

SENATE BILL No. 417

April 29, 2003, Introduced by Senator EMERSON and referred to the Committee on Finance.

A bill to amend 1929 PA 48, entitled

"An act levying a specific tax to be known as the severance tax upon all producers engaged in the business of severing oil and gas from the soil; prescribing the method of collecting the tax; requiring all producers of such products or purchasers thereof to make reports; to provide penalties; to provide exemptions and refunds; to prescribe the disposition of the funds so collected; and to exempt those paying such specific tax from certain other taxes,"

by amending section 15 (MCL 205.315).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15. (1) ~~The~~ Except as otherwise provided in this
2 section, the severance tax ~~herein~~ provided for ~~shall be~~ in
3 this act is in lieu of ~~all other taxes, state or local, ad~~
4 valorem property taxes or specific taxes levied in lieu of ad
5 valorem property taxes levied upon the oil or gas, the property
6 rights attached ~~thereto~~ or inherent ~~therein~~ in the oil or
7 gas, or the values created ~~thereby~~ by the oil or gas; upon all
8 leases or the rights to develop and operate any lands of this

1 state for oil or gas ~~—~~ **and** the values created ~~thereby~~ **by**
 2 **those leases or rights;** and **upon** the property rights attached to
 3 or inherent ~~therein: Provided, however, Nothing herein~~
 4 ~~contained shall in anywise:~~ **in the oil or gas.**

5 **(2) This section does not** exempt the machinery, appliances,
 6 pipe lines, tanks, and other equipment used in the development or
 7 operation of ~~said oil or gas~~ leases ~~—~~ or used to transmit or
 8 transport the ~~said oil or gas~~ ~~—~~ ~~And provided further, That~~
 9 ~~nothing herein contained shall in anywise~~ or relieve any
 10 ~~corporation or association~~ **person** from the payment of any
 11 franchise or privilege taxes required by ~~the provisions of the~~
 12 **this** state. ~~corporation laws.~~

13 Enacting section 1. This amendatory act takes effect for
 14 tax years beginning on or after January 1, 2004.