

# HOUSE BILL No. 4927

June 14, 2005, Introduced by Rep. Sheen and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending sections 4g and 15 (MCL 205.94g and 205.105), section  
4g as added by 1985 PA 66.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4g. (1) ~~The~~ **EXCEPT AS PROVIDED UNDER SUBSECTION (2),**  
2       **THE** tax levied **UNDER THIS ACT** shall not apply to property purchased  
3       from a seller or transferor if the property is part of the purchase  
4       or transfer of a business.

5       (2) The exemption ~~provided by~~ **UNDER** this section shall not  
6       apply to all of the following:

7       (a) The purchase or transfer of tangible personal property  
8       that is stock-in-trade or other property of a kind ~~which~~ **THAT**

1 would properly be included in the inventory of the seller or  
 2 transferor if on hand at the close of the seller's or transferor's  
 3 tax period or property held by the seller or transferor for sale to  
 4 customers in the ordinary course of its trade or business.

5 (b) The purchase or transfer of a motor vehicle, ORV, mobile  
 6 home, aircraft, snowmobile, or watercraft.

7 (3) As used in this section, "purchase or transfer of a  
 8 business" means 1 or more of the following:

9 (a) The purchaser or transferee has acquired and intends to  
 10 use the seller's or transferor's trade name or good will.

11 (b) The purchaser or transferee intends to continue all or  
 12 part of the business of the seller or transferor at the same  
 13 location or at another location.

14 (c) The purchaser or transferee acquired at least 75% of the  
 15 seller's or transferor's tangible personal property at 1 or more of  
 16 the seller's or transferor's business locations **WITHIN THIS STATE.**

17 Sec. 15. ~~Any~~ **A** seller who fails to register with the  
 18 department as required under this act, ~~shall be deemed~~ **IS** guilty  
 19 of a misdemeanor and ~~upon conviction thereof shall be fined the~~  
 20 ~~sum of \$25.00~~ **IS LIABLE FOR A FINE OF \$30.00** for each day ~~such~~  
 21 **THE** failure, neglect, or refusal to ~~so~~ register continues after  
 22 notice to ~~such~~ **THE** seller from the department that ~~he~~ **THE**  
 23 **SELLER** is required to register under this act.