

REPRINT

**SUBSTITUTE FOR  
SENATE BILL NO. 734**

(As Passed the Senate November 9, 1999)  
(As amended by the House September 27, 2000)

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending section 4d (MCL 205.94d), as amended by 1992 PA 267.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4d. (1) The tax levied under this act does not apply  
2 to a purchase of a prescription drug for human use or food for  
3 human consumption; to the deposit on a returnable container for a  
4 beverage or the deposit on a carton or case that is used for  
5 returnable containers; [TO NONALCOHOLIC BEVERAGES AND PREPARED FOOD  
6 INTENDED FOR IMMEDIATE CONSUMPTION PROVIDED DURING WORK HOURS FOR  
7 FREE OR AT A REDUCED RATE TO EMPLOYEES OF FOOD SERVICE  
8 ESTABLISHMENTS LICENSED BY THE MICHIGAN DEPARTMENT OF AGRICULTURE;]  
to food or tangi-  
9 ble personal property purchased with federal food stamps; or to  
10 fruit or vegetable seeds and fruit or vegetable plants if  
11 purchased at a place of business authorized to accept food stamps

**SB734, As Passed House, September 27, 2000**

Sub. S.B. 734 (S-2) as amended September 27, 2000 2

1 by the food and nutrition service of the United States department  
2 of agriculture or a place of business that has made a complete  
3 and proper application for authorization to accept food stamps  
4 but has been denied authorization and provides proof of denial to  
5 the department of treasury.

6 (2) "Prescription drug for human use" means insulin or a  
7 drug dispensed by a licensed pharmacist pursuant to a written  
8 prescription prescribed by a licensed physician or other health  
9 professional as defined in section 21005 of the public health  
10 code, ~~Act No. 368 of the Public Acts of 1978, being section~~  
11 ~~333.21005 of the Michigan Compiled Laws~~ 1978 PA 368, MCL  
12 333.21005, for the use of a designated person, or oxygen dis-  
13 pensed pursuant to a written prescription or order issued by a  
14 licensed physician or other health professional as defined in  
15 section 21005 of ~~Act No. 368 of the Public Acts of 1978~~ THE  
16 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21005.

17 (3) "Food for human consumption" means all food or drink  
18 items, including bottled water, primarily intended for human con-  
19 sumption except a beverage with an alcoholic content of 1/2 of 1%  
20 or more by volume, tobacco, or tobacco products.

[(4) "FOOD SERVICE ESTABLISHMENT" MEANS THAT TERM AS DEFINED IN  
SECTION 1107 OF THE FOOD LAW OF 2000, 2000 PA 92, MCL 289.1107.  
Enacting section 1. This amendatory act takes effect October  
1, 2001.]