product for sale to others, the materials cost of the
27 property means the finished goods inventory value of the

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1 property. For purposes of this subdivision, "manufacture" means
2 to convert or condition tangible personal property by changing
3 the form, composition, quality, combination, or character of the
4 property and "fabricate" means to modify or prepare tangible per-
5 sonal property for affixation or assembly. The price of a motor
6 vehicle, trailer coach, or titled watercraft is the full retail
7 price of the motor vehicle, trailer coach, or titled watercraft
8 being purchased. The tax collected by the seller from the con-
9 sumer or lessee under this act is not considered part of the
10 price, but is a tax collection for the benefit of the state, and
11 a person other than the state shall not derive a benefit from the
12 collection or payment of this tax. A price does not include an
13 assessment imposed under the convention and tourism marketing
14 act, ~~Act No. 383 of the Public Acts of 1980, being sections~~
15 ~~141.881 to 141.889 of the Michigan Compiled Laws, Act No. 263 of~~
16 ~~the Public Acts of 1974, being sections 141.861 to 141.867 of the~~
17 ~~Michigan Compiled Laws~~ 1980 PA 383, MCL 141.881 TO 141.889, 1974
18 PA 263, MCL 141.861 TO 141.867, the state convention facility
19 development act, ~~Act No. 106 of the Public Acts of 1985, being~~
20 ~~sections 207.621 to 207.640 of the Michigan Compiled Laws~~ 1985
21 PA 106, MCL 207.621 TO 207.640, the regional tourism marketing
22 act, ~~Act No. 244 of the Public Acts of 1989, being~~
23 ~~sections 141.891 to 141.900 of the Michigan Compiled Laws, Act~~
24 ~~No. 180 of the Public Acts of 1991, being sections 207.751 to~~
25 ~~207.759 of the Michigan Compiled Laws~~ 1989 PA 244, MCL 141.891
26 TO 141.900, 1991 PA 180, MCL 207.751 TO 207.759, or the community
27 convention or tourism marketing act, ~~Act No. 395 of the Public~~

~~1 Acts of 1980, being sections 141.871 to 141.880 of the Michigan~~
~~2 Compiled Laws—~~ 1980 PA 395, MCL 141.871 TO 141.880, that was
3 added to charges for rooms or lodging otherwise subject, pursuant
4 to section 3a, to tax under this act. Price does not include
5 specific charges for technical support or for adapting or modify-
6 ing prewritten, standard, or canned computer software programs to
7 a purchaser's needs or equipment if the charges are separately
8 stated and identified. The tax imposed under this act shall not
9 be computed or collected on rental receipts if the tangible per-
10 sonal property rented or leased has previously been subjected to
11 a Michigan sales or use tax when purchased by the lessor.

12 (g) "Consumer" means the person who has purchased tangible
13 personal property or services for storage, use, or other consump-
14 tion in this state and includes a person acquiring tangible per-
15 sonal property if engaged in the business of constructing, alter-
16 ing, repairing, or improving the real estate of others.

17 (h) "Business" means all activities engaged in by a person
18 or caused to be engaged in by a person with the object of gain,
19 benefit, or advantage, either direct or indirect.

20 (i) "Department" means the revenue division of the depart-
21 ment of treasury.

22 (j) "Tax" includes all taxes, interest, or penalties levied
23 under this act.

24 (k) "Tangible personal property" includes computer software
25 offered for general use by the public or software modified or
26 adapted to the user's needs or equipment by the seller, only if
27 the software is available from a seller of software on an as is

1 basis or as an end product without modification or adaptation.
2 Tangible personal property does not include computer software
3 originally designed for the exclusive use and special needs of
4 the purchaser. As used in this subdivision, "computer software"
5 means a set of statements or instructions that when incorporated
6 in a machine usable medium is capable of causing a machine or
7 device having information processing capabilities to indicate,
8 perform, or achieve a particular function, task, or result.

