

SUBSTITUTE FOR
HOUSE BILL NO. 5153

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9c (MCL 211.9c).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9c. (1) ~~Inventory~~ PERSONAL property ~~shall be~~ THAT
2 IS INVENTORY IS exempt from ~~taxation~~ THE COLLECTION OF TAXES
3 under this act. ~~effective with the 1976 tax year.~~
4 (2) As used in this section: ~~,"inventory"~~
5 (A) "HEAVY EARTH MOVING EQUIPMENT" MEANS INDUSTRIAL CON-
6 STRUCTION EQUIPMENT THAT MEETS ALL OF THE FOLLOWING CRITERIA:
7 (i) IS SELF-PROPELLED.
8 (ii) WEIGHS 10,000 POUNDS OR MORE.
9 (iii) IS DESIGNED AND PRINCIPALLY INTENDED TO MOVE,
10 TRANSPORT, OR RECONFIGURE DIRT, EARTH, SOIL, OR OTHER
11 CONSTRUCTION MATERIAL AT A CONSTRUCTION SITE.

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1 (B) "INVENTORY" means 1 OF THE FOLLOWING:

2 (i) ~~-(a)-~~ The stock of goods held for resale in the regular
3 course of trade of a retail or wholesale business.

4 (ii) ~~-(b)-~~ Finished goods, goods in process, and raw materi-
5 als of a manufacturing business.

6 (iii) ~~-(c)-~~ Materials and supplies, including repair parts
7 and fuel.

8 (iv) ON AND AFTER DECEMBER 31, 2000, HEAVY EARTH MOVING
9 EQUIPMENT SUBJECT TO 1 OR MORE LEASE AGREEMENTS WITH THE SAME
10 PERSON TOTALING NOT MORE THAN 1 YEAR AND PRINCIPALLY INTENDED FOR
11 SALE RATHER THAN LEASE. A LEASE AGREEMENT USED TO SUPPORT THIS
12 EXEMPTION SHALL BE MADE AVAILABLE TO THE ASSESSOR ON REQUEST AND
13 SHALL BE CONSIDERED CONFIDENTIAL INFORMATION TO BE USED FOR
14 ASSESSMENT PURPOSES ONLY.

15 (3) Inventory does not include ~~personal~~ THE FOLLOWING:

16 (A) BEFORE DECEMBER 31, 2000, ANY OF THE FOLLOWING:

17 (i) PERSONAL property under lease or principally intended
18 for lease rather than sale. ~~Inventory does not include~~

19 (ii) PERSONAL property allowed a deduction or allowance for
20 depreciation or depletion under the ~~federal~~ internal revenue
21 code OF 1986.

22 (B) ON AND AFTER DECEMBER 31, 2000, ANY OF THE FOLLOWING:

23 (i) PERSONAL PROPERTY, OTHER THAN HEAVY EARTH MOVING EQUIP-
24 MENT, UNDER LEASE OR PRINCIPALLY INTENDED FOR LEASE RATHER THAN
25 SALE.

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1 (ii) HEAVY EARTH MOVING EQUIPMENT SUBJECT TO 1 OR MORE LEASE
2 AGREEMENTS WITH THE SAME PERSON TOTALING MORE THAN 1 YEAR OR
3 PRINCIPALLY INTENDED FOR LEASE RATHER THAN SALE.

4 (iii) PERSONAL PROPERTY FOR WHICH A DEDUCTION OR ALLOWANCE
5 FOR DEPRECIATION, DEPLETION, OR AMORTIZATION IS ALLOWED OR HAS
6 BEEN TAKEN UNDER THE INTERNAL REVENUE CODE OF 1986.