

SENATE BILL No. 492

May 17, 2001, Introduced by Senator BULLARD and referred to the Committee on Finance.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4x (MCL 205.54x), as added by 2000 PA 204.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4x. (1) A person subject to THE tax under this act may
2 exclude from the gross proceeds used for the computation of this
3 tax sales to a domestic air carrier of 1 or more of the
4 following:

5 (a) An aircraft that has a maximum certificated takeoff
6 weight of at least 6,000 pounds for use solely in the transport
7 of air cargo, passengers, or a combination of air cargo and
8 passengers.

9 (b) Parts and materials, excluding shop equipment or fuel,
10 affixed or to be affixed to an aircraft that has a maximum
11 certificated takeoff weight of at least 6,000 pounds for use

1 solely in the transport of air cargo, passengers, or a
2 combination of air cargo and passengers.

3 (2) A PERSON SUBJECT TO THE TAX UNDER THIS ACT MAY EXCLUDE
4 FROM THE GROSS PROCEEDS USED FOR THE COMPUTATION OF THIS TAX
5 SALES OF AN AIRCRAFT TO A PERSON FOR SUBSEQUENT LEASE TO A DOMES-
6 TIC AIR CARRIER OPERATING UNDER A CERTIFICATE ISSUED BY THE FED-
7 ERAL AVIATION ADMINISTRATION UNDER 14 C.F.R. 121, FOR USE SOLELY
8 IN THE REGULARLY SCHEDULED TRANSPORT OF PASSENGERS.

9 (3) ~~—(2)—~~ As used in this section, "domestic air carrier" is
10 limited to entities engaged primarily in the commercial transport
11 for hire of air cargo, passengers, or a combination of air cargo
12 and passengers as a business activity.