9 (1) "Tangible personal property" does not include a commer-
10 cial advertising element if the commercial advertising element is
11 used to create or develop a print, radio, television, or other
12 advertisement, the commercial advertising element is discarded or
13 returned to the provider after the advertising message is com-
14 pleted, and the commercial advertising element is custom devel-
15 oped by the provider for the purchaser. As used in this subdivi-
16 sion, "commercial advertising element" means a negative or posi-
17 tive photographic image, an audiotape or videotape master, a
18 layout, a manuscript, writing of copy, a design, artwork, an
19 illustration, retouching, and mechanical or keyline
20 instructions. "Tangible personal property" includes black and
21 white or full color process separation elements, an audiotape
22 reproduction, or a videotape reproduction.

23 (M) "TEXTILES" MEANS GOODS THAT ARE MADE OF OR INCORPORATE
24 WOVEN OR NONWOVEN FABRIC, INCLUDING, BUT NOT LIMITED TO, CLOTH-
25 ING, SHOES, HATS, GLOVES, HANDKERCHIEFS, CURTAINS, TOWELS,
26 SHEETS, PILLOWS, PILLOWCASES, TABLECLOTHS, NAPKINS, APRONS,
27 LINENS, FLOOR MOPS, FLOOR MATS, AND THREAD. TEXTILES ALSO

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1 INCLUDE MATERIALS USED TO REPAIR OR CONSTRUCT TEXTILES, OR OTHER
2 GOODS USED IN THE RENTAL, SALE, OR CLEANING OF TEXTILES.

3 Sec. 4. The tax levied does not apply to the following:

4 (a) Property sold in this state on which transaction a tax
5 is paid under the general sales tax act, 1933 PA 167, MCL 205.51
6 to 205.78, if the tax was due and paid on the retail sale to a
7 consumer.

8 (b) Property, the storage, use, or other consumption of
9 which this state is prohibited from taxing under the constitution
10 or laws of the United States, or under the constitution of this
11 state.

12 (c) Property purchased for resale, demonstration purposes,
13 or lending or leasing to a public or parochial school offering a
14 course in automobile driving except that a vehicle purchased by
15 the school shall be certified for driving education and shall not
16 be reassigned for personal use by the school's administrative
17 personnel. For a dealer selling a new car or truck, exemption
18 for demonstration purposes shall be determined by the number of
19 new cars and trucks sold during the current calendar year or the
20 immediately preceding year without regard to specific make or
21 style according to the following schedule of 0 to 25, 2 units; 26
22 to 100, 7 units; 101 to 500, 20 units; 501 or more, 25 units; but
23 not to exceed 25 cars and trucks in 1 calendar year for demon-
24 stration purposes. Property purchased for resale includes promo-
25 tional merchandise transferred pursuant to a redemption offer to
26 a person located outside this state or any packaging material,
27 other than promotional merchandise, acquired for use in

1 fulfilling a redemption offer or rebate to a person located
2 outside this state.

3 (d) Property that is brought into this state by a nonresi-
4 dent person for storage, use, or consumption while temporarily
5 within this state, except if the property is used in this state
6 in a nontransitory business activity for a period exceeding 15
7 days.

8 (e) Property the sale or use of which was already subjected
9 to a sales tax or use tax equal to, or in excess of, that imposed
10 by this act under the law of any other state or a local govern-
11 mental unit within a state if the tax was due and paid on the
12 retail sale to the consumer and the state or local governmental
13 unit within a state in which the tax was imposed accords like or
14 complete exemption on property the sale or use of which was sub-
15 jected to the sales or use tax of this state. If the sale or use
16 of property was already subjected to a tax under the law of any
17 other state or local governmental unit within a state in an
18 amount less than the tax imposed by this act, this act shall
19 apply, but at a rate measured by the difference between the rate
20 provided in this act and the rate by which the previous tax was
21 computed.

