

Act No. 175
Public Acts of 2004
Approved by the Governor
June 28, 2004
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June 28, 2004
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STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 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

ENROLLED HOUSE BILL No. 5505

AN ACT 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:

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

Sec. 3. As used in this act:

- (a) “Department” means the department of treasury.
- (b) “Diesel fuel” means that term as defined in section 2(p) of the motor fuel tax act, 2000 PA 403, MCL 207.1002.
- (c) “Interstate motor carrier” means a person who operates or causes to be operated a qualified commercial motor vehicle on a public road or highway in this state and at least 1 other state or Canadian province.
- (d) “Person” means an individual, firm, partnership, joint venture, association, social club fraternal organization, municipal or private corporation whether or not organized for profit, company, limited liability company, estate, trust receiver, trustee, syndicate, the United States, this state, country, or any other group or combination acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.
- (e) “Qualified commercial motor vehicle” means that term as defined in section 1 of the motor carrier fuel tax act, 1980 PA 119, MCL 207.211.
- (f) “Sales tax” means the tax levied under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.
- (g) “Tax” includes all taxes, interest, or penalties levied under this act.
- (h) “Taxpayer” means a person subject to tax under this act.
- (i) “Use tax” means the tax levied under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

Sec. 5. (1) There is levied upon and there shall be collected from every person in this state who is an interstate motor carrier a specific tax for the privilege of using or consuming diesel fuel in a qualified commercial motor vehicle in this state at a cents-per-gallon rate equal to 6% of the statewide average retail price of a gallon of self-serve diesel fuel rounded down to the nearest 1/10 of a cent as determined and certified quarterly by the department. This tax on diesel fuel used by interstate motor carriers in a qualified commercial motor vehicle shall be collected under the international fuel tax agreement.

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

Sec. 9. (1) Except as provided in subsection (2), there is levied upon and there shall be collected from every person in this state a specific tax on the privilege of storing, registering, or transferring ownership of any vehicle other than a vehicle stored, registered, or transferred by a new or used vehicle dealer licensed by the department of state, ORV, manufactured housing, aircraft other than a qualified aircraft under section 11, snowmobile, or watercraft in this state at a rate of 6% of the retail dollar value at the time of acquisition as determined by the department of treasury. The tax shall be paid by the transferee. The tax on a vehicle, ORV, snowmobile, and watercraft shall be collected by the secretary of state before the transfer of the vehicle, ORV, snowmobile, or watercraft registration. The tax on an aircraft shall be paid to the department. The tax on manufactured housing shall be collected by the department of consumer and industry services, mobile home commission, or its agent before the transfer of the certificate of title.

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

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

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

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

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

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

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

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

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

(a) Money received and refunds paid under section 5 of this act shall be deposited or disbursed in accordance with the provisions of section 9 of article IX of the state constitution of 1963.

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

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

Sec. 19. Every person required to pay a tax to the department under this act shall file a return in a form prescribed by the department on or before the twentieth day of each month, except as otherwise provided by section 5 of this act.

Taxes imposed under this act shall accrue to this state on the last day of each calendar month. To ensure payment or provide a more efficient administration, the department may require and prescribe the filing of returns and payment of the tax for other than monthly periods.

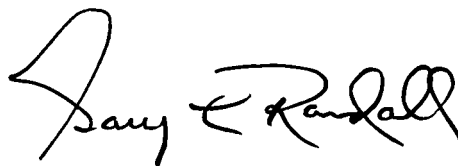
Sec. 21. At the option of the taxpayer, the credits and refunds provided in this act may be applied to reduce the use tax due under the use tax act and the procedures implementing those use tax payment obligations.

Enacting section 1. This act takes effect September 1, 2004.

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

- (a) House Bill No. 5502.
- (b) House Bill No. 5503.
- (c) House Bill No. 5504.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor