

# SENATE BILL No. 1049

March 1, 2000, Introduced by Senators JOHNSON, STILLE, BULLARD and SIKKEMA and referred to the Committee on Finance.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4w (MCL 205.54w), as added by 1999 PA 116.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4w. (1) For taxes levied after June 30, 1999, a person  
2 subject to the tax under this act may exclude from the gross pro-  
3 ceeds used for the computation of the tax the sale of tangible  
4 personal property to a person directly engaged in the business of  
5 constructing, altering, repairing, or improving real estate for  
6 others to the extent that the property is affixed to and made a  
7 structural part of a nonprofit hospital or a nonprofit housing  
8 entity qualified as exempt under section 15a of the state housing  
9 development authority act of 1966, 1966 PA 346, MCL 125.1415a, OR  
10 THE REAL ESTATE OF A SCHOOL DISTRICT, LOCAL ACT SCHOOL DISTRICT,  
11 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY AS THOSE

1 TERMS ARE DEFINED IN THE REVISED SCHOOL CODE, 1976 PA 451,  
2 MCL 380.1 TO 380.1852.

3 (2) An exemption shall not be granted under this section for  
4 any portion of property otherwise qualifying for exemption under  
5 this section if income or a benefit inures directly or indirectly  
6 to an individual, private stockholder, or other private person  
7 from the independent or nonessential operation of that portion of  
8 property.

9 (3) As used in this section:

10 (a) "Nonprofit hospital" means 1 of the following:

11 (i) That portion of a building to which 1 of the following  
12 applies:

13 (A) Is owned or operated by an entity exempt under section  
14 501(c)(3) of the internal revenue code of 1986 that is licensed  
15 as a hospital under part 215 of the public health code, 1978  
16 PA 368, MCL 333.21501 to 333.21568.

17 (B) Is owned or operated by a governmental unit in which  
18 medical attention is provided.

19 (C) Is owned or operated by an entity or entities exempt  
20 under section 501(c)(2) or (3) of the internal revenue code of  
21 1986 in which medical attention is provided.

22 (ii) That portion of real property necessary and related to  
23 a building described in subparagraph (i) in which medical atten-  
24 tion is provided.

25 (iii) A county long-term medical care facility built after  
26 December 31, 1995.

1 (b) "Nonprofit hospital" does not include the following:

2 (i) A freestanding building or other real property of a  
3 nursing home or skilled nursing facility licensed under part 217  
4 of the public health code, 1978 PA 368, MCL 333.21701 to  
5 333.21799e.

6 (ii) A hospice licensed under part 214 of the public health  
7 code, 1978 PA 368, MCL 333.21401 to ~~333.21421~~ 333.21420.

8 (iii) A home for the aged licensed under part 213 of the  
9 public health code, 1978 PA 368, MCL 333.21301 to 333.21333.

10 (c) "Medical attention" means that level of medical care in  
11 which a physician provides acute care or active treatment of med-  
12 ical, surgical, obstetrical, psychiatric, chronic, or rehabilita-  
13 tive conditions, that require the observation, diagnosis, and  
14 daily treatment by a physician.