22 (f) Property sold to a person engaged in a business enter-
23 prise and using and consuming the property in the tilling, plant-
24 ing, caring for, or harvesting of the things of the soil or in
25 the breeding, raising, or caring for livestock, poultry, or
26 horticultural products, including transfers of livestock,
27 poultry, or horticultural products for further growth. At the

1 time of the transfer of that tangible personal property, the
2 transferee shall sign a statement, in a form approved by the
3 department, stating that the property is to be used or consumed
4 in connection with the production of horticultural or agricul-
5 tural products as a business enterprise. The statement shall be
6 accepted by the courts as prima facie evidence of the exemption.
7 This exemption includes agricultural land tile, which means fired
8 clay or perforated plastic tubing used as part of a subsurface
9 drainage system for land used in the production of agricultural
10 products as a business enterprise and includes a portable grain
11 bin, which means a structure that is used or is to be used to
12 shelter grain and that is designed to be disassembled without
13 significant damage to its component parts. This exemption does
14 not include transfers of food, fuel, clothing, or similar tangi-
15 ble personal property for personal living or human consumption.
16 This exemption does not include tangible personal property per-
17 manently affixed and becoming a structural part of real estate.

18 (g) Property sold to the following:

19 (i) An industrial processor for use or consumption in indus-
20 trial processing. Property used or consumed in industrial pro-
21 cessing does not include tangible personal property permanently
22 affixed and becoming a structural part of real estate; office
23 furniture, office supplies, and administrative office equipment;
24 or vehicles licensed and titled for use on public highways other
25 than a specially designed vehicle, together with parts, used to
26 mix and agitate materials added at a plant or jobsite in the
27 concrete manufacturing process. Industrial processing does not

1 include receipt and storage of raw materials purchased or
2 extracted by the user or consumer, or the preparation of food and
3 beverages by a retailer for retail sale. As used in this subdi-
4 vision, "industrial processor" means a person who transforms,
5 alters, or modifies tangible personal property by changing the
6 form, composition, or character of the property for ultimate sale
7 at retail or sale to another industrial processor to be further
8 processed for ultimate sale at retail. EFFECTIVE JANUARY 1,
9 1993, INDUSTRIAL PROCESSOR INCLUDES, BUT IS NOT LIMITED TO, A
10 PERSON WHO LAUNDERS OR CLEANS TEXTILES FOR REUSE, SALE, OR RENTAL
11 UNDER A SERVICE OR RENTAL AGREEMENT WITH A TERM OF AT LEAST 5
12 DAYS. Sales to a person performing a service who does not act as
13 an industrial processor while performing the service may not be
14 excluded under this subdivision, except as provided in
15 ~~subparagraph~~ SUBPARAGRAPHS (ii) AND (iii).

16 (ii) A person, whether or not the person is an industrial
17 processor, when the property is a computer used in operating
18 industrial processing equipment; equipment used in a computer
19 assisted manufacturing system; equipment used in a computer
20 assisted design or engineering system integral to an industrial
21 process; or a subunit or electronic assembly comprising a compo-
22 nent in a computer integrated industrial processing system.

23 (iii) A RESTAURANT OR OTHER RETAIL SALES BUSINESS, WHETHER
24 OR NOT THE RESTAURANT OR BUSINESS IS AN INDUSTRIAL PROCESSOR, IF
25 THE TANGIBLE PERSONAL PROPERTY IS A TEXTILE THAT HAS BEEN LAUN-
26 DERED OR CLEANED FOR REUSE, SALE, OR RENTAL UNDER A SERVICE OR
27 RENTAL AGREEMENT WITH A TERM OF AT LEAST 5 DAYS.

1 (h) Property or services sold to the United States, an
2 unincorporated agency or instrumentality of the United States, an
3 incorporated agency or instrumentality of the United States
4 wholly owned by the United States or by a corporation wholly
5 owned by the United States, the American red cross and its chap-
6 ters or branches, this state, a department or institution of this
7 state, or a political subdivision of this state.

