

**SUBSTITUTE FOR  
SENATE BILL NO. 545**

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.

**SB 545, As Passed Senate, May 12, 1999**

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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) FOR TAXES LEVIED AFTER APRIL 30, 1999, THE TAX LEVIED  
23 UNDER THIS ACT DOES NOT APPLY TO THE STORAGE, USE, OR CONSUMPTION  
24 OF ROLLING STOCK USED IN INTERSTATE COMMERCE AND PURCHASED,  
25 RENTED, OR LEASED BY AN INTERSTATE MOTOR CARRIER.

26       (5) ~~—(4)—~~ As used in this section:

1       (a) "Domestic air carrier" ~~is limited to entities~~ MEANS A  
2 PERSON engaged in the commercial transport for hire of cargo or  
3 ~~entities~~ engaged in the commercial transport of passengers as a  
4 business activity.

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

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

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

22       (e) "Rolling stock" means a qualified truck, a trailer  
23 designed to be drawn behind a qualified truck, and parts affixed  
24 to either a qualified truck or a trailer designed to be drawn  
25 behind a qualified truck.

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