

HOUSE BILL No. 5505

February 10, 2004, Introduced by Reps. Koetje, Byrum, Condino, Wenke, Tobocman, O'Neil, Farrah, Howell, Minore, Accavitti, Newell, Palsrok, Emmons, Meyer, Brown, Sak, Gleason, Zelenko, Bieda, Caul, Hager and Shulman and referred to the Committee on Tax Policy.

A bill to impose taxes and create credits and refundable credits to modify and equalize the impact of changes made to the general sales tax act and use tax act necessary to bring those taxes into compliance with the streamlined sales tax agreement so this state may participate in the streamlined sales tax system and governing board; to prescribe certain powers and duties of certain state departments; and to provide for the disbursement of certain proceeds.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "streamlined sales and use tax revenue equalization act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of treasury.

5 (b) "Diesel fuel" means that term as defined in section 2(p)
6 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

1 (c) "Interstate motor carrier" means a person who operates or
2 causes to be operated a qualified commercial motor vehicle on a
3 public road or highway in this state and at least 1 other state
4 or Canadian province.

5 (d) "Person" means an individual, firm, partnership, joint
6 venture, association, social club fraternal organization,
7 municipal or private corporation whether or not organized for
8 profit, company, limited liability company, estate, trust
9 receiver, trustee, syndicate, the United States, this state,
10 country, or any other group or combination acting as a unit, and
11 the plural as well as the singular number, unless the intention
12 to give a more limited meaning is disclosed by the context.

13 (e) "Qualified commercial motor vehicle" means that term as
14 defined in section 1 of the motor carrier fuel tax act, 1980 PA
15 119, MCL 207.211.

16 (f) "Sales tax" means the tax levied under the general sales
17 tax act, 1933 PA 167, MCL 205.51 to 205.78.

18 (g) "Tax" includes all taxes, interest, or penalties levied
19 under this act.

20 (h) "Taxpayer" means a person subject to tax under this act.

21 (i) "Use tax" means the tax levied under the use tax act,
22 1937 PA 94, MCL 205.91 to 205.111.

23 Sec. 5. (1) There is levied upon and there shall be
24 collected from every person in this state who is an interstate
25 motor carrier a specific tax for the privilege of using or
26 consuming diesel fuel in a qualified commercial motor vehicle in
27 this state at a cents-per-gallon rate equal to 6% of the

1 statewide average retail price of a gallon of self-serve diesel
2 fuel rounded down to the nearest 1/10 of a cent as determined and
3 certified quarterly by the department. This tax on diesel fuel
4 used by interstate motor carriers in a qualified commercial motor
5 vehicle shall be collected under the international fuel tax
6 agreement.

7 (2) An interstate motor carrier is entitled to a credit for
8 6% of the price of diesel fuel purchased in this state and used
9 in a qualified commercial motor vehicle. This credit shall be
10 claimed on the returns filed under the international fuel tax
11 agreement.

12 Sec. 9. (1) Except as provided in subsection (2), there is
13 levied upon and there shall be collected from every person in
14 this state a specific tax on the privilege of storing,
15 registering, or transferring ownership of any vehicle other than
16 a vehicle stored, registered, or transferred by a new or used
17 vehicle dealer licensed by the department of state, ORV,
18 manufactured housing, aircraft other than a qualified aircraft
19 under section 11, snowmobile, or watercraft in this state at a
20 rate of 6% of the retail dollar value at the time of acquisition
21 as determined by the department of treasury. The tax shall be
22 paid by the transferee. The tax on a vehicle, ORV, snowmobile,
23 and watercraft shall be collected by the secretary of state
24 before the transfer of the vehicle, ORV, snowmobile, or
25 watercraft registration. The tax on an aircraft shall be paid to
26 the department. The tax on manufactured housing shall be
27 collected by the department of consumer and industry services,

1 mobile home commission, or its agent before the transfer of the
2 certificate of title.

3 (2) A transfer for purposes of resale or a transfer that is
4 exempt under any other exemption under the use tax act is exempt
5 from the tax levied under subsection (1). A transfer subject to
6 tax under the general sales tax act is exempt from the tax levied
7 under subsection (1).

