

SUBSTITUTE FOR
SENATE BILL NO. 1054

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 13 (MCL 211.13) and by adding section 8c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 8C. (1) RENTAL INVENTORY SHALL BE ASSESSED TO THE
2 OWNER OF THE RENTAL INVENTORY BY THE LOCAL TAX COLLECTING UNIT IN
3 WHICH THE OWNER IS LOCATED AND IS NOT ASSESSABLE BY THE LOCAL TAX
4 COLLECTING UNIT IN WHICH THE RENTAL INVENTORY IS LOCATED IF THE
5 OWNER IS NOT ALSO LOCATED IN THAT LOCAL TAX COLLECTING UNIT IF
6 BOTH OF THE FOLLOWING CONDITIONS ARE SATISFIED:

7 (A) THE OWNER OF THE RENTAL INVENTORY, TOGETHER WITH ANY
8 AFFILIATED COMPANY, DERIVED 50% OR MORE OF THE OWNER'S AND ANY
9 AFFILIATED COMPANY'S GROSS PROCEEDS IN THE TAX YEAR FROM THE
10 RENTAL OF THE RENTAL INVENTORY.

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1 (B) POSSESSION OF THE RENTAL INVENTORY IS NOT TRANSFERRED TO
2 THE SAME PERSON FOR MORE THAN 6 MONTHS IN ANY 12-MONTH PERIOD AND
3 THE RENTAL INVENTORY WAS TRANSFERRED FOR HOUSEHOLD USE 50% OR
4 MORE OF THE TIME.

5 (2) THE OWNER OF RENTAL INVENTORY SHALL PROVIDE BOTH OF THE
6 FOLLOWING TO THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT WHEN
7 SUBMITTING A WRITTEN STATEMENT REQUIRED UNDER SECTION 18:

8 (A) ONE OR MORE OF THE FOLLOWING:

9 (i) A SALES TAX RETURN FILED PURSUANT TO THE SALES TAX ACT,
10 1933 PA 167, MCL 205.51 TO 205.78, AND A USE TAX RETURN FILED
11 PURSUANT TO THE USE TAX ACT, 1937 PA 94, MCL 205.91 TO 205.111,
12 BY THE OWNER OF RENTAL INVENTORY AND ANY AFFILIATED COMPANY OF
13 THE OWNER OF RENTAL INVENTORY IN THE TAX YEAR FOR WHICH THE
14 STATEMENT REQUIRED UNDER SECTION 18 IS FILED REPRESENTING ALL
15 TRANSACTIONS FROM THE IMMEDIATELY PRECEDING CALENDAR YEAR.

16 (ii) ANY OTHER INFORMATION OR DOCUMENTATION THAT WOULD
17 ESTABLISH THAT 50% OR MORE OF THE OWNER'S AND ANY AFFILIATED
18 COMPANY'S GROSS PROCEEDS IN THE TAX YEAR FOR WHICH THE STATEMENT
19 REQUIRED UNDER SECTION 18 IS FILED WAS DERIVED FROM THE RENTAL OF
20 THE RENTAL INVENTORY.

21 (B) INFORMATION OR DOCUMENTATION OR AN AFFIDAVIT THAT WOULD
22 ESTABLISH THAT POSSESSION OF THE RENTAL INVENTORY WAS NOT TRANS-
23 FERRED TO THE SAME PERSON FOR MORE THAN 6 MONTHS IN ANY 12-MONTH
24 PERIOD AND WAS TRANSFERRED FOR HOUSEHOLD USE 50% OR MORE OF THE
25 TIME.

26 (3) AS USED IN THIS SECTION:

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1 (A) "AFFILIATED COMPANY" MEANS AN AFFILIATED GROUP AS
2 DEFINED IN THE SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL 208.1 TO
3 208.145, A CONTROLLED GROUP OF CORPORATIONS AS DEFINED IN SECTION
4 1563 OF THE INTERNAL REVENUE CODE OF 1986 AND FURTHER DESCRIBED
5 IN 26 C.F.R. 1.414(b)-1 AND 1.414(c)-1 TO 1.414(c)-5, OR AN
6 ENTITY UNDER COMMON CONTROL AS DEFINED IN THE INTERNAL REVENUE
7 CODE OF 1986.

