

SUBSTITUTE FOR
HOUSE BILL NO. 5204

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
(MCL 205.51 to 205.78) by adding section 4cc.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4CC. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),
2 A PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY MAY CLAIM A
3 CREDIT AS PROVIDED UNDER SECTION 35E OF THE SINGLE BUSINESS TAX
4 ACT, 1975 PA 228, MCL 208.35E, EQUAL TO THE AMOUNT OF TAX THAT THE
5 PERSON PAID TO REIMBURSE A TAXPAYER AS PROVIDED IN SECTION 23 FOR
6 SALES TAX PAID ON A SALE AT RETAIL TO THAT PERSON IF ALL OF THE
7 FOLLOWING APPLY:

8 (A) THE MOTION PICTURE PRODUCTION COMPANY HAS SPENT
9 \$250,000.00 OR MORE IN THIS STATE FOR PURPOSES RELATED TO THE

1 FILMING OR PRODUCTION OF A SINGLE MOTION PICTURE.

2 (B) THE TANGIBLE PERSONAL PROPERTY PURCHASED BY THE MOTION
3 PICTURE PRODUCTION COMPANY IS USED EXCLUSIVELY AS AN INTEGRAL PART
4 OF THE PRODUCTION ACTIVITIES IN THIS STATE.

5 (2) A PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY IS NOT
6 ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (1) IF THE MOTION PICTURE
7 OR PRODUCTION ACTIVITIES ON WHICH THE CREDIT IS BASED DEPICT
8 OBSCENE MATTER OR AN OBSCENE PERFORMANCE.

9 (3) AS USED IN THIS SECTION:

10 (A) "MOTION PICTURE" MEANS A FEATURE-LENGTH FILM DISTRIBUTED
11 IN 2 OR MORE STATES THAT IS A PRODUCTION FOR WHICH RECORDS ARE NOT
12 REQUIRED TO BE MAINTAINED WITH RESPECT TO ANY PERFORMER IN THE
13 PRODUCTION UNDER 18 USC 2257, OR TELEVISION SERIES OR COMMERCIAL
14 MADE IN THIS STATE, IN WHOLE OR IN PART, FOR THEATRICAL OR
15 TELEVISION VIEWING OR AS A TELEVISION PILOT. MOTION PICTURE DOES
16 NOT INCLUDE THE PRODUCTION OF TELEVISION COVERAGE OF NEWS OR
17 SPORTING EVENTS.

18 (B) "MOTION PICTURE PRODUCTION COMPANY" MEANS A COMPANY IN THE
19 BUSINESS OF PRODUCING MOTION PICTURES. HOWEVER, MOTION PICTURE
20 PRODUCTION COMPANY DOES NOT INCLUDE A COMPANY OWNED, AFFILIATED, OR
21 CONTROLLED, IN WHOLE OR IN PART, BY A COMPANY OR INDIVIDUAL THAT IS
22 IN DEFAULT ON A LOAN MADE BY THE STATE OR A LOAN GUARANTEED BY THE
23 STATE.

24 (C) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER
25 DESCRIBED IN 1984 PA 343, MCL 752.361 TO 752.374.

26 (4) THIS SECTION APPLIES ONLY TO A MOTION PICTURE PRODUCTION
27 COMPANY THAT BEGINS PRODUCTION OF A MOTION PICTURE AFTER JULY 1,

1 2005.

2 Enacting section 1. This amendatory act does not take effect
3 unless all of the following bills of the 93rd Legislature are
4 enacted into law:

5 (a) House Bill No. 5205.

6 (b) House Bill No. 5206.

7 (c) House Bill No. 5207.

8 (d) House Bill No. 5209.