8 (i) Property or services sold to a school, hospital, or home
9 for the care and maintenance of children or aged persons, oper-
10 ated by an entity of government, a regularly organized church,
11 religious, or fraternal organization, a veterans' organization,
12 or a corporation incorporated under the laws of this state, if
13 not operated for profit, and if the income or benefit from the
14 operation does not inure, in whole or in part, to an individual
15 or private shareholder, directly or indirectly, and if the activ-
16 ities of the entity or agency are carried on exclusively for the
17 benefit of the public at large and are not limited to the advan-
18 tage, interests, and benefits of its members or a restricted
19 group. The tax levied does not apply to property or services
20 sold to a parent cooperative preschool. As used in this subdivi-
21 sion, "parent cooperative preschool" means a nonprofit, nondis-
22 criminatory educational institution, maintained as a community
23 service and administered by parents of children currently
24 enrolled in the preschool that provides an educational and devel-
25 opmental program for children younger than compulsory school age,
26 that provides an educational program for parents, including
27 active participation with children in preschool activities, that

1 is directed by qualified preschool personnel, and that is
2 licensed by the department of consumer and industry services pur-
3 suant to 1973 PA 116, MCL 722.111 to 722.128.

4 (j) Property or services sold to a regularly organized
5 church or house of religious worship except the following:

6 (i) Sales in which the property is used in activities that
7 are mainly commercial enterprises.

8 (ii) Sales of vehicles licensed for use on the public high-
9 ways other than a passenger van or bus with a manufacturer's
10 rated seating capacity of 10 or more that is used primarily for
11 the transportation of persons for religious purposes.

12 (k) A vessel designed for commercial use of registered ton-
13 nage of 500 tons or more, if produced upon special order of the
14 purchaser, and bunker and galley fuel, provisions, supplies,
15 maintenance, and repairs for the exclusive use of a vessel of 500
16 tons or more engaged in interstate commerce.

17 (l) Property purchased by a person engaged in the business
18 of constructing, altering, repairing, or improving real estate
19 for others to the extent the property is affixed to and made a
20 structural part of the real estate of a nonprofit hospital or a
21 nonprofit housing entity qualified as exempt pursuant to section
22 15a of the state housing development authority act of 1966, 1966
23 PA 346, MCL 125.1415a. A nonprofit hospital or nonprofit housing
24 includes only the property of a nonprofit hospital or the homes
25 or dwelling places constructed by a nonprofit housing entity, the
26 income or property of which does not directly or indirectly inure

1 to the benefit of an individual, private stockholder, or other
2 private person.

3 (m) Property purchased for use in this state where actual
4 personal possession is obtained outside this state, the purchase
5 price or actual value of which does not exceed \$10.00 during 1
6 calendar month.

7 (n) A newspaper or periodical classified under federal
8 postal laws and regulations effective September 1, 1985 as second
9 class mail matter or as a controlled circulation publication or
10 qualified to accept legal notices for publication in this state,
11 as defined by law, or any other newspaper or periodical of gen-
12 eral circulation, established at least 2 years, and published at
13 least once a week, and a copyrighted motion picture film.

14 Tangible personal property used or consumed, and not becoming a
15 component part of a copyrighted motion picture film, newspaper or
16 periodical, except that portion or percentage of tangible per-
17 sonal property used or consumed in producing an advertising sup-
18 plement that becomes a component part of a newspaper or periodi-
19 cal is subject to tax. For purposes of this subdivision, tangi-
20 ble personal property that becomes a component part of a newspa-
21 per or periodical and consequently not subject to tax, includes
22 an advertising supplement inserted into and circulated with a
23 newspaper or periodical that is otherwise exempt from tax under
24 this subdivision, if the advertising supplement is delivered
25 directly to the newspaper or periodical by a person other than
26 the advertiser, or the advertising supplement is printed by the
27 newspaper or periodical.

1 (o) Property purchased by persons licensed to operate a
2 commercial radio or television station if the property is used in
3 the origination or integration of the various sources of program
4 material for commercial radio or television transmission. This
5 subdivision does not include a vehicle licensed and titled for
6 use on public highways or property used in the transmitting to or
7 receiving from an artificial satellite.