8 (3) A credit against the tax levied under subsection (1) is
9 allowed for an amount equal to any use tax paid by the taxpayer
10 on the same property. The credit under this section shall not
11 exceed the tax imposed by this act.

12 Sec. 11. (1) Except as provided in subsection (2), there is
13 levied upon and there shall be collected from every person in
14 this state a specific tax for the privilege of storing,
15 registering, or transferring ownership in this state of a
16 qualified aircraft at a rate of 6% of the retail value of the
17 aircraft at the time it first enters this state. The transferee
18 shall pay the tax to the department. An aircraft is qualified if
19 it was purchased outside of this state and is used solely for
20 personal, nonbusiness purposes and if 1 of the following
21 applies:

22 (a) The aircraft is purchased by a person who is not a
23 resident of this state at the time of purchase and is brought
24 into this state more than 90 days after the date of purchase.

25 (b) The aircraft is purchased by a person who is a resident
26 of this state at the time of purchase and is brought into this
27 state more than 360 days after the date of purchase.

1 (2) The storage, registration, or transfer of an aircraft for
2 purposes of resale or of an aircraft that is exempt under any
3 other exemption under the use tax act is exempt from the tax
4 levied under subsection (1).

5 (3) A credit against the tax levied under subsection (1) is
6 allowed in an amount equal to the amount by which any use tax on
7 the aircraft if paid exceeds the amount of the tax under this
8 act, which shall be refunded by the department.

9 Sec. 13. A person who paid a tax under the use tax act may
10 calculate a credit and seek a refund from the department under
11 this act in an amount equal to 6% of an assessment imposed under
12 the convention and tourism marketing act, 1980 PA 383, MCL
13 141.881 to 141.889, 1974 PA 263, MCL 141.861 to 141.867, the
14 state convention facility development act, 1985 PA 106, MCL
15 207.621 to 207.640, the regional tourism marketing act, 1989 PA
16 244, MCL 141.891 to 141.900, 1991 PA 180, MCL 207.751 to 207.759,
17 or the community convention or tourism marketing act, 1980 PA
18 395, MCL 141.871 to 141.880, that was added to charges for rooms
19 or lodgings subject to tax under section 3a of the use tax act,
20 1937 PA 94, MCL 205.93a, but not to exceed the actual amount of
21 use tax paid on those assessments.

22 Sec. 15. All money received and refunds paid under the
23 provisions of this act shall be deposited or disbursed in the
24 following manner:

25 (a) Money received and refunds paid under section 5 of this
26 act shall be deposited or disbursed in accordance with the
27 provisions of section 8 of article IX of the state constitution

1 of 1963.

2 (b) Money received and refunds paid pursuant to all other
3 sections of this act shall be deposited or disbursed in the same
4 manner as funds are received or paid pursuant to the use tax
5 act.

6 Sec. 17. The taxes imposed by this act shall be
7 administered by the department under 1941 PA 122, MCL 205.1 to
8 205.31, and this act. If 1941 PA 122, MCL 205.1 to 205.31, and
9 this act conflict, the provisions of this act apply.

10 Sec. 19. Every person required to pay a tax to the
11 department under this act shall file a return in a form
12 prescribed by the department on or before the twentieth day of
13 each month, except as otherwise provided by section 5 of this
14 act. Taxes imposed under this act shall accrue to this state on
15 the last day of each calendar month. To ensure payment or
16 provide a more efficient administration, the department may
17 require and prescribe the filing of returns and payment of the
18 tax for other than monthly periods.

19 Sec. 21. At the option of the taxpayer, the credits and
20 refunds provided in this act may be applied to reduce the use tax
21 due under the use tax act and the procedures implementing those
22 use tax payment obligations.

23 Enacting section 1. This act takes effect _____.

24 Enacting section 2. This act does not take effect unless
25 all of the following bills of the 92nd Legislature are enacted
26 into law:

27 (a) Senate Bill No. _____ or House Bill No. 5504 (request

1 no. 03468'03).

2 (b) Senate Bill No. _____ or House Bill No. 5503 (request
3 no. 03959'03).

4 (c) Senate Bill No. _____ or House Bill No. 5502 (request
5 no. 03960'03).