8 (B) "GROSS PROCEEDS" MEANS THAT TERM AS DEFINED IN SECTION
9 1(1)(I) OF THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.51.

10 (C) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
11 ASSOCIATION, OR OTHER LEGAL ENTITY.

12 (D) "RENTAL INVENTORY" MEANS TANGIBLE PERSONAL PROPERTY THAT
13 IS SUBJECT TO A RENTAL AGREEMENT AND THAT IS PRINCIPALLY RENTED
14 FOR HOUSEHOLD USE 50% OR MORE OF THE TIME, THE POSSESSION OF
15 WHICH IS TRANSFERRED FOR CONSIDERATION FOR AN HOURLY, DAILY,
16 WEEKLY, OR MONTHLY PERIOD. RENTAL INVENTORY DOES NOT INCLUDE THE
17 FOLLOWING:

18 (i) A VIDEOTAPE.

19 (ii) MEDICAL SUPPLIES OR EQUIPMENT.

20 (iii) RECREATIONAL EQUIPMENT.

21 (iv) LINENS.

22 Sec. 13. (1) All tangible personal property, except as pro-
23 vided in ~~section~~ SECTIONS 8C AND 14, shall be assessed to the
24 owner ~~thereof~~ OF THAT TANGIBLE PERSONAL PROPERTY, if known, in
25 the ~~township~~ LOCAL TAX COLLECTING UNIT in which ~~it~~ THE TANGI-
26 BLE PERSONAL PROPERTY is located on ~~the~~ tax day AS PROVIDED IN
27 SECTION 2. If the owner is not known and ~~there is~~ a person —

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1 ~~firm or corporation~~ IS beneficially entitled to ~~any~~ tangible
2 personal property or ~~having charge or~~ HAS possession ~~thereof,~~
3 ~~then to such~~ OF TANGIBLE PERSONAL PROPERTY, THE TANGIBLE PER-
4 SONAL PROPERTY SHALL BE ASSESSED TO THAT person. ~~, firm or~~
5 ~~corporation: Provided, That one having~~

6 (2) A PERSON WITH a security interest IN TANGIBLE PERSONAL
7 PROPERTY without possession ~~may~~ SHALL not be assessed as an
8 owner of THAT tangible personal property. ~~:- Provided, That~~
9 ~~when~~

10 (3) IF tangible personal property is assessed to a person ~~,~~
11 ~~firm or corporation~~ in ~~charge or~~ possession of ~~such~~ THAT
12 TANGIBLE PERSONAL property, ~~such~~ THAT person, ~~firm or corpora-~~
13 ~~tion shall,~~ unless contrary to a contractual provision, ~~have~~
14 HAS a right of action for the amount of ~~such~~ THE taxes ASSESSED
15 against the owner or person beneficially entitled to ~~such~~ THAT
16 TANGIBLE PERSONAL property.

17 ~~Inventories of goods, wares, materials, merchandise and~~
18 ~~supplies such as are commonly used in trade or commerce or manu-~~
19 ~~facture shall, upon the filing by the owner thereof of a sworn~~
20 ~~statement with the assessing officer showing the total of such~~
21 ~~inventories for each of the preceding 12 months ending December~~
22 ~~31, be assessed on the basis of the average monthly inventory for~~
23 ~~such 12-month period. The average monthly inventory shall be~~
24 ~~computed on the basis of the number of months during which said~~
25 ~~inventories of goods, wares, merchandise and supplies had a tax-~~
26 ~~able situs in the assessing district. No~~

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1 (4) AN assessing officer ~~shall be~~ IS NOT restricted to any
2 particular period in ~~the preparation of~~ PREPARING the
3 assessment roll ~~but~~ AND may survey, examine, or review
4 ~~properties~~ PROPERTY at any time prior to or after ~~said~~ THE
5 tax day AS PROVIDED IN SECTION 2.