8 (p) A person who is a resident of this state who purchases
9 an automobile in another state while in the military service of
10 the United States and who pays a sales tax in the state where the
11 automobile is purchased.

12 (q) A vehicle for which a special registration is secured in
13 accordance with section 226(12) of the Michigan vehicle code,
14 1949 PA 300, MCL 257.226.

15 (r) A hearing aid, contact lenses if prescribed for a spe-
16 cific disease that precludes the use of eyeglasses, or any other
17 apparatus, device, or equipment used to replace or substitute for
18 any part of the human body, or used to assist the disabled person
19 to lead a reasonably normal life when the tangible personal prop-
20 erty is purchased on a written prescription or order issued by a
21 health professional as defined by section 4 of former 1974 PA
22 264, or section 21005 of the public health code, 1978 PA 368, MCL
23 333.21005, or eyeglasses prescribed or dispensed to correct the
24 person's vision by an ophthalmologist, optometrist, or optician.

25 (s) Water when delivered through water mains or in bulk
26 tanks in quantities of not less than 500 gallons.

1 (t) The purchase of machinery and equipment for use or
2 consumption in the rendition of any combination of services, the
3 use or consumption of which is taxable under section 3a(a) or (c)
4 except that this exemption is limited to the tangible personal
5 property located on the premises of the subscriber and to central
6 office equipment or wireless equipment, directly used or consumed
7 in transmitting, receiving, or switching or the monitoring of
8 switching of a 2-way interactive communication. As used in this
9 subdivision, central office equipment or wireless equipment does
10 not include distribution equipment including cable or wire
11 facilities.

12 (u) A vehicle not for resale used by a nonprofit corporation
13 organized exclusively to provide a community with ambulance or
14 fire department services.

15 (v) Tangible personal property purchased and installed as a
16 component part of a water pollution control facility for which a
17 tax exemption certificate is issued pursuant to part 37 (water
18 pollution control facilities; tax exemption) of the natural
19 resources and environmental protection act, 1994 PA 451,
20 MCL 324.3701 to 324.3708, or an air pollution control facility
21 for which a tax exemption certificate is issued pursuant to part
22 59 (air pollution control facility; tax exemption) of the natural
23 resources and environmental protection act, 1994 PA 451,
24 MCL 324.5901 to 324.5908.

25 (w) Tangible real or personal property donated by a manufac-
26 turer, wholesaler, or retailer to an organization or entity

1 exempt pursuant to subdivision (i) or (j) or section 4a(a) or (b)
2 of the general sales tax act, 1933 PA 167, MCL 205.54a.

3 (x) The storage, use, or consumption by a domestic air car-
4 rier of an aircraft purchased after December 31, 1992 for use
5 solely in the transport of air cargo that has a maximum certifi-
6 cated takeoff weight of at least 12,500 pounds. For purposes of
7 this subdivision, the term "domestic air carrier" is limited to
8 entities engaged in the commercial transport for hire of cargo or
9 entities engaged in the commercial transport of passengers as a
10 business activity.

11 (y) The storage, use, or consumption by a domestic air car-
12 rier of an aircraft purchased after June 30, 1994 that is used
13 solely in the regularly scheduled transport of passengers. For
14 purposes of this subdivision, the term "domestic air carrier" is
15 limited to entities engaged in the commercial transport for hire
16 of cargo or entities engaged in the commercial transport of pas-
17 sengers as a business activity.

18 (z) The storage, use, or consumption by a domestic air car-
19 rier of an aircraft, other than an aircraft described under
20 subdivision (y), purchased after December 31, 1994, that has a
21 maximum certificated takeoff weight of at least 12,500 pounds and
22 that is designed to have a maximum passenger seating configura-
23 tion of more than 30 seats and used solely in the transport of
24 passengers. For purposes of this subdivision, the term "domestic
25 air carrier" is limited to entities engaged in the commercial
26 transport for hire of cargo or entities engaged in the commercial
27 transport of passengers as a business activity.

