

HOUSE BILL No. 6002

May 7, 2002, Introduced by Reps. Bisbee and 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 5b; and to repeal acts
and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 5B. (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 2,
2 THE ORGANIZING ENTITY OF AN INTERNATIONAL ATHLETIC EVENT THAT
3 SELLS CORPORATE SPONSOR CONTRACTS FOR THE EVENT THAT INCLUDE BOTH
4 TAXABLE TANGIBLE PERSONAL PROPERTY AND NONTAXABLE SERVICES MAY
5 APPLY THE TAX ONLY TO THE AMOUNT CHARGED FOR THE TAXABLE TANGIBLE
6 PERSONAL PROPERTY IF ALL OF THE FOLLOWING CRITERIA HAVE BEEN
7 MET:

8 (A) THE ORGANIZING ENTITY IS EXEMPT OR IS WHOLLY OWNED BY AN
9 ENTITY EXEMPT UNDER SECTION 501(c)(6) OF THE INTERNAL REVENUE
10 CODE OF 1986.

1 (B) THE ORGANIZING ENTITY PROVIDED BOTH OF THE FOLLOWING TO
2 THE DEPARTMENT AT LEAST 180 DAYS IN ADVANCE OF ENTERING INTO THE
3 FIRST CORPORATE SPONSOR CONTRACT:

4 (i) WRITTEN NOTICE OF ITS INTENT TO ENTER INTO CORPORATE
5 SPONSOR CONTRACTS.

6 (ii) AN ITEMIZED SCHEDULE OF THE TAXABLE TANGIBLE PERSONAL
7 PROPERTY AND NONTAXABLE SERVICES THAT WILL BE PROVIDED UNDER EACH
8 CORPORATE SPONSOR CONTRACT.

9 (C) THE DEPARTMENT HAS GIVEN WRITTEN APPROVAL TO THE ORGA-
10 NIZING ENTITY'S ALLOCATION OF THE TAX AMONG TAXABLE TANGIBLE PER-
11 SONAL PROPERTY AND NONTAXABLE SERVICES.

12 (2) AS USED IN THIS SECTION, "INTERNATIONAL ATHLETIC EVENT"
13 MEANS A SPORTING COMPETITION IN WHICH INDIVIDUALS OFFICIALLY REP-
14 RESENTING AT LEAST 2 COUNTRIES OR NATIONS COMPETE.

15 (3) THIS SECTION IS REPEALED EFFECTIVE JANUARY 1, 2005.