

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5244

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9b (MCL 211.9b), as amended by 2003 PA 274.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9b. (1) A special tool is exempt from the collection
2 of taxes under this act.

3 (2) ~~A person claiming an exemption under this section shall~~
4 ~~include in the statement required under section 19 any special~~
5 ~~tool for which an exemption is claimed, indicating that the~~
6 ~~special tool is exempt under this section.~~ **The statement**
7 **required under section 19 may provide for a separate line for**
8 **providing the aggregate total original cost of excluded exempt**
9 **special tools.**

10 (3) As used in this section:

11 (a) "Product" means an item of tangible property that is

1 directly created or produced through the manufacturing process.

2 A product may be any of the following items:

3 (i) A part.

4 (ii) A special tool.

5 (iii) A component.

6 (iv) A sub-assembly.

7 (v) Completed goods that are available for sale or lease in
8 wholesale or retail trade.

9 (b) "Special tool" means a finished or unfinished device such
10 as a die, jig, fixture, mold, pattern, special gauge, or similar
11 device, that is used, or is being prepared for use, to
12 manufacture a product and that cannot be used to manufacture
13 another product without substantial modification of the device.

14 The length of the economic life of the product manufactured shall
15 not be considered in making a determination whether a device used
16 to manufacture that product is a special tool. Special tools do
17 not include the following:

18 (i) A device that differs in character from dies, jigs,
19 fixtures, molds, patterns, or special gauges.

20 (ii) Standard tools.

21 (iii) Machinery or equipment, even if customized, and even if
22 used in conjunction with special tools.

23 (c) "Standard tool" means a die, jig, fixture, mold, pattern,
24 gauge, or other tool that is not a special tool. Standard tool
25 does not include machinery or equipment, even if customized, and
26 even if used in conjunction with special tools or standard
27 tools.

1 Enacting section 1. This amendatory act is retroactive and
2 is effective December 31, 2003.