

**SUBSTITUTE FOR
HOUSE BILL NO. 4586**

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4k (MCL 205.94k), as amended by 1996 PA 477.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4k. (1) The tax levied under this act does not apply
2 to parts and materials, excluding shop equipment or fuel, affixed
3 to or to be affixed in this state to an aircraft owned or used by
4 a domestic air carrier that is any of the following:
- 5 (a) An aircraft for use solely in the transport of air cargo
6 that has a maximum certificated takeoff weight of at least 12,500
7 pounds for taxes levied before January 1, 1997 and at least 6,000
8 pounds for taxes levied after December 31, 1996.
- 9 (b) An aircraft that is used solely in the regularly
10 scheduled transport of passengers.

1 (c) An aircraft other than an aircraft described in
2 subdivision (b), that has a maximum certificated takeoff weight
3 of at least 12,500 pounds for taxes levied before January 1, 1997
4 and at least 6,000 pounds for taxes levied after December 31,
5 1996, and that is designed to have a maximum passenger seating
6 configuration of more than 30 seats and IS used solely in the
7 transport of passengers.

8 (2) For taxes levied after December 31, 1992, ~~and before~~
9 ~~May 1, 1999,~~ the tax levied under this act does not apply to the
10 storage, use, or consumption of rolling stock used in interstate
11 commerce and purchased, rented, or leased ~~outside of this state~~
12 by an interstate motor carrier. A refund for taxes paid before
13 January 1, 1997 shall not be paid under this subsection if the
14 refund claim is made after June 30, 1997.

15 (3) For taxes levied after December 31, 1996 and before
16 May 1, 1999, the tax levied under this act does not apply to the
17 product of the out-of-state usage percentage and the price other-
18 wise taxable under this act of a qualified truck or a trailer
19 designed to be drawn behind a qualified truck, purchased, rented,
20 or leased in this state by an interstate motor carrier and used
21 in interstate commerce.

22 (4) As used in this section:

23 (a) "Domestic air carrier" ~~is limited to entities~~ MEANS A
24 PERSON engaged in the commercial transport for hire of cargo or
25 ~~entities~~ engaged in the commercial transport of passengers as a
26 business activity.

1 (b) "Interstate motor carrier" means a person engaged in the
2 business of carrying persons or property, other than themselves,
3 their employees, or their own property, for hire across state
4 lines, whose fleet mileage was driven at least 10% outside of
5 this state in the immediately preceding tax year.

6 (c) "Out-of-state usage percentage" is a fraction, the
7 numerator of which is the number of miles driven outside of this
8 state in the immediately preceding tax year by qualified trucks
9 used by the taxpayer and the denominator of which is the total
10 miles driven in the immediately preceding tax year by qualified
11 trucks used by the taxpayer. Miles driven by qualified trucks
12 used solely in intrastate commerce shall not be included in cal-
13 culating the out-of-state usage percentage.

14 (d) "Qualified truck" means a commercial motor vehicle power
15 unit that has 2 axles and a gross vehicle weight rating in excess
16 of 10,000 pounds or a commercial motor vehicle power unit that
17 has 3 or more axles.

18 (e) "Rolling stock" means a qualified truck, a trailer
19 designed to be drawn behind a qualified truck, and parts affixed
20 to either a qualified truck or a trailer designed to be drawn
21 behind a qualified truck.

22 Enacting section 1. This amendatory act is effective for
23 taxes levied after April 30, 1999.