

# HOUSE BILL No. 4339

February 22, 2001, Introduced by Rep. Allen and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4o (MCL 205.54o), as added by 1994 PA 156.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4o. (1) A person subject to tax under this act with  
2 aggregate sales at retail in the calendar year of less than  
3 ~~-\$5,000.00-~~ \$25,000.00, SUBJECT TO SUBSECTION (3), and not oper-  
4 ating for profit who is a school, church, hospital, parent coop-  
5 erative preschool, or nonprofit organization with a tax exempt  
6 status DESCRIBED under section ~~4n(1)(a) or (b)~~ 4Q(1) may  
7 exclude from the proceeds used for the computation of the tax the  
8 sales of tangible personal property for fund-raising purposes.

9       (2) A club, association, auxiliary, or other organization  
10 affiliated with a school, church, hospital, parent cooperative  
11 preschool, or nonprofit organization with a tax exempt status

1 DESCRIBED under section ~~4n(1)(a) or (b)~~ 4Q(1) is not considered  
2 a separate person for purposes of this exemption. As used in  
3 this section, "school" means each elementary, middle, junior, or  
4 high school site within a local school district that represents a  
5 district attendance area as established by the board of the local  
6 school district.

7 (3) BEGINNING ON JANUARY 1, 2001 AND EACH YEAR AFTER 2001,  
8 THE MAXIMUM ALLOWABLE AGGREGATE SALES UNDER SUBSECTION (1) SHALL  
9 BE INCREASED TO THE AMOUNT OF GROSS RECEIPTS OF AN ORGANIZATION  
10 ALLOWABLE UNDER SECTION 508(c)(1)(B) OF THE INTERNAL REVENUE CODE  
11 IF THAT ALLOWABLE AMOUNT IS GREATER.

12 Enacting section 1. This amendatory act takes effect  
13 January 1, 2002.