

HOUSE BILL No. 4211

February 13, 2001, Introduced by Rep. Vear and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
(MCL 205.51 to 205.78) by adding section 4d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4D. (1) A PERSON SUBJECT TO THE TAX UNDER THIS ACT MAY
2 EXCLUDE FROM THE GROSS PROCEEDS USED FOR THE COMPUTATION OF THE
3 TAX THE COST OF THE LABOR REQUIRED TO MANUFACTURE A MODULAR
4 BUILDING THAT WHEN SITUATED ON REAL PROPERTY WILL BECOME SUBJECT
5 TO PROPERTY TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA
6 206, MCL 211.1 TO 211.157. IF THE ACTUAL COST OF MATERIALS IS
7 NOT AVAILABLE, THERE IS A PRESUMPTION THAT THE COST OF MATERIALS
8 IS EQUAL TO 60% OF THE MODULAR BUILDING MANUFACTURER'S INVOICE
9 PRICE TO THE MODULAR BUILDER.
10 (2) AS USED IN THIS SECTION:

1 (A) "MODULAR BUILDING" INCLUDES, BUT IS NOT LIMITED TO,
2 SINGLE AND MULTIFAMILY HOUSES, APARTMENT UNITS, COMMERCIAL
3 BUILDINGS, AND ADDITIONS, COMPRISED OF 1 OR MORE SECTIONS
4 INTENDED TO BECOME REAL PROPERTY AND WHICH ARE PRIMARILY CON-
5 STRUCTED AT A LOCATION OTHER THAN THE PERMANENT SITE AT WHICH
6 THEY ARE TO BE FINALLY ASSEMBLED AND WHICH ARE SHIPPED TO THE
7 SITE WITH MOST PERMANENT COMPONENTS IN PLACE.

8 (B) "MODULAR BUILDING MANUFACTURER" MEANS A PERSON OR CORPO-
9 RATION WHO OWNS OR OPERATES A MANUFACTURING FACILITY AND IS
10 ENGAGED IN THE FABRICATION, CONSTRUCTION, AND ASSEMBLING OF
11 BUILDING SUPPLIES AND MATERIALS INTO MODULAR BUILDINGS AT A LOCA-
12 TION OTHER THAN AT THE SITE WHERE THE MODULAR BUILDING WILL BE
13 ASSEMBLED ON THE PERMANENT FOUNDATION AND MAY OR MAY NOT BE
14 ENGAGED IN THE PROCESS OF AFFIXING THE MODULAR BUILDING TO THE
15 FOUNDATION AT THE PERMANENT SITE.