1 (aa) Property or services sold to a health, welfare,
2 educational, cultural arts, charitable, or benevolent organiza-
3 tion not operated for profit that has been issued before June 13,
4 1994 an exemption ruling letter to purchase items exempt from tax
5 signed by the administrator of the sales, use, and withholding
6 taxes division of the department. The department shall reissue
7 an exemption letter to each of those organizations after June 13,
8 1994 that shall remain in effect unless the organization fails to
9 meet the requirements that originally entitled it to this exemp-
10 tion; or to an organization not operated for profit and exempt
11 from federal income tax under section 501(c)(3) or 501(c)(4) of
12 the internal revenue code of 1986, 26 U.S.C. 501. The exemption
13 does not apply to sales of tangible personal property and sales
14 of vehicles licensed for use on public highways, that are not
15 used primarily to carry out the purposes of the organization as
16 stated in the bylaws or articles of incorporation of the exempt
17 organization.

18 (bb) The use or consumption of services described in
19 section 3a(a) or (c) by means of a prepaid telephone calling
20 card, a prepaid authorization number for telephone use, or a
21 charge for internet access.

22 Sec. 10. (1) The tax imposed by this act shall be adminis-
23 tered by the revenue commissioner under ~~Act No. 122 of the~~
24 ~~Public Acts of 1941, as amended, being sections 205.1 to 205.31~~
25 ~~of the Michigan Compiled Laws~~ 1941 PA 122, MCL 205.1 TO 205.31,
26 and this act. ~~In case of conflict between Act No. 122 of the~~

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1 ~~Public Acts of 1941, as amended~~ IF 1941 PA 122, MCL 205.1 TO
2 205.31, and this act CONFLICT, the provisions of this act apply.

3 (2) Rules shall be promulgated ~~under~~ TO IMPLEMENT this act
4 ~~pursuant to~~ UNDER the administrative procedures act of 1969,
5 ~~Act No. 306 of the Public Acts of 1969, as amended, being sec-~~
6 ~~tions 24.201 to 24.328 of the Michigan Compiled Laws~~ 1969 PA
7 306, MCL 24.201 TO 24.328.

8 (3) Claims for refund pursuant to the 1988 amendatory act
9 amending section 2 shall be filed not later than March 31, 1989.
10 The approved refunds shall be paid without interest. The depart-
11 ment shall not pay refunds totaling more than \$1,000,000.00 in
12 any 1 fiscal year, unless the single business tax act, ~~Act~~
13 ~~No. 228 of the Public Acts of 1975, being sections 208.1 to~~
14 ~~208.145 of the Michigan Compiled Laws~~ 1975 PA 228, MCL 208.1 TO
15 208.145, is amended to impose a 1-year surcharge on the business
16 activity of contract construction to recover the cost of the
17 refunds.

18 (4) A claim for a refund pursuant to the final decision of
19 the Michigan court of appeals in the case of GTE Sprint
20 Communications Corp. v Michigan Department of Treasury, 179 Mich
21 App 276, 1989, LV DEN 436 Mich 874, 1990, shall be filed not
22 later than January 1, 1994 by a person that paid the tax under
23 this act for interstate access telephone services for the period
24 beginning August 1, 1988 through January 1, 1991. The approved
25 refund shall be paid without interest. The department shall pay
26 the refund in 12 equal installments commencing in the month that
27 the person begins applying the refunds to the billings of its

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1 current Michigan interstate subscribers in a manner consistent
2 with the requirements of the federal communications commission.

3 (5) A CLAIM FOR A REFUND UNDER THE 1997 AMENDATORY ACT
4 AMENDING SECTION 4 TO INCLUDE A PERSON WHO LAUNDERS OR CLEANS
5 TEXTILES FOR REUSE, SALE, OR RENTAL UNDER A SERVICE AGREEMENT
6 WITH A TERM OF AT LEAST 5 DAYS WITHIN THE EXEMPTION FOR AN INDUS-
7 TRIAL PROCESSOR SHALL BE FILED NOT LATER THAN 90 DAYS AFTER THE
8 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.