

SUBSTITUTE FOR  
HOUSE BILL NO. 5205

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
(MCL 205.91 to 205.111) by adding section 4z.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 4Z. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), A  
2        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 THE TAX PAID  
5        UNDER THIS ACT ON THE PRIVILEGE OF USING, STORING, OR CONSUMING  
6        TANGIBLE PERSONAL PROPERTY IF ALL OF THE FOLLOWING APPLY:

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

10       (B) THE TANGIBLE PERSONAL PROPERTY PURCHASED BY THE MOTION

1 PICTURE PRODUCTION COMPANY IS USED, STORED, OR CONSUMED EXCLUSIVELY  
2 AS AN INTEGRAL PART OF THE PRODUCTION ACTIVITIES IN THIS STATE.

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

7 (3) AS USED IN THIS SECTION:

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

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

22 (C) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER  
23 DESCRIBED IN 1984 PA 343, MCL 752.311 TO 752.274.

24 (4) THIS SECTION APPLIES ONLY TO A MOTION PICTURE PRODUCTION  
25 COMPANY THAT BEGINS PRODUCTION OF A MOTION PICTURE AFTER JULY 1,  
26 2005.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 93rd Legislature are  
2 enacted into law:

3 (a) House Bill No. 5204.

4 (b) House Bill No. 5206.

5 (c) House Bill No. 5207.

6 (d) House Bill